AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

FEDERAL REGISTER

Vol. 91 Thursday,
No. 53 March 19, 2026

Pages 13211–13490

OFFICE OF THE FEDERAL REGISTER

The **FEDERAL REGISTER** (ISSN 0097–6326) is published daily, Monday through Friday, except official holidays, by the Office of the Federal Register, National Archives and Records Administration, under the Federal Register Act (44 U.S.C. Ch. 15) and the regulations of the Administrative Committee of the Federal Register (1 CFR Ch. I). The Superintendent of Documents, U.S. Government Publishing Office, is the exclusive distributor of the official edition. Periodicals postage is paid at Washington, DC.

The **FEDERAL REGISTER** provides a uniform system for making available to the public regulations and legal notices issued by Federal agencies. These include Presidential proclamations and Executive Orders, Federal agency documents having general applicability and legal effect, documents required to be published by act of Congress, and other Federal agency documents of public interest.

Documents are on file for public inspection in the Office of the Federal Register the day before they are published, unless the issuing agency requests earlier filing. For a list of documents currently on file for public inspection, see *www.federalregister.gov.*

The seal of the National Archives and Records Administration authenticates the Federal Register as the official serial publication established under the Federal Register Act. Under 44 U.S.C. 1507, the contents of the **Federal Register** shall be judicially noticed.

The **Federal Register** is published in paper and on 24x microfiche. It is also available online at no charge at *www.govinfo.gov*, a service of the U.S. Government Publishing Office.

The online edition of the **Federal Register** is issued under the authority of the Administrative Committee of the Federal Register as the official legal equivalent of the paper and microfiche editions (44 U.S.C. 4101 and 1 CFR 5.10). It is updated by 6:00 a.m. each day the **Federal Register** is published and includes both text and graphics from Volume 1, 1 (March 14, 1936) forward. For more information, contact the GPO Customer Contact Center, U.S. Government Publishing Office. Phone 202-512-1800 or 866-512-1800 (toll free). E-mail, *gpocusthelp.com.*

The annual subscription price for the **Federal Register** paper edition is $860 plus postage, or $929, for a combined **Federal Register, Federal Register** Index and List of CFR Sections Affected (LSA) subscription; the microfiche edition of the **Federal Register** including the **Federal Register** Index and LSA is $330, plus postage. Six month subscriptions are available for one-half the annual rate. The prevailing postal rates will be applied to orders according to the delivery method requested. The price of a single copy of the daily **Federal Register,** including postage, is based on the number of pages: $11 for an issue containing less than 200 pages; $22 for an issue containing 200 to 400 pages; and $33 for an issue containing more than 400 pages. Single issues of the microfiche edition may be purchased for $3 per copy, including postage. Remit check or money order, made payable to the Superintendent of Documents, or charge to your GPO Deposit Account, VISA, MasterCard, American Express, or Discover. Mail to: U.S. Government Publishing Office—New Orders, P.O. Box 979050, St. Louis, MO 63197-9000; or call toll free 1-866-512-1800, DC area 202-512-1800; or go to the U.S. Government Online Bookstore site, see *bookstore.gpo.gov.*

There are no restrictions on the republication of material appearing in the **Federal Register.**

How To Cite This Publication: Use the volume number and the page number. Example: 91 FR 12345.

Postmaster: Send address changes to the Superintendent of Documents, Federal Register, U.S. Government Publishing Office, Washington, DC 20402, along with the entire mailing label from the last issue received.

SUBSCRIPTIONS AND COPIES

PUBLIC

Subscriptions:

Paper or fiche	**202–512–1800**
Assistance with public subscriptions	**202–512–1806**
General online information	**202–512–1530; 1–888–293–6498**

Single copies/back copies:

Paper or fiche	**202–512–1800**
Assistance with public single copies	**1–866–512–1800 (Toll-Free)**

FEDERAL AGENCIES

Subscriptions:

Assistance with Federal agency subscriptions:

Email	*FRSubscriptions@nara.gov*
Phone	**202–741–6000**

The Federal Register Printing Savings Act of 2017 (Pub. L. 115–120) placed restrictions on distribution of official printed copies of the daily **Federal Register** to members of Congress and Federal offices. Under this Act, the Director of the Government Publishing Office may not provide printed copies of the daily **Federal Register** unless a Member or other Federal office requests a specific issue or a subscription to the print edition. For more information on how to subscribe use the following website link: *https://www.gpo.gov/frsubs.*

Printed on recycled paper.

Contents

Federal Register

Vol. 91, No. 53

Thursday, March 19, 2026

Separate Parts In This Issue

Reader Aids

Consult the Reader Aids section at the end of this issue for phone numbers, online resources, finding aids, and notice of recently enacted public laws.

To subscribe to the Federal Register Table of Contents electronic mailing list, go to https://public.govdelivery.com/accounts/USGPOOFR/subscriber/new, enter your e-mail address, then follow the instructions to join, leave, or manage your subscription.

CFR PARTS AFFECTED IN THIS ISSUE

A cumulative list of the parts affected this month can be found in the Reader Aids section at the end of this issue.

Rules and Regulations

Federal Register
Vol. 91, No. 53
Thursday, March 19, 2026

This section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect, most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510.

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

DEPARTMENT OF AGRICULTURE

Rural Housing Service

7 CFR Part 3555

[Docket Number RHS–21–SFH–0017]

RIN 0575–AD08

Single Family Housing Guaranteed Loan Program

AGENCY: Rural Housing Service, USDA.

ACTION: Final rule.

SUMMARY: The Rural Housing Service (RHS or Agency), a Rural Development (RD) Agency within the United States Department of Agriculture (USDA), is amending its regulations to grant Delegated Lenders participating in the Single-Family Housing Guaranteed Loan Program (SFHGLP) the authority to make loans and obtain Loan Note Guarantees after closing using automated loan underwriting and closing systems.

DATES: *Effective date:* This Final rule is effective June 17, 2026. Implementation will occur on September 28, 2028. The Agency will publish a notice in the **Federal Register** prior to implementation.

FOR FURTHER INFORMATION CONTACT: Sara Thieleke, Deputy Director, Single Family Housing Guaranteed Loan Division, Rural Development, U.S. Department of Agriculture, STOP 0784, South Agriculture Building, 1400 Independence Avenue SW, Washington, DC 20250–0784. Telephone: (314) 457–5242; or email: *sara.thieleke@usda.gov.*

SUPPLEMENTARY INFORMATION:

Abbreviations

CFR Code of Federal Regulations
DA Delegated Authority
FHA Federal Housing Administration
FR Federal Register
OMB Office of Management and Budget
RHS Rural Housing Service
§ Section
SFHGLP Single Family Housing Guaranteed Loan Program
UMRA Unfunded Mandates Reform Act of 1995
U.S.C. United States Code
USDA U.S. Department of Agriculture
VA Department of Veterans Affairs

Background

The RHS administers the Single-Family Housing Guaranteed Loan Program (SFHGLP) that provides a 90 percent Loan Note Guarantee to approved lenders in order to reduce the lender's risk of extending loans to low- and moderate-income households in rural areas. The RHS is issuing a Final rule to amend the SFHGLP regulation, 7 CFR part 3555, by adding § 3555.55 which provides the requirements for delegated approval authority.

The changes being implemented through the Final rule will accelerate approval processing timeframes to the benefit of applicants, Delegated Lenders, and the Agency. Lenders meeting the defined criteria will be able to apply for delegated lender status that allows the Delegated Lender to approve SFHGLP loans and obtain Loan Note Guarantees with limited-to-no Agency involvement.

The updates align the SFHGLP with other Federal Agencies that have already moved to the delegated process to leverage the processing power and expertise of private-sector lenders.

Discussion of Public Comments

The Rural Housing Service (RHS) published a proposed rule on August 4, 2022, (87 FR 47646) to amend the current regulations for the Single-Family Housing Guaranteed Loan Program (SFHGLP) regulation found in 7 CFR part 3555. The Agency received comments from 41 respondents, of which one was not applicable to the contents of the rule. Of the comments received, 30 were from mortgage lenders, one was from a public assistance agency, and ten were from other members of the public.

The following is a summary of the relevant comments:

Public Comment: Twenty-seven respondents replied that they were in favor of the proposed rule, many indicating that the time savings and efficiencies that will be realized with delegated authority will result in faster and better service to customers, will even the playing field for homebuyers utilizing the SFHGLP, and will align the program with other Agencies, including FHA and VA.

Agency's Response: The Agency appreciates the support and has determined no action is required.

Public Comment: One respondent replied in favor of the proposed rule as long as it is exercised with due diligence with consequences in place for lenders violating program requirements.

Agency Response: The Agency appreciates the support of the proposed rule. As part of the rule, the Agency has incorporated a Lender Oversight process specifically for Delegated Lenders to monitor adherence to Agency loan program requirements found in 7 CFR part 3555. This includes reviews of multiple elements of the mortgage origination and servicing processes based on the review of a representative sample of loans, financial requirements, and portfolio performance, among other requirements. In addition to scheduled reviews, the Agency will conduct continuous monitoring of lender performance and adherence to the requirements for Delegated Authority outlined in 7 CFR part 3555.

Public Comment: Two respondents replied that it is important to maintain the ability to submit files to the Agency for review on a case-by-case basis, such as when there is a unique situation or circumstance.

Agency Response: The Agency appreciates the commenters' suggestion and anticipates allowing Delegated Lenders to submit files to the Agency for review and approval, in some circumstances.

Public Comment: Two respondents replied that in order to alleviate the responsibility of the Delegated Lender to ensure loans meet the guidelines of 7 CFR part 3555, the Agency should consider solely delegating the initial loan approval and issuance of the Conditional Commitment to Delegated Lenders and retain the responsibility for issuance of the Loan Note Guarantee.

Agency Response: The Agency appreciates the commenters' suggestion. Approved lenders and their agents are required by 7 CFR part 3555, Section 3555.51(b) to underwrite loans according to RD regulations, which includes reviewing loan applications for accuracy and completeness; ensuring the applicable income limits are not exceeded; ensuring adequate repayment ability and credit history; and ensuring the loan complies with limitations on

loan purposes, loan limitations, interest rates, and loan terms. Thus, the approved lender is responsible for ensuring compliance with 7 CFR part 3555 whether they utilize delegated authority or continue with the current process. Furthermore, delegated authority will not be mandated. Any lender who does not wish to participate in delegated authority may continue to operate as they do today.

Public Comment: One respondent replied they would not like Delegated Lenders to have the responsibility for issuing Loan Note Guarantees due to already excessive workload and the possibility of errors.

Agency Response: The Agency appreciates the commenter's concern. The Agency intends for the process of obtaining a Loan Note Guarantee to be entirely electronic, with minimal work required by the Delegated Lender. However, delegated authority will not be mandated. Any lender who does not wish to participate in delegated authority may continue to operate as they do today.

Public Comment: One respondent replied that due to the specific income calculations involved, delegated authority may be difficult without oversight to catch errors in a timely manner.

Agency Response: The Agency appreciates the commenter's response. Approved lenders and their agents are required by 7 CFR 3555.51(b) to underwrite loans according to RD regulations, which includes ensuring the applicable income limits are not exceeded and there is adequate repayment ability. The approved lender is responsible for ensuring compliance with 7 CFR part 3555 whether they utilize delegated authority or continue with the current process. To monitor compliance, the Agency has incorporated a Lender Oversight process specifically for Delegated Lenders to verify adherence to Agency loan program requirements found in 7 CFR part 3555.

Public Comment: One respondent replied that this lending should only be available for buying existing homes or homes damaged by fire or flood. No taxpayer money should be used to build new homes as rural areas do not want growth.

Agency Response: The Agency appreciates the commenter's response. This rule addresses the processing of loan applications and is not amending the current loan purposes that are eligible under the SFHGLP. The Agency has determined no action is required.

Public Comment: One respondent replied with concerns that the Agency would be unable to ensure Delegated Lenders are only assisting low- and moderate-income households in rural areas.

Agency Response: The Agency appreciates the commenter's response. Approved lenders and their agents are required by 7 CFR 3555.51(b) to underwrite loans according to RD regulations, which includes ensuring the applicable income limits are not exceeded, and the loan complies with all loan limitations, including being located in an eligible rural area. Delegated Lenders will be required to use the Agency's automated underwriting system for supported loan types, which identifies if the income exceeds the maximum income limit, or if the property is not located in an eligible rural area. In addition, the Agency has incorporated a Lender Oversight process specifically for Delegated Lenders to monitor adherence to Agency loan program requirements found in 7 CFR part 3555. The Agency has determined no action is required.

Public Comment: One respondent replied with concerns of predatory lending practices due to the lack of accountability and oversight under delegated authority.

Agency Response: The Agency appreciates the commenter's response. As part of the rule, the Agency has incorporated a Lender Oversight process specifically for Delegated Lenders to monitor adherence to Agency loan program requirements found in 7 CFR part 3555. This includes reviews of multiple elements of the mortgage origination and servicing processes based on the review of a representative sample of loans, financial requirements, and portfolio performance, among other requirements. If a lender fails to meet the established standards, the Agency may revoke their Delegated Lender status.

Public Comment: One respondent expressed support of the proposal but expressed encouragement that the Agency remain engaged with industry stakeholders throughout the development and implementation of these changes.

Agency Response: The Agency appreciates the commenter's suggestion and agrees that collaboration with industry stakeholders throughout the planning and implementation process will be critical to the success of this initiative.

Public Comment: One respondent expressed support of the proposal and provided additional responses to the questions posed in the proposed rule. The respondent indicated a three-year rollout would be appropriate assuming it is expanded each year to include additional lenders and recommended the Agency retain the current process for loan application review and approval as an option. The respondent recommended the Agency could include a specific loan volume requirement for participation in delegated authority, such as 25 percent of the lender's portfolio being USDA loans, or a set number (such as ten closed loans in the past two years). The respondent agreed with the identified alternatives and benefits, as well as stated that implementation would unquestionably result in a cost savings to lenders, both directly and indirectly. The respondent also agreed the post-closing review sample size and timeframe were reasonable, and indicated they were unaware of any additional implementation costs not already considered.

Agency Response: The Agency appreciates the commenter's response and has incorporated the feedback, including the proposed roll-out period; cost savings; and review requirements, into the Final Rule.

Public Comment: One respondent expressed support of the proposal and provided additional responses to the questions posed in the proposed rule. The respondent indicated the proposed three-year rollout seemed excessive as lenders selected for early implementation would have a competitive advantage. The respondent indicated that financial eligibility of the lender should be considered as part of the approval process, and there is not a need to maintain manual underwriting under the current process. In consideration of the alternatives cited, the respondent indicated full delegation is needed and although there will be cost savings with delegated authority, it is difficult to quantify. The respondent agreed with the two-year lender review timeframe, however, did not agree with the 2 percent sample size being used across the board and indicated it should be determined based on the loan volume of the lender. The respondent identified that a lender loan loss reserve increase may result in additional costs to the lender, due to additional risk.

Agency Response: The Agency appreciates the commenter's response. While we understand the concerns, the Agency believes a three-year rollout is necessary to exercise control over the number of loans guaranteed by Delegated Lenders during the implementation period to provide the opportunity to review processes and analyze the performance and compliance of loans generated under delegated authority. An expedited

rollout will be considered, if feasible. The Agency appreciates the recommendation on the lender oversight sample size, which has been considered in the development of the Final rule. The Agency acknowledges the respondent's concern that delegated authority may result in a lender loan loss reserve increase. However, one of the approval criteria for Delegated Lenders includes reaching higher performance metrics than average, while also relying on lenders to make sound underwriting decisions. As a result, we do not anticipate loans processed under delegated authority to have significant additional risk to lenders than those utilizing the current process. Furthermore, delegated authority will not be mandated. Any lender who does not wish to participate in delegated authority may continue to operate as they do today.

Summary of Rule Changes

Upon implementation of the Final rule, loan approval and issuance of the Loan Note Guarantee will be delegated to the Delegated Lender. Delegated Lenders will be required to use Agency automated loan underwriting and closing systems to originate, process, close, and service loan applications in accordance with the published regulations and handbook guidance. In this respect, the Delegated Lender will act as the Agency and will require limited-to-no Agency involvement in the pre-closing loan approval process and post-closing issuance of the Loan Note Guarantee. The Delegated Lender will approve the loan in the Agency's automated system for all supported loan types. With delegated authority, Conditional Commitments will not be required, and the provisions of § 3555.107(f) for issuance of the Conditional Commitment will not be applicable. After loan closing, Delegated Lenders will continue to adhere to the proper loan closing procedures under § 3555.107(i) and (j) for issuance of the Loan Note Guarantee. The Agency will remove § 3555.107(i)(5) which provides lenders a self-certification option in lieu of submitting full documentation. Delegated Lenders will retrieve the Loan Note Guarantee from the Agency's automated system, which will have the same force and effect as a Loan Note Guarantee issued directly by the Agency. The Loan Note Guarantee will be supported by the full faith and credit of the United States, as provided in § 3555.108, regardless of whether the Loan Note Guarantee is obtained by a Delegated Lender through the Agency's automated system, or from the Agency directly. Therefore, unless provided otherwise or inapplicable, the Delegated Lender will be responsible for ensuring that both the applicant and the property meet the eligibility requirements and certification for the loan guarantee under subparts C, D, and E of 7 CFR part 3555 and the environmental requirements in § 3555.5.

The Agency is modifying the procedures for Delegated Lenders as follows:

Environmental Reviews—SFHGLP loans are generally considered to meet the requirements for a categorical exclusion from the environmental review process described in 7 CFR 3555.5 and 7 CFR part 1970, absent any extraordinary circumstances. If there is an extraordinary circumstance, the Delegated Lender must notify the Agency to decide the appropriate course of action.

Appraisal Reviews—Agency administrative appraisal reviews under § 3555.107(d)(4) are inapplicable to loans approved via delegated authority. Delegated Lenders are responsible for ensuring that appraisal reports meet all requirements under § 3555.107(d).

Application priority processing—The requirements under § 3555.107(a) for prioritizing applications do not apply to Delegated Lenders.

When a conflict of interest is disclosed by either the borrower or a RD employee, as described in § 3555.8, the Delegated Lender is required to document the disclosure in the permanent loan file. A Delegated Lender remains responsible for documenting any conflict of interest. However, since Delegated Lenders will process pre-closing and post-closing activities with limited-to-no Agency assistance, reassignment of the application as described in § 3555.8(d) is not necessary.

Upon implementation, the Agency will be able to deliver the program more efficiently with fewer FTEs. The changes, which align Agency processes with industry standards, will streamline processes, and provide faster and better service to low- and moderate-income borrowers, resulting in earlier home move-in dates.

RHS will delegate pre-closing loan approval and post-closing guarantee issuance authority to Delegated Lenders that meet specific requirements for portfolio performance and underwriting capability. The Agency is not changing basic lender eligibility requirements, as outlined in 7 CFR 3555.51, ''Lender Eligibility,'' but rather adding a section to define a Delegated Lender as an entity with delegated authority (DA) approval.

RHS will add § 3555.55, ''Delegated Lenders,'' to delegate the authority to approve and execute loan guarantees with limited-to-no involvement of Agency staff. Paragraphs (a) and (b) outline requirements for lenders to qualify for Delegated Lender status, which include meeting the general lender eligibility requirements in § 3555.51, participation in the SFHGLP for at least the previous two years, and higher than average performance standards in delinquency, default, and loss claim rates for that two-year period prior to approval, among other requirements. Delegated Lenders need to maintain general lender eligibility under § 3555.51 as well as the higher performance metrics in delinquency, loss claim, and default rates, among other requirements, to retain delegated lender status, which will be evaluated at least every two years. The Agency may adjust, modify, or cancel the delegated lender program based on overall program considerations such as budget, program performance, and program integrity. In the event that modifications are made to the performance metrics for new Delegated Lenders, existing Delegated Lenders will retain their status, and the Agency will provide a reasonable timeframe to meet the new performance metrics in order to continue retaining delegated lender status. The Agency will be performing a controlled rollout for the delegated authority of Delegated Lenders to foster a smooth implementation. The rollout will be phased-in to allow the Agency some control over the number of loans guaranteed by Delegated Lenders over a period of at least three years after implementation of the Final rule. The Agency will then evaluate the performance of the process, the efficiency of the process, and make any necessary adjustments to the process. The Agency will continue to phase in new lenders as the process is refined. The number of lenders approved for delegated lender status will be contingent on the progress of the Agency's systems modifications, staff reductions, portfolio performance, and the timeliness of implementing enhanced lender oversight and monitoring. Full implementation is expected by the end of the third year of the implementation period.

Paragraphs (a) and (b) outline the conditions under which a lender's delegated status may be removed. As stated in paragraph (a), the Agency has the right to suspend or terminate any lender's delegated status for reasons including, but not limited to, approving loans that do not meet Agency loan program guidelines; providing data to the Agency's automated underwriting

system which is not supported by documentation retained by the lender; maintaining a portfolio that does not meet the established delinquency, loss claim, and default rate performance metrics, among other requirements; and an inability to meet the criteria described in § 3555.51, ''Lender Eligibility.''

The Agency will enhance its current lender monitoring and oversight for Delegated Lenders from two perspectives: (1) Continue to monitor Performance—regular collection and analysis of loan level data and performance, and (2) Increase Lender Oversight—on-site and off-site reviews.

(1) Monitoring Performance

Loan level data is collected from lenders each month through the Electronic Status Reporting system. This data is compiled, reviewed, and monitored by the Agency every month to determine portfolio performance as well as risks and trends in delinquency, default, and loss claim rates. This loan level data will be collected and analyzed for Delegated Lenders to provide the Agency with information regarding the performance of Delegated Lenders.

(2) Lender Oversight (LO) Reviews

The Agency's Quality Assurance and Lender Oversight Division will institute a regular LO process specifically for Delegated Lenders to monitor adherence to Agency loan program requirements found in 7 CFR part 3555 and continuing eligibility for the program. The process consists of reviews of multiple elements of the mortgage origination and servicing processes based on the review of a representative sample of loans, financial requirements, and portfolio performance, among other requirements. A report will be provided, and findings and observations will be recorded and reported back to the lender or servicer, along with any suggestions for improvement. If necessary, the lender will have the opportunity to incorporate a Corrective Action Plan (CAP) to resolve any deficiencies, and will be counseled, offered training, and given the opportunity to improve. Recurring findings identified through the LO process may result in additional reviews and may adversely affect a lender's delegated lender status.

To bolster the Agency's efforts to perform robust monitoring and lender oversight across the program (not just for Delegated Lenders), this Final rule also eliminates the self-certification option at § 3555.107(i)(5). The Agency is unaware of any lenders using the option to self-certify instead of submitting complete loan closing documentation. Furthermore, the Agency has determined that such option would be inappropriate in balancing the streamlining of the program with risk mitigation and is eliminating the option so that the Agency would have easier and direct access to loan documents.

§ 3555.55(f) will provide the Agency with the authority to revoke the Delegated Lender status of those lenders that fail to meet the delegated lender criteria. This revocation is distinct from termination of the program as an approved lender under § 3555.52. However, if the Agency pursues termination of a Delegated Lender's participation under § 3555.52, the Agency need not separately pursue a separate revocation of Delegated Lender status, as termination from the program would automatically revoke delegated lender status.

Taken together, this Final rule continues the Agency's efforts to streamline and improve delivery of the SFHGLP while providing measures to mitigate risk. Agency approval of a lender for Delegated Authority does not create or imply a warranty or endorsement by the Agency of the approved lender, or its employees, nor does it represent a warranty of any service provided by the lender or any employee of the lender.

Statutory Authority

Section 201 of the Housing Opportunity Through Modernization Act of 2016 (Pub. L. 114–201) (42 U.S.C. 1472(h)(18)) authorizes the Secretary to delegate loan approval authority to certain preferred lenders, and Section 510(k) of Title V of the Housing Act of 1949 (42 U.S.C. 1480(k)), as amended, authorizes the Secretary of the Department of Agriculture to promulgate rules and regulations as deemed necessary to carry out the purpose of that title.

Executive Orders 12866 and 13563

Executive Orders 12866 (Regulatory Planning and Review) and 13563 (Improving Regulation and Regulatory Review) direct agencies to assess the costs and benefits of available regulatory alternatives and, if a regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, reducing costs, harmonizing rules, and promoting flexibility. This Final rule has been designated a ''significant regulatory action,'' under section 3(f) of Executive Order 12866. Accordingly, the rule has been reviewed by the Office of Management and Budget (OMB).

In accordance with Executive Order 12866, a Regulatory Impact Analysis (RIA) was completed, outlining the costs and benefits of implementing this program in rural America. For a complete analysis, please see the RIA on *https://www.regulations.gov* using docket number RHS–21–SFH–0017.

Executive Order 14192, Unleashing Prosperity Through Deregulation

This Final rule is an Executive Order 14192 deregulatory action. Details on the estimated cost savings of this proposed action can be found in the accompanying RIA.

Executive Order 12988, Civil Justice Reform

This Final rule has been reviewed under Executive Order 12988, Civil Justice Reform. Except where specified, all state and local laws and regulations that are in direct conflict with this rule will be preempted. Federal funds carry federal requirements. No person is required to apply for funding under SFHGLP, but if they do apply and are selected for funding, they must comply with the requirements applicable to recipients of SFHGLP federal financial assistance, including all applicable nondiscrimination federal laws and regulations. This Final rule is not retroactive. It will not affect agreements entered into prior to the effective date of the rule. Before any judicial action may be brought regarding the provisions of this rule, the administrative appeal provisions of 7 CFR part 11 must be exhausted.

Unfunded Mandates Reform Act

Title II of the Unfunded Mandates Reform Act of 1995 (UMRA), Public Law 104–4, establishes requirements for federal agencies to assess the effect of their regulatory actions on state, local, and tribal governments, and the private sector. Under section 202 of the UMRA, the Agency generally must prepare a written statement, including a cost-benefit analysis, for proposed and Final rules with ''federal mandates'' that may result in expenditures to state, local, or tribal governments, in the aggregate, or to the private sector, of $100 million or more in any one year. When such a statement is needed for a rule, section 205 of the UMRA generally requires the Agency to identify and consider a reasonable number of regulatory alternatives and adopt the least costly, most cost-effective, or least burdensome

alternative that achieves the objectives of the rule.

This Final rule contains no federal mandates (under the regulatory provisions of Title II of the UMRA) for state, local, and tribal governments, or the private sector. Therefore, this rule is not subject to the requirements of sections 202 and 205 of the UMRA.

National Environmental Policy Act

In accordance with the National Environmental Policy Act of 1969, Public Law 91–190, this Final rule has been reviewed in accordance with 7 CFR part 1b (''National Environmental Policy Act''). The Agency has determined that: (i) this action meets the criteria established in 7 CFR; (ii) no extraordinary circumstances exist. Therefore, the Agency has determined that the action does not have a significant effect on the human environment, and therefore, neither an Environmental Assessment nor an Environmental Impact Statement is required.

Executive Order 13132, Federalism

The policies contained in this Final rule do not have any substantial direct effect on the states, the relationship between the national government and the states, or the distribution of power and responsibilities among the various levels of government. This Final rule does not impose substantial direct compliance costs on state and local governments. Therefore, consultation with the states is not required.

Regulatory Flexibility Act

Under section 605(b) of the Regulatory Flexibility Act, 5 U.S.C. 605(b), the Agency certifies that this Final rule will not have a significant economic impact on a substantial number of small entities. The North American Industry Classification System (NAICS) classifies small lenders in the following categories:

NAICS code	NAICS U.S. industry title	Size standards in millions of dollars
522120	Savings Institutions	$600 in assets.
522130	Credit Unions	$600 in assets.
522190	Other Depository Credit Intermediation	$600 in assets.
522292	Real Estate Credit	$41.5.
522310	Mortgage and Nonmortgage Loan Brokers	$8.0.

This Final rule affects lenders that utilize the SFHGLP and any potential lenders that may utilize the program in the future. There are approximately 1,873 lenders currently approved to utilize the SFHGLP. The Agency does not maintain data that identifies the number of approved lenders that would be considered small lenders, as defined above. However, it is estimated that less than 3 percent of approved SFHGLP lenders meet the criteria of a small lender.

The Final rule is an enhancement to the SFHGLP, providing an opportunity for participating lenders to obtain delegated loan approval authority. Applying to become a Delegated Lender is optional. Small lenders, as described above, will be afforded the same opportunities to become a Delegated Lender as large lenders. Lenders who choose not to pursue delegated authority will continue to operate as they do today.

All lenders are required to maintain a permanent loan file on each individual guaranteed borrower. This will remain a requirement for lenders utilizing delegating authority, as well as those who do not. This is typical for any mortgage loan product and is an action that is completed in a lenders' normal course of business. This requirement is consistent with standard mortgage industry practices and represents no additional burden of recordkeeping placed upon the lender or public.

The qualifying factors involved in becoming a Delegated Lender will be based on a lender's loan performance using the same criteria regardless of the size of the lender. There are no costs assessed to lenders to apply for delegated authority, to continue participation in the program, or to receive Agency training.

The undersigned has determined and certified by signature on this document, that this rule will not have a significant economic impact on a substantial number of small entities, since this rulemaking action does not involve a new or expanded program, nor does it require any more action on the part of a small business than would be required of a large entity.

Executive Order 12372, Intergovernmental Review of Federal Programs

This program is not subject to the requirements of Executive Order 12372, ''Intergovernmental Review of Federal Programs,'' as implemented under USDA's regulations at 7 CFR part 3015.

Executive Order 13175, Consultation and Coordination With Indian Tribal Governments

This proposed rule has been reviewed in accordance with the requirements of Executive Order 13175, ''Consultation and Coordination with Indian Tribal Governments.'' Executive Order 13175 requires Federal agencies to consult and coordinate with tribes on a government-to-government basis on policies that have tribal implications, including regulations, legislative comments or proposed legislation, and other policy statements or actions that have substantial direct effects on one or more Indian tribes, on the relationship between the Federal Government and Indian tribes or on the distribution of power and responsibilities between the Federal Government and Indian tribes.

The Agency has determined that this proposed rule does not, to our knowledge, have tribal implications that require formal tribal consultation under Executive Order 13175. If a Tribe requests consultation, the Rural Housing Service will work with the Office of Tribal Relations to ensure meaningful consultation is provided where changes, additions and modifications identified herein are not expressly mandated by Congress.

Civil Rights Impact Analysis

RD has reviewed this Final rule in accordance with USDA Regulation 4300–4, ''Civil Rights Impact Analysis,'' to identify any major civil rights impacts the rule might have on program participants on the basis of age, race, color, national origin, sex, disability, or marital or familial status. Based on the review and analysis of the rule and all available data, issuance of this Final rule is not likely to negatively impact low- and moderate-income populations, minority populations, women, Indian tribes or persons with disability, by virtue of their age, race, color, national origin, sex, disability, or marital or familial status.

Programs Affected

The program affected by this Final rule is listed in the Assistance Listing

(AL) (*formerly Catalog of Federal Domestic Assistance*) Number 10.410, Very Low to Moderate Income Housing Loans and Loan Guarantees (Section 502 Rural Housing Loans).

Paperwork Reduction Act

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501, *et seq.*), the information collection activities associated with this rule are covered under OMB Control Number 0575–0179. This Final rule contains no new reporting or recordkeeping requirements that would require approval under the Paperwork Reduction Act of 1995. Agency forms currently required will be eliminated for Delegated Lenders. As a result, the Agency anticipates a reduction in recordkeeping requirements upon implementation of this rule.

E-Government Act Compliance

RD is committed to the E-Government Act, which requires Government agencies in general to provide the public the option of submitting information or transacting business electronically to the maximum extent possible.

USDA Non-Discrimination Policy

In accordance with Federal civil rights laws and USDA civil rights regulations and policies, the USDA, its Mission Areas, agencies, staff offices, employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Program information may be made available in languages other than English. Persons with disabilities who require alternative means of communication to obtain program information (*e.g.,* Braille, large print, audiotape, American Sign Language) should contact the responsible Mission Area, agency, staff office or the Federal Relay Service at (800) 877–8339.To file a program discrimination complaint, a complainant should complete a Form AD–3027, *USDA Program Discrimination Complaint Form,* found online at *https://www.usda.gov/sites/default/files/documents/ad-3027.pdf,* from any USDA office, by calling (866) 632–9992, or by writing a letter addressed to USDA. The letter must contain the complainant's name, address, telephone number, and a written description of the alleged discriminatory action in sufficient detail to inform the Assistant Secretary for Civil Rights about the nature and date of an alleged civil rights violation. The completed AD–3027 form or letter must be submitted to USDA by

(1) *Mail:* U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue SW, Washington, DC 20250–9410; or

(2) *Fax:* (202) 690–7442; or

(3) *Email: Program.Intake@usda.gov.*

USDA is an equal opportunity provider, employer, and lender.

List of Subjects in 7 CFR Part 3555

Administrative practice and procedure, Conflict of interest, Credit, Environmental impact statements, Fair housing, Flood insurance, Home improvement, Housing loan programs, Housing and community development, Low- and moderate-income housing, Manufactured homes, Mortgages, Reporting and recordkeeping requirements, Rural areas.

For the reasons discussed in the preamble, the Agency is amending 7 CFR part 3555 as follows:

PART 3555—GUARANTEED RURAL HOUSING PROGRAM

■ 1. The authority citation for part 3555 continues to read as follows:

Authority: 5 U.S.C. 301; 42 U.S.C. 1471 *et seq.*

Subpart A—General

■ 2. Amend § 3555.10 by adding the definition of ''Delegated Lender'' in alphabetical order to read as follows:

§ 3555.10 Definitions and abbreviations.

* * * * *

Delegated Lender. An entity that meets the requirements under § 3555.51 and has been delegated authority by the Agency to underwrite and approve loans that meet the requirements of this part without prior review and approval by Agency staff, unless provided otherwise in this part.

* * * * *

Subpart B—Lender Participation

■ 3. Add § 3555.55 to read as follows:

§ 3555.55 Delegated Lenders.

(a) *General requirements.* The Agency may approve certain lenders for Delegated Lender status as defined in § 3555.10. The Delegated Lender assumes the responsibility for meeting all loan requirements on behalf of the Agency for the purposes of pre-closing loan processing, loan approval, and post-closing issuance of loan guarantee under subparts C, D, and E of this part with the following exceptions and clarifications:

(1) Application priority processing procedures under § 3555.107(a) are not applicable to applications processed by Delegated Lenders.

(2) Delegated Lenders must ensure appraisals meet the requirements under § 3555.107(d); however, loans made by Delegated Lenders are not subject to Agency administrative appraisal reviews prior to loan approval under § 3555.107(d)(4).

(3) The requirements relating to Conditional Commitments under § 3555.107(f) is not applicable to those lenders approved by the Agency as Delegated Lenders under the provisions of this subpart.

(b) *Modifications.* The following regulatory provisions in subpart A of this part are not applicable to Delegated Lenders or are modified as described in paragraphs (b)(1) and (2) of this section:

(1) Applications processed by Delegated Lenders with a conflict of interest under § 3555.8 are not subject to the requirements under § 3555.8(d). The other paragraphs of § 3555.8 still apply.

(2) Environmental reviews will be completed under § 3555.5 and 7 CFR part 1970 prior to loan approval. SFHGLP loans are generally considered to meet the requirements for a categorical exclusion from the environmental review process described in the cited authorities, absent any extraordinary circumstances. If there is an extraordinary circumstance, the Delegated Lender must notify the Agency to decide the appropriate course of action.

(c) *Eligibility.* Lenders must be approved to participate in the SFHGLP as provided in § 3555.51 and meet the following requirements:

(1) Have participated in the SFHGLP for at least the previous two years;

(2) Met the performance standards established by the Agency for delinquency, default, loss claims, etc. for the previous two years; and

(3) Complete Agency sponsored training each year.

(d) *Automated underwriting system.* Delegated lenders must use the Agency's automated underwriting system as described in § 3555.107(b).

(e) *Oversight.* The Agency will monitor lender performance through the regular use of loan level data and lender oversight and monitoring reviews. If the lender is unwilling or unable to improve performance within an acceptable

timeframe, the Agency may revoke Delegated Lender status.

(f) *Termination of delegated authority.* (1) The Agency may suspend or terminate the lender's delegated status for reasons including, but not limited to:

(i) Approving loans that do not meet Agency guidelines.

(ii) Providing data to the Agency's automated underwriting system which is not supported by documentation retained by the lender.

(iii) Unacceptable portfolio performance as evidenced by delinquency, loss claim, default rates, material deficiencies, or any other performance metric established by the Agency; and

(iv) Noncompliance with other requirements described in § 3555.51, or if the Agency determines that other good cause exists.

(2) Termination of a Delegated Lender's participation in the SFHGLP under § 3555.52 automatically revokes Delegated Lender status without separate Agency action under paragraph (g) of this section.

(g) *Revocation of delegated status.* Delegated Lenders will retain delegated status until revoked by the Agency or withdrawn by the lender. If the Agency revokes the delegated authority of a Delegated Lender, the Delegated Lender will be given appeal rights as specified in § 3555.4. This is distinct from termination from participation in the SFHGLP under § 3555.52.

(h) *Administration of delegated program.* The Agency may adjust, modify, or cancel the Delegated Lender program based on overall program considerations such as budget, program performance, and program integrity.

Subpart C—Loan Requirements

§ 3555.107 [Amended]

■ 4. Amend § 3555.107 by removing paragraph (i)(5).

George Kelly,

Administrator, Rural Housing Service.

[FR Doc. 2026–05387 Filed 3–18–26; 8:45 am]

BILLING CODE 3410–XV–P

SMALL BUSINESS ADMINISTRATION

13 CFR Part 142

RIN 3245–AI29

Program Fraud Civil Remedies Act Regulations Statutory Updates

AGENCY: U.S. Small Business Administration.

ACTION: Direct final rule.

SUMMARY: The United States Small Business Administration (SBA) is amending the Program Fraud Civil Remedies Act regulations in 13 CFR part 142 to reflect changes made to the Program Fraud Civil Remedies Act of 1986 by the Administrative False Claims Act of 2023. These changes, among other things, revise the name of the administrative action from ''Program Fraud Civil Remedies'' to ''Administrative False Claims'' and increase the threshold for a claim from $150,000 to $1,000,000. The Administrative False Claims Act mandates that the Agency issue regulations to update part 142 and this direct final rule conforms the regulations to the Administrative False Claims Act by adopting the new statutory requirements without change.

DATES: This rule is effective May 4, 2026, without further action, unless significant adverse comment is received by April 20, 2026. If significant adverse comment is received, SBA will publish a timely withdrawal of the rule in the **Federal Register**.

ADDRESSES: You may submit comments, identified by number SBA–2026–0067 or RIN 3245–AI29, in the Federal eRulemaking Portal: *http://www.regulations.gov.* Follow the instructions for submitting comments.

SBA will post all comments on *www.regulations.gov.* If you wish to submit confidential business information (CBI) as defined in the User Notice at *www.regulations.gov,* please send an email to Kandace Zelaya at *Kandace.Zelaya@sba.gov* and highlight the information that you consider to be CBI and explain why you believe SBA should hold this information as confidential. SBA will review the information and make the final determination whether it will publish the information. All other comments must be submitted through the Federal eRulemaking Portal described above.

FOR FURTHER INFORMATION CONTACT: Kandace Zelaya, Office of General Counsel, (504) 589–2033, *Kandace.Zelaya@sba.gov.*

SUPPLEMENTARY INFORMATION:

I. Background

This direct final rule implements regulatory changes required by the Administrative False Claims Act of 2023 (AFCA), Public Law 118–159, sec. 5203, 138 Stat. 2440 (December 23, 2024). The specific regulatory changes are further described below.

II. Description of Regulatory Changes

SBA is revising the title of part 142 from ''Program Fraud Civil Remedies Act Regulations'' to ''Administrative False Claims Act Regulations.'' In addition, SBA is revising all references to ''Program Fraud Civil Remedies'' within part 142 to ''Administrative False Claims.''

SBA is revising 13 CFR 142.1 by adding a reference to the Administrative False Claims Act of 2023, Public Law 118–159, sec. 5203, 138 Stat. 2440 (2024).

The AFCA expanded the list of claims that a Federal agency can pursue by imposing liability for submissions of ''reverse false claims.'' A reverse false claim is when a person acts improperly—not to obtain money from the Government—but to avoid having to pay money to the Government. Thus, SBA is revising the definition of a ''claim'' in 13 CFR 142.3 by modifying paragraph (a)(2) to state that a claim includes any request, demand, or submission made to SBA which ''has the effect of concealing or improperly avoiding or decreasing an obligation to pay or transmit property, services, or money.'' Additionally, the AFCA adopted the definition of ''obligation'' from the Federal False Claims Act (FCA) (31 U.S.C. 3729–3733). Thus, SBA is adding a parenthetical to paragraph (a)(2) to explain that ''obligation'' has the meaning given the term in 31 U.S.C. 3729(b).

The AFCA also adopted the definition of ''material'' from the FCA. Therefore, SBA is revising 13 CFR 142.5(a)(2) to include a parenthetical explaining that ''material'' has the meaning given the term in 31 U.S.C. 3729(b).

SBA is revising 13 CFR 142.7 to replace ''the Program Fraud Civil Remedies Act'' with ''the Administrative False Claims Act.''

SBA is revising 13 CFR 142.9 to increase the threshold for a claim or a group of related claims from $150,000 to $1,000,000. Additionally, SBA is restructuring the existing text into a new paragraph (a) and adding two new paragraphs. SBA is adding a new paragraph (b) to this regulation to provide that the maximum amount of a claim or a group of related claims shall be adjusted for inflation in the same manner and to the same extent as civil monetary penalties under the Federal Civil Penalties Inflation Adjustment Act (28 U.S.C. 2461 note). SBA is adding a new paragraph (c) to this regulation to incorporate the revised statute of limitations included in the AFCA. The AFCA revised the statute of limitations for bringing an action to the later of 6 years after the date of the violation or 3 years after the date on which facts material to the action are known or reasonably should have been known by

the agency head, but in no event more than 10 years after the violation.

SBA is making two minor technical corrections to 13 CFR 142.12. In paragraph (a), SBA is replacing ''the Office of Hearings and Appeals'' with ''OHA'' because the term is defined previously in § 142.10. In paragraph (d), SBA is replacing ''the ALJ'' with ''OHA.''

As discussed above, the AFCA revised the statute of limitations for bringing a claim and, thus, SBA is revising 13 CFR 142.9 to state when SBA will bring an action by issuing a complaint and incorporating the new timeframes set in the AFCA. Consequently, SBA is revising 13 CFR 142.14(b) to remove the six-year limitation on serving the notice of oral hearing, which incorporated the previous statutory language in 31 U.S.C. 3808(a) that was stricken and replaced under the AFCA. The requirement that the ALJ promptly serve a notice of oral hearing upon receipt of the complaint and answer will remain.

The AFCA added a requirement that the reviewing official notify the Attorney General in writing not later than 30 days before entering into any agreement to compromise or settle allegations of liability under the AFCA and before the date on which the reviewing official is permitted to refer allegations of liability to a presiding officer. SBA is revising 13 CFR 142.38 by adding the new notification requirement to paragraph (b).

Finally, SBA is revising 13 CFR 142.39 to add language from the statute that states that a civil action to recover a penalty or assessment under this part shall be commenced within 3 years after the date on which the determination of liability for such penalty or assessment becomes final.

III. Justification for Direct Final Rule

In general, SBA publishes a rule for public comment before issuing a final rule in accordance with the Administrative Procedure Act. 5 U.S.C. 553. The Administrative Procedure Act provides an exception to this standard rulemaking process, however, where an agency finds good cause to adopt a rule without prior public participation. 5 U.S.C. 553(b)(B). The good cause requirement is satisfied when prior public participation is impracticable, unnecessary, or contrary to the public interest.

Agencies typically utilize direct final rulemakings for routine, non-controversial regulatory actions that are unlikely to receive adverse comments. In direct final rulemaking, an agency publishes a final rule with a statement that the rule will go into effect unless the agency receives significant adverse comment within a specified period. Significant adverse comments are comments that provide strong justifications why the rule should not be adopted or for changing the rule. If the agency receives no significant adverse comment in response to the direct final rule, the rule goes into effect on the date listed in the **DATES** section without further notice. If the agency receives significant adverse comment, the agency will withdraw the direct final rule prior to the effective date and may instead issue a proposed rulemaking.

SBA has determined that prior public participation is unnecessary, because the regulatory changes addressed in this direct final rulemaking are routine, non-controversial, and not likely to result in adverse comments. SBA is implementing changes required by statute which are already in effect and is merely updating the regulations in order to conform to the statute. Because the changes in this rule are prescribed by statute, SBA does not expect significant adverse comments.

Compliance With Executive Orders 12866, 12988, 13132, 13175, 13563, 14192, the Congressional Review Act (5 U.S.C. 801–808), Paperwork Reduction Act (44 U.S.C., Ch. 35), and the Regulatory Flexibility Act (5 U.S.C. 601–612)

Executive Orders 12866 and 13563

Executive Order 12866, Regulatory Planning and Review, requires agencies to provide a Regulatory Impact Analysis assessing costs and benefits and addressing available alternatives for any ''significant regulatory action.'' The Office of Management and Budget has determined that this direct final rule does not constitute a ''significant regulatory action.''

Executive Order 13563, Improving Regulation and Regulatory Review, reaffirms the principles of Executive Order 12866 and requires agencies to adopt regulations through a process that involves public participation and, to the extent feasible, base regulations on the open exchange of information and perspectives from affected stakeholders and the public as a whole. SBA has developed this direct final rule in a manner consistent with these requirements. Moreover, Executive Order 13563 requires agencies to assess the benefits and costs of any regulations and address available alternatives to direct regulation. This rule implements statutory changes and is not expected to have an annual effect on the economy of $100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities. As a result, no Regulatory Impact Analysis is required.

Executive Order 14192

This rule is not an Executive Order 14192 regulatory action because it is not significant under Executive Order 12866.

Executive Order 12988

This action meets the applicable standards set forth in sections 3(a) and 3(b)(2) of Executive Order 12988, Civil Justice Reform, to minimize litigation, eliminate ambiguity, and reduce burden. The action does not have preemptive effect or retroactive effect.

Executive Order 13132

This rule does not have federalism implications as defined in Executive Order 13132. It will not have substantial direct effects on the States, on the relationship between the National Government and the States, or on the distribution of power and responsibilities among the various levels of government, as specified in the Executive Order. As such it does not warrant the preparation of a Federalism Assessment.

Executive Order 13175

This rule does not have tribal implications under Executive Order 13175, Consultation and Coordination with Indian Tribal Governments, because it does not have a substantial direct effect on one or more Indian tribes, on the relationship between the Federal Government and Indian tribes, or on the distribution of power and responsibilities between the Federal Government and Indian tribes.

Congressional Review Act, 5 U.S.C. 801–808

This rule has been determined not to meet the criteria set forth in 5 U.S.C. 804(2). SBA will submit the rule to Congress and the Government Accountability Office consistent with the Congressional Review Act's requirements.

Paperwork Reduction Act, 44 U.S.C. Ch. 35

SBA has determined that this rule does not impose additional reporting or recordkeeping requirements under the Paperwork Reduction Act, 44 U.S.C., Chapter 35.

Regulatory Flexibility Act, 5 U.S.C. 601–612

The Regulatory Flexibility Act (RFA), 5 U.S.C. 601–612, requires administrative agencies to consider the effect of their actions on small entities, small nonprofit enterprises, and small local governments. Pursuant to the RFA, when an agency issues a rulemaking, the agency must prepare a regulatory flexibility analysis which describes the impact of the rule on small entities. However, the RFA requires such analysis only where notice and comment rulemaking is required. As discussed above, SBA has found good cause that notice and public comment are impracticable, unnecessary, or contrary to the public interest. Accordingly, SBA is not required to conduct a regulatory flexibility analysis and is publishing this rule as a direct final rule without advance notice and public comment.

List of Subjects in 13 CFR Part 142

Administrative practice and procedure, Claims, Fraud, Penalties.

For the reasons set forth in the preamble, the SBA amends 13 CFR part 142 as follows:

PART 142—ADMINISTRATIVE FALSE CLAIMS ACT REGULATIONS

■ 1. The authority citation for part 142 continues to read as follows:

Authority: 15 U.S.C. 634(b); 31 U.S.C. 3803(g)(2).

■ 2. The heading for part 142 is revised to read as set forth above.

■ 3. Amend § 142.1 by revising the first sentence of paragraph (a) to read as follows:

§ 142.1 Overview of regulations.

(a) * * * This part implements the Program Fraud Civil Remedies Act of 1986, 31 U.S.C. 3801–3812, as amended by the Administrative False Claims Act of 2023, Public Law 118–159, sec. 5203, 138 Stat. 2440 (''the Act''). * * *

* * * * *

■ 4. Amend § 142.3 by revising paragraph (a)(3) to read as follows:

§ 142.3 What is a claim?

(a) * * *

(3) Made to SBA which has the effect of concealing or improperly avoiding or decreasing an obligation to pay or transmit property, services, or money (''obligation'' has the meaning given the term in 31 U.S.C. 3729(b)).

* * * * *

■ 5. Amend § 142.5 by revising paragraph (a)(2) to read as follows:

§ 142.5 What is a false claim or statement?

(a) * * *

(2) Includes or is supported by a written statement which asserts or contains a material fact which is false, fictitious, or fraudulent (''material'' has the meaning given the term in 31 U.S.C. 3729(b));

* * * * *

§ 142.7 [Amended]

■ 6. Amend § 142.7 by removing ''Program Fraud Civil Remedies Act'' and adding in its place ''Administrative False Claims Act''.

■ 7. Revise § 142.9 to read as follows:

§ 142.9 When will SBA issue a complaint?

(a) SBA will issue a complaint:

(1) If the Attorney General (or designee) approves the referral of the allegations for adjudication; and

(2) In a case of submission of false claims, if the amount of money or the value of property or services demanded or requested in a false claim, or a group of related claims submitted at the same time, does not exceed $1,000,000. A group of related claims submitted at the same time includes only those claims arising from the same transaction (such as a grant, loan, application, or contract) which are submitted together as part of a single request, demand, or submission.

(b) Adjustment for inflation: the maximum amount in paragraph (a)(2) shall be adjusted for inflation in the same manner and to the same extent as civil monetary penalties under the Federal Civil Penalties Inflation Adjustment Act (28 U.S.C. 2461 note).

(c) The complaint must be served not later than the later of:

(1) 6 years after the date on which such claim or statement is made; or

(2) 3 years after the date on which facts material to the action are known or reasonably should have been known by SBA, but in no event later than 10 years after the date on which the claim or statement was made.

§ 142.12 [Amended]

■ 8. Amend § 142.12 as follows:

■ a. In paragraph (a), remove ''the Office of Hearings and Appeals'' and add in its place ''OHA''; and

■ b. In paragraph (d), remove ''the ALJ'' and add in its place ''OHA''.

§ 142.14 [Amended]

■ 9. Amend § 142.14 in paragraph (b) by removing the last sentence.

■ 10. Amend § 142.38 by adding a sentence to the end of paragraph (b) to read as follows:

§ 142.38 Can the administrative complaint be settled voluntarily?

* * * * *

(b) * * * A reviewing official shall notify the Attorney General in writing not later than 30 days before entering into an agreement to compromise or settle allegations of liability under 31 U.S.C. 3802 and before the date on which the reviewing official is permitted to refer allegations of liability to a Presiding Officer under 31 U.S.C. 3803(d)(2)(B).

* * * * *

■ 11. Amend § 142.39 by adding a sentence at the end to read as follows:

§ 142.39 How are civil penalties and assessments collected?

* * * A civil action to recover a penalty or assessment under this part shall be commenced within 3 years after the date on which the determination of liability for such penalty or assessment becomes final.

Kelly Loeffler,

Administrator.

[FR Doc. 2026–05459 Filed 3–18–26; 8:45 am]

BILLING CODE 8026–09–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 71

[Docket No. FAA–2024–1122; Airspace Docket No. 24–AGL–12]

RIN 2120–AA66

Amendment of Class E Airspace; Paxton, IL

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This action amends the Class E airspace at Paxton, IL. This action is the result of an airspace review conducted due to changes in the instrument procedures at Paxton Airport, Paxton, IL. This action brings the airspace into compliance with FAA orders and supports instrument flight rule (IFR) procedures and operations.

DATES: Effective 0901 UTC, July 9, 2026. The Director of the Federal Register approves this incorporation by reference action under 1 CFR part 51, subject to the annual revision of FAA Order JO 7400.11 and publication of conforming amendments.

ADDRESSES: A copy of the notice of proposed rulemaking (NPRM), all comments received, this final rule, and all background material may be viewed

online at *www.regulations.gov* using the FAA Docket number. Electronic retrieval help and guidelines are available on the website. It is available 24 hours each day, 365 days each year. An electronic copy of this document may also be downloaded from *www.federalregister.gov.*

FAA Order JO 7400.11K, Airspace Designations and Reporting Points, and subsequent amendments can be viewed online at *www.faa.gov/air_traffic/publications/.* You may also contact the Rules and Regulations Group, Office of Policy, Federal Aviation Administration, 800 Independence Avenue SW, Washington, DC 20591; telephone: (202) 267–8783.

FOR FURTHER INFORMATION CONTACT: Jeffrey Claypool, Federal Aviation Administration, Operations Support Group, Central Service Center, 10101 Hillwood Parkway, Fort Worth, TX 76177; telephone (817) 222–5711.

SUPPLEMENTARY INFORMATION:

Authority for This Rulemaking

The FAA's authority to issue rules regarding aviation safety is found in Title 49 of the United States Code. 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. This rulemaking is promulgated under the authority described in Subtitle VII, Part A, Subpart I, Section 40103. Under that section, the FAA is charged with prescribing regulations to assign the use of airspace necessary to ensure the safety of aircraft and the efficient use of airspace. This regulation is within the scope of that authority as it amends the Class E airspace at the affected airport to support IFR operations.

Differences From the NPRM

This action was originally being executed due to the proposed decommissioning of the Roberts very high frequency omnidirectional range (VOR) as part of the VOR Minimum Operating Network (MON) Program. It has been decided that the Roberts VOR will be retained for the time being; however, the instrument procedures at Paxton Airport, Paxton, IL, have since been updated, so the action is still necessary and the reason for this action has been updated.

History

The FAA published an NPRM for Docket No. FAA–2024–1122 in the **Federal Register** (89 FR 35024; May 1, 2024) proposing to amend the Class E airspace at Paxton, IL. Interested parties were invited to participate in this rulemaking effort by submitting written comments on the proposal to the FAA. No comments were received.

Incorporation by Reference

Class E airspace designations are published in paragraph 6005 of FAA Order JO 7400.11, Airspace Designations and Reporting Points, which is incorporated by reference in 14 CFR 71.1 on an annual basis. This document amends the current version of that order, FAA Order JO 7400.11K, dated August 4, 2025, and effective September 15, 2025. These amendments will be published in the next update to FAA Order JO 7400.11. FAA Order JO 7400.11K, which lists Class A, B, C, D, and E airspace areas, air traffic service routes, and reporting points, is publicly available as listed in the **ADDRESSES** section of this document.

The Rule

This amendment to 14 CFR part 71 modifies the Class E airspace extending upward from 700 feet above the surface at Paxton Airport, Paxton, IL, by removing the Roberts VORTAC and associated extension from the airspace legal description; and removes the exclusionary language as it is no longer required.

Regulatory Notices and Analyses

The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. It, therefore: (1) is not a ''significant regulatory action'' under Executive Order 12866; (2) is not a ''significant rule'' under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. Since this is a routine matter that only affects air traffic procedures and air navigation, it is certified that this rule, when promulgated, does not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

Environmental Review

The FAA has determined that this action qualifies for categorical exclusion under the National Environmental Policy Act in accordance with FAA Order 1050.1F, ''Environmental Impacts: Policies and Procedures,'' paragraph 5–6.5.a. This airspace action is not expected to cause any potentially significant environmental impacts, and no extraordinary circumstances exist that warrant preparation of an environmental assessment.[1]

Lists of Subjects in 14 CFR Part 71

Airspace, Incorporation by reference, Navigation (air).

The Amendment

In consideration of the foregoing, the Federal Aviation Administration amends 14 CFR part 71 as follows:

PART 71—DESIGNATION OF CLASS A, B, C, D, AND E AIRSPACE AREAS; AIR TRAFFIC SERVICE ROUTES; AND REPORTING POINTS

■ 1. The authority citation for 14 CFR part 71 continues to read as follows:

Authority: 49 U.S.C. 106(f), 106(g), 40103, 40113, 40120; E.O. 10854, 24 FR 9565, 3 CFR, 1959–1963 Comp., p. 389.

§ 71.1 [Amended]

■ 2. The incorporation by reference in 14 CFR 71.1 of FAA Order JO 7400.11K, Airspace Designations and Reporting Points, dated August 4, 2025, and effective September 15, 2025, is amended as follows:

Paragraph 6005 Class E Airspace Areas Extending Upward From 700 Feet or More Above the Surface of the Earth.

* * * * *

AGL IL E5 Paxton, IL [Amended]

Paxton Airport, IL

(Lat. 40°26′56″ N, long. 88°07′40″ W)

That airspace extending upward from 700 feet above the surface within a 6.3-mile radius of Paxton Airport.

* * * * *

Issued in Fort Worth, Texas, on March 17, 2026.

Courtney E. Johns,

Acting Manager, Operations Support Group, ATO Central Service Center.

[FR Doc. 2026–05398 Filed 3–18–26; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 301

[TD 9991]

RIN 1545–BM97

Consistent Basis Reporting Between Estate and Person Acquiring Property From Decedent; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

[1] FAA Order 1050.1F is cited as the categorical exclusion was completed under this order and prior to FAA Order 1050.1G becoming effective.

ACTION: Final rule; correcting amendments.

SUMMARY: This document contains corrections to a final rule (TD 9991), which was published in the **Federal Register** on Tuesday, September 17, 2024 (89 FR 76356). That document inadvertently overwrote some previous language, and this document corrects the final regulations.

DATES: These corrections are effective on March 19, 2026.

FOR FURTHER INFORMATION CONTACT: Concerning section 1014(f), Donna Douglas at 202–317–6859; concerning section 6035, Karen Wozniak at 202–317–6844 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Background

The final regulations (TD 9991) that are the subject of this correction are under sections 1014(f), 6035, 6721, and 6722 of the Internal Revenue Code.

List of Subjects in 26 CFR Part 301

Employment taxes, Estate taxes, Excise taxes, Gift taxes, Income taxes, Penalties, Reporting and recordkeeping requirements.

Corrections to the Regulations

Accordingly, 26 CFR part 301 is corrected by making the following correcting amendments:

PART 301—PROCEDURE AND ADMINISTRATION

■ **Paragraph 1.** The authority citation for part 301 continues to read in part as follows:

Authority: 26 U.S.C. 7805.

■ **Par. 2.** Section 301.6721–1 is amended by revising paragraph (j)(2) to read as follows:

§ 301.6721–1 Failure to file correct information returns.

* * * * *

(j) * * *

(2) *Exceptions.* (i) Paragraph (h)(3)(iii) of this section applies to returns required to be filed on or after January 1, 2026.

(ii) Paragraph (h)(2)(xii) of this section applies with respect to information returns required to be filed after September 17, 2024.

■ **Par. 3.** Section 301.6722–1 is amended by revising paragraph (g)(2) to read as follows:

§ 301.6722–1 Failure to furnish correct payee statements.

* * * * *

(g) * * *

(2) *Exceptions.* (i) Paragraph (e)(2)(viii) of this section applies to payee statements required to be furnished on or after January 1, 2026.

(ii) Paragraph (e)(2)(xxxv) of this section applies with respect to payee statements required to be furnished after September 17, 2024.

Kalle L. Wardlow,

Federal Register Liaison, Publications and Regulations Branch, Associate Chief Counsel, (Procedure and Administration).

[FR Doc. 2026–05447 Filed 3–18–26; 8:45 am]

BILLING CODE 4831–GV–P

DEPARTMENT OF AGRICULTURE

Forest Service

36 CFR Part 251

RIN 0596–AD71

Land Uses; Special Uses

AGENCY: Forest Service, Agriculture (USDA).

ACTION: Final rule.

SUMMARY: The United States Department of Agriculture (Department), Forest Service (Forest Service or Agency), is issuing this final rule to update its special uses regulations on filming and still photography to be consistent with the new requirements in the *Expanding Public Lands Outdoor Recreation Experiences Act* (EXPLORE Act or Act). The technical revisions include adding a statutory reference to the EXPLORE Act and updating terminology and definitions to be consistent with the Act.

DATES: This rule is effective March 19, 2026.

FOR FURTHER INFORMATION CONTACT: Mark Chandler, Realty Specialist, at (202) 205–1117 or *mark.chandler@usda.gov.* Information on this final rule may also be obtained via written request addressed to the Director, Lands, Minerals and Geology Management, USDA Forest Service, 201 14th Street SW, Washington, DC 20250–1124, or by email to *SM.FS.WO_LandStaff@usda.gov.* Individuals who are deaf, hard of hearing, or have a speech disability may call 711 to reach the Telecommunications Relay Service, then provide the phone number of the person named as a point of contact for further information.

SUPPLEMENTARY INFORMATION:

Background

This final rule makes technical and clarifying revisions to the Agency's existing regulations at 36 CFR 251.50 and 251.51 for issuing and administering special use authorizations for filming and still photography on National Forest System lands. The revisions add a citation for the EXPLORE Act (Pub. L. 118–234) and update terminology and definitions in the existing Forest Service regulations for filming and still photography to reflect statutory revisions made by the EXPLORE Act.

These are administrative changes to the existing regulations to incorporate the permitting thresholds and definitions established by the EXPLORE Act provisions for filming and still photography. The administrative changes do not formulate new standards, criteria, or guidelines applicable to Forest Service programs and therefore do not require public notice and opportunity to comment under section 14(a) of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1612(a)). This rule also qualifies for exemption under 5 U.S.C. 553(b)(3), as it constitutes a technical revision.

Section 125(b) of the EXPLORE Act establishes criteria for filming and still photography on Federal lands, including National Forest System lands. Under the current Forest Service regulations, special use permits and fees are commonly required for filming and still photography, regardless of the number of people involved. The EXPLORE Act reduces the circumstances in which permits may be required by establishing three tiers: (1) no authorization, permit, or fees may be required for qualifying activities involving no more than five individuals; (2) a de minimis use authorization instead of a permit, for qualifying activities involving six to eight individuals, of which no fee may be charged; and (3) a permit may be required for activities that involve more than eight individuals or do not meet statutory requirements for permit-free or de minimis treatment and a reasonable fee assessed.

The EXPLORE Act also directs the Forest Service to enable members of the public to apply for and obtain de minimis use authorizations for qualifying filming or still photography activities through a website and in person, and to automate approval and immediate issuance of such authorizations. The statute treats filming and still photography the same, regardless of the media used or the distribution platform. It establishes criteria for assessing reasonable fees, recovering costs, using proceeds, and authorizes the prohibition of filming or still photography to protect natural and cultural resources.

The Department is amending section 251.50 paragraph (c)(2) to refer to ''filming or still photography'' rather than just ''still photography.'' The Department is also amending paragraph (d)(1) by replacing the phrase ''commercial filming or still photography'' with ''filming or still photography.'' These changes update Forest Service regulations to be consistent with the terminology used in the EXPLORE Act. The Department is amending section 251.50 by adding paragraphs (f) through (l). Paragraph (f) identifies circumstances in which no authorization or fee may be required for filming or still photography activities on National Forest System lands. Paragraph (g) identifies when a de minimis use authorization is required for filming or still photography activities on National Forest System lands. Paragraph (h) identifies when a permit is required for filming or still photography activities on National Forest System lands. Paragraph (i) lists the requirements for all filming and still photography activities regardless of whether a permit or de minimis use authorization is required. Paragraph (k) specifies the circumstances under which filming or still photography activity will not be authorized in order to protect natural and cultural resources, public use and enjoyment, and public health and safety. Additionally, the Department is amending section 251.50 by adding paragraph (l), which cross-references the EXPLORE Act for special use authorization and fee criteria applicable to filming or still photography activities that do not qualify under paragraphs (g) or (h) of this section.

The Department is amending section 251.51 Definitions to add definitions for the following terms: ''content creation'' and ''filming or still photography.'' The EXPLORE Act defines ''Content creation'' as any video, still photograph, or audio recording for commercial or noncommercial content creation on National Forest System lands, regardless of distribution platform, and it shall be considered a filming or still photography activity. The Department is deleting the stand-alone definitions for ''commercial filming'' and ''still photography'' and adding a combined definition for ''filming or still photography'' to be consistent with the EXPLORE Act terminology and its treatment of commercial and noncommercial content creation and the update to definitions in FSH 2709.11, chapter 40.

The revised regulation conforms to the statutory permitting framework and does not expand or contract the scope of permitted activities beyond what the Act authorizes. Additional guidance on filming and still photography on National Forest System lands will be updated and provided in Forest Service directives, which can be found at *https://www.fs.usda.gov/about-agency/regulations-policies/national-directives.*

Regulatory Certifications

Regulatory Planning and Review (Executive Orders 12866 and 13563)

Executive Order (E.O.) 12866 provides that the Office of Information and Regulatory Affairs (OIRA) in the Office of Management and Budget will determine whether a regulatory action is significant as defined by E.O. 12866 and will review significant regulatory actions. OIRA has determined that this final rule is not significant as defined by E.O. 12866. E.O. 13563 reaffirms the principles of E.O. 12866 while calling for improvements in the Nation's regulatory system to promote predictability, to reduce uncertainty, and to use the best, most innovative, and least burdensome tools for achieving regulatory ends. The Department has developed the final rule consistent with E.O. 13563.

Congressional Review Act

This final rule implements the filming and still photography provisions of the EXPLORE Act, and it is not a major rule as defined by the Small Business Regulatory Enforcement Fairness Act of 1996 (known as the Congressional Review Act, 5 U.S.C. 804(2)).

National Environmental Policy Act

This final rule will make only technical, clarifying revisions to existing Forest Service regulations at 36 CFR part 251, subpart B. Departmental regulations at 7 CFR 1b.4(c)(20) exclude from documentation in an environmental assessment or environmental impact statement ''rules, regulations, or policies to establish service-wide administrative procedures, program processes, or instructions.'' The Department has concluded that this final rule falls within this category of actions and that no extraordinary circumstances exist that will require the preparation of an environmental assessment or environmental impact statement.

Regulatory Flexibility Act Analysis

The Department has considered this final rule under the requirements of the Regulatory Flexibility Act (5 U.S.C. 602 *et seq.*). This final rule will not have any direct effect on small entities as defined by the Regulatory Flexibility Act. The final rule will not impose recordkeeping requirements on small entities; will not affect their competitive position in relation to large entities; and will not affect their cash flow, liquidity, or ability to remain in the market. Therefore, the Department has determined that this final rule will not have a significant economic impact on a substantial number of small entities pursuant to the Regulatory Flexibility Act.

Federalism

The Department has considered this final rule under the requirements of E.O. 13132, *Federalism.* The Department has determined that the final rule conforms with the federalism principles set out in this E.O.; will not impose any compliance costs on the States; and will not have substantial direct effects on the States, on the relationship between the Federal Government and the States, or on the distribution of power and responsibilities among the various levels of government. Therefore, the Department has concluded that the final rule does not have federalism implications.

Consultation and Coordination With Indian Tribal Governments

The Department has reviewed this final rule in accordance with the requirements of E.O. 13175, *Consultation and Coordination with Indian Tribal Governments.* The Department has determined that national Tribal consultation is not necessary for the final rule. The final rule, which will make only technical, clarifying revisions to existing Forest Service regulations in 36 CFR part 251, subpart B, to implement the filming and still photography provisions of the EXPLORE Act, does not have any substantial direct effects on Tribes.

Takings Implications

The Department has analyzed the final rule in accordance with the principles and criteria in E.O. 12630, *Governmental Actions and Interference with Constitutionally Protected Property Rights.* The Department has determined that the final rule will not pose the risk of a taking of private property.

Energy Effects

The Department has reviewed the final rule under E.O. 13211, *Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use.* The Department has determined that the final rule will not constitute a significant energy action as defined in E.O. 13211, and the Office of Information and Regulatory Affairs has not otherwise designated the final rule as a significant energy action.

Civil Justice Reform

The Department has analyzed the final rule in accordance with the principles and criteria in E.O. 12988, *Civil Justice Reform.* Upon issuance of the final rule, (1) all State and local laws and regulations that conflict with the final rule or that impede its full implementation will be preempted, (2) no retroactive effect will be given to this final rule, and (3) it will not require administrative proceedings before parties may file suit in court challenging its provisions.

Unfunded Mandates

Pursuant to Title II of the Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1531–1538), signed into law on March 22, 1995, the Department has assessed the effects of the final rule on State, local, and Tribal governments, and the private sector. The final rule will not compel the expenditure of $100 million or more by any State, local, or Tribal government or anyone in the private sector. Therefore, a statement under section 202 of the Act is not required.

Paperwork Reduction Act

The final rule does not contain information collection requirements as defined in 5 CFR part 1320 that are not already required by law or not already approved for use. Accordingly, the review provisions of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) and its implementing regulations at 5 CFR part 1320 do not apply.

List of Subjects

36 CFR Part 251

Land uses, special uses.

Therefore, for the reasons set forth in the preamble, the Department is amending chapter II of title 36 of the Code of Federal Regulations as follows:

PART 251—LAND USES

Subpart B—Special Uses

■ 1. The authority citation for part 251, subpart B, continues to read as follows:

Authority: 16 U.S.C. 460*l*–6a, 460*l*–6d, 472, 497b, 497c, 551, 580d, 1134, 3210; 30 U.S.C. 185; 43 U.S.C. 1740, 1761–1772.

■ 2. Amend § 251.50 by revising paragraphs (c)(2) and (d)(1) and adding paragraphs (f) through (l) to read as follows:

§ 251.50 Scope.

* * * * *

(c) (1) * * *

(2) The proposed use is filming or still photography as defined in § 251.51 of this subpart.

(d) * * *

(1) The travel is for the purpose of engaging in a noncommercial group use, outfitting or guiding, a recreation event, filming or still photography, as defined in § 251.51 of this subpart, or for a landowner's ingress or egress across National Forest System lands that requires travel on a National Forest System road that is not authorized for general public use under § 251.110(d) of this part; or

* * * * *

(f) No permit required for filming or still photography. Notwithstanding the requirements of paragraphs (c) and (d) of this section, no special use authorization or fee is required for filming or still photography that meets either of the following criteria:

(1) The activity:

(i) is conducted by not more than five individuals; and

(ii) meets all of the requirements in paragraph (i)(1) through (8).

(2) The filming or still photography is merely incidental to, or documenting, an activity or event that is allowed or authorized on National Forest System lands, regardless of:

(i) the number of individuals participating in the activity or event; or

(ii) whether any individual receives compensation for any products of the filming or still photography.

(g) De minimis use authorizations for filming or still photography. Notwithstanding the requirements of paragraphs (c) and (d) of this section, a de minimis use authorization, for which no fee is charged, may be required for filming or still photography that meets both of the following criteria:

(1) The activity is conducted by a group of not fewer than six and not more than eight individuals; and

(2) The activity meets all of the requirements in paragraph (i)(1) through (8) of this section, and the authorized officer determines that the activity satisfies paragraph (k) of this section.

(h) Permit required for filming or still photography activities. Except as provided for in paragraphs (f) or (g) of this section, the authorized officer may require a special use authorization and assess a reasonable fee, consistent with 16 U.S.C. 460l-6d(b), for a filming or still photography activity that:

(1) involves more than eight individuals; or

(2) does not meet each of the requirements in paragraph (i)(1) through (8) of this section. Nothing in this paragraph or paragraphs (f) and (h) shall be construed to authorize filming or still photography in congressionally designated wilderness areas in a manner inconsistent with the Wilderness Act (16 U.S.C. 1131 *et seq.*).

(i) Requirements for filming or still photography activity. The filming or still photography requirements referred to in paragraphs (f), (g), and (h) are as follows:

(1) It is conducted in a manner that does not impede or intrude on the experience of other visitors to the National Forest System lands, and except as otherwise authorized, does not disturb or negatively impact a natural or cultural resource or an environmental or scenic value, and allows for equitable allocation or use of facilities of the National Forest System lands.

(2) it is conducted at a location where the public is allowed.

(3) it does not require exclusive use of a site or area.

(4) It does not occur in a localized area that receives a very high volume of visitation.

(5) it uses only equipment that is carried by the individuals conducting the activity and does not use a set or staging equipment. Handheld equipment such as a tripod, monopod, and handheld lighting equipment is not considered staging equipment for purposes of this paragraph.

(6) it is conducted in compliance with the visitor use policies, orders, practices, and regulations applicable to the National Forest System lands on which the activity occurs.

(7) It is not likely to result in additional administrative costs being incurred by the Forest Service with respect to the filming or still photography activity, as determined by the authorized officer.

(8) It complies with the other applicable Federal, State, and local laws and regulations, including laws related to the use of unmanned aerial equipment.

(j) E-permitting for filming or still photography. The Forest Service shall provide procedures for members of the public to apply for and obtain de minimis use authorizations under paragraph (g) through a public website of the Forest Service and in person at the local field office, including procedures for automated approval of qualifying web applications and immediate issuance of qualifying in-person applications.

(k) Protection of resources. The authorized officer shall not authorize a filming or still photography activity under this section if the authorized officer determines that:

(1) there is a likelihood that the activity would cause resource damage on National Forest System lands, except as otherwise authorized;

(2) the activity would create an unreasonable disruption of the use and enjoyment by the public of National Forest System lands; or

(3) the filming or still photography activity poses a health or safety risk to the public.

(l) Statutory requirements for filming or still photography. Additional guidance for filming or still photography can be found at 16 U.S.C. 4601–6d.

■ 3. Amend § 251.51 by removing the definitions ''Commercial Filming'' and ''Still Photography'' and adding the following definitions, in alphabetical order:

§ 251.51 Definitions.

* * * * *

Content creation—Regardless of distribution platform, any video, still photograph, or audio recording for commercial or noncommercial content creation at a Federal land management unit shall be considered to be a filming or still photography activity.

* * * * *

Filming or still photography—Filming, videotaping, sound recording, or the use of any other moving image, audio recording equipment, or use of still photography equipment on National Forest System lands but not including activities associated with broadcasting breaking news.

* * * * *

Michael K. Boren,

Under Secretary, Natural Resources and Environment.

[FR Doc. 2026–05457 Filed 3–18–26; 8:45 am]

BILLING CODE 3411–15–P

LIBRARY OF CONGRESS

36 CFR Part 702

[Docket No. 2026–01]

Photography on Library Premises

AGENCY: Library of Congress.

ACTION: Final rule.

SUMMARY: The Library of Congress is issuing this final rule to amend its regulations regarding photography on Library premises. This amendment updates terminology, institutes a permit process for posed, staged, or otherwise directed or organized photography (now defined in the regulation as ''formal photography for personal use''), and clarifies the types of photography that require permission from the Director of Communications.

DATES: Effective March 19, 2026.

FOR FURTHER INFORMATION CONTACT: Terri Humphries, Special Assistant, Library of Congress Office of the General Counsel, (202) 707–6316, *thum@loc.gov.*

SUPPLEMENTARY INFORMATION: The Librarian of Congress is authorized to make regulations with respect to the Library of Congress (2 U.S.C. 136). Since neither the **Federal Register** Act nor the Administrative Procedure Act has binding effect on the legislative branch, the Library of Congress is not required to publish its regulations in the CFR. However, because the purpose of the CFR is to ''notify industry, general business, and the people'' (*Toledo, P & W.R.R.* v. *Stover,* 60 F. Supp. 587 (S.D. Ill. 1945)), it is appropriate for the Library to continue publishing those regulations which affect the rights and responsibilities of, and restrictions on, the public.

The Library of Congress is responsible for establishing standards and regulations for the physical security, control, and preservation of Library collections and property, and for the maintenance of suitable order and decorum within the Library of Congress (2 U.S.C. 141b).

Consistent with that responsibility, the Library is amending this regulation to enhance the safety of persons who use Library facilities, to protect Library collections and property, and to prevent disruption of the conduct of official business and of the timely and effective provision of Library services. This amendment updates terminology, institutes a permit process for posed, staged, or otherwise directed or organized photography (now defined in the regulation as ''formal photography for personal use''), and clarifies the types of photography that require permission from the Director of Communications.

List of Subjects in 36 CFR Part 702

Libraries, Federal buildings and facilities.

Final Regulation

In consideration of the foregoing, the Library of Congress amends 36 CFR part 702 as follows:

PART 702—CONDUCT ON LIBRARY PREMISES

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

Authority: Sec. 1, 29 Stat. 544; 2 U.S.C. 136.

■ 2. Section 702.4 is revised to read:

§ 702.4 Photographs.

(a) *Scope.* This section establishes rules for photography on Library of Congress premises. The section applies to all photography, videography, and filming activities through any device or technology.

(b) *Directions.* All photography on Library premises must comply with all posted signs and rules of behavior that the Library may prescribe and all persons involved in the photography must comply with all directions from Library personnel and U.S. Capitol Police personnel.

(c) *Definitions.* (1) For purposes of this section:

Formal photography for personal use includes posed or staged individual or group portrait sessions, engagement or wedding photography, modeling shoots, graduation or other special occasion photography, non-commercial content creation, or any other photography involving directing or organizing subjects. The photographer may be paid or unpaid. The resulting photographs are for personal, non-commercial use.

Informal photography for personal use is spontaneous casual tourist photography of the kind a typical visitor engages in and does not involve any supplemental equipment. The resulting photographs are for personal, non-commercial use.

Supplemental equipment is any photography enhancement equipment beyond the single device capturing the images. It includes, but is not limited to: any form of supplemental lighting, light sources, modifiers, stands; handheld or other external microphones, recording, or sound equipment; props, costumes, backdrops; tripods or other devices that rest on surfaces or permit separation between the photographer and the photographic equipment; or any other specialized or professional equipment.

(2) The determination of whether photography is ''formal,'' ''informal,'' or ''spontaneous'' as used in this section is at the sole discretion of the Library.

(d) *Formal photography for personal use.* Formal photography for personal use is permitted only during specific times and in specific locations that the Library may prescribe. Individuals or groups wishing to engage in formal photography for personal use must request a permit through the Library's photography permitting system. The Director of the Center for Learning, Literacy and Engagement, or designee, is authorized to grant or deny permission for formal photography for personal use and may set the conditions under which the photography may take place, including limited use of supplemental equipment. Photography sessions may be subject to cancellation by the Library for reasons including, but not limited to, closure of Library buildings for

inclement weather, maintenance or security emergencies, or special events. Library users can request a permit at: *www.loc.gov/visit/photosessions.*

(e) *Informal photography for personal use.* Informal photography for personal use does not require a permit or specific permission, provided that all such photography must be conducted consistent with § 702.2 and other applicable regulations in this part.

(f) *Spontaneous photography of matters of public concern.* Spontaneous photography of matters of public concern does not require a permit or specific permission, provided that all such photography must be conducted consistent with § 702.2 and other applicable regulations in this part.

(g) *All other photography.* All other photography requires specific permission from the Library of Congress Office of Communications. This includes, but is not limited to, photography for commercial, promotional, or news purposes via television, online, or other media channels; photography involving significant supplemental equipment; or any photography involving use of the Library name, seal, logo, staff, or collections. Requests for permission must be made at least one week prior to the proposed photography. The Director of Communications, or designee, is authorized to grant or deny permission and may set the conditions under which the photography may take place, including conditions for cancellation. Contact the Office of Communications at *news@loc.gov.*

(h) *Violations*—(1) *Immediate termination.* The Library is authorized to immediately terminate any photography on Library premises that disrupts or interferes with other people's safety or access to Library buildings or collections, or otherwise violates this part.

(2) *Barment.* Any individuals or groups who violate any provision of this section may be subject to the penalties described in § 702.14, including removal from Library premises and prohibition from further use of Library facilities.

Dated: March 12, 2026.

Robert R. Newlen,

Acting Librarian of Congress.

[FR Doc. 2026–05430 Filed 3–18–26; 8:45 am]

BILLING CODE 1410–10–P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Parts 60 and 62

[EPA–HQ–OAR–2003–0119; FRL–12232–04–OAR]

RIN 2060–AW43

Commercial and Industrial Solid Waste Incineration Units: Temporary-Use Incinerators and Air Curtain Incinerators Used in Disaster Recovery; Rescission of Interim Final Rule

AGENCY: Environmental Protection Agency (EPA).

ACTION: Final rule; rescission of interim final rule.

SUMMARY: The U.S. Environmental Protection Agency (EPA) is rescinding the interim final rule (IFR) titled ''Commercial and Industrial Solid Waste Incineration Units: Temporary-Use Incinerators and Air Curtain Incinerators Used in Disaster Recovery.'' The IFR added temporary-use provisions that excluded certain commercial and industrial solid waste incineration (CISWI) units from otherwise applicable requirements when used on a temporary basis to combust non-hazardous debris in specified emergency or disaster circumstances. The EPA is rescinding those provisions and intends to address the same subject matter through notice-and-comment rulemaking culminating in a final rule.

DATES: This rule is effective on March 19, 2026.

ADDRESSES: The EPA has established a docket for this action under Docket ID No. EPA–HQ–OAR–2003–0119. All documents in the docket are listed on the *https://www.regulations.gov/* website. Although listed, some information is not publicly available, *e.g.,* Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Certain other material, such as copyrighted material, is not placed on the internet and will be publicly available only in hard copy form. Publicly available docket materials are available either electronically through *https://www.regulations.gov/,* or in hard copy at the EPA Docket Center, WJC West Building, Room Number 3334, 1301 Constitution Ave. NW, Washington, DC. The Public Reading Room hours of operation are 8:30 a.m. to 4:30 p.m. Eastern Standard Time, Monday through Friday. The telephone number for the Public Reading Room is (202) 566–1744, and the telephone number for the EPA Docket Center is (202) 566–1742.

FOR FURTHER INFORMATION CONTACT: For information about this action, contact Dr. Felica Davis, Waste Management Branch, Natural Resources Division (E143–03), Office of Clean Air Programs, U.S. Environmental Protection Agency, 109 T.W. Alexander Drive, P.O. Box 12055, Research Triangle Park, North Carolina 27711; telephone number: (919) 541–4857; and email address: *davis.felica@epa.gov.*

SUPPLEMENTARY INFORMATION:

Preamble acronyms and abbreviations. Throughout this document the use of ''we,'' ''us,'' or ''our'' is intended to refer to the EPA. We use multiple acronyms and terms in this preamble. While this list may not be exhaustive, to ease the reading of this preamble and for reference purposes, the EPA defines the following terms and acronyms here:

ACI air curtain incinerator
CAA Clean Air Act
CBI Confidential Business Information
CFR Code of Federal Regulations
CISWI commercial and industrial solid waste incineration
EG Emission Guidelines
E.O. Executive Order
EPA Environmental Protection Agency
FR Federal Register
IFR interim final rule
NSPS New Source Performance Standards
NTTAA National Technology Transfer and Advancement Act
OMB Office of Management and Budget
PRA Paperwork Reduction Act
RFA Regulatory Flexibility Act
UMRA Unfunded Mandates Reform Act

Table of Contents

I. General Information

A. Does this action apply to me?

This action applies to owners and operators of commercial and industrial solid waste incineration (CISWI) units (including air curtain incinerators (ACIs)) subject to the New Source Performance Standards (NSPS) (40 CFR part 60, subpart CCCC), Federal Plan (40 CFR part 62, subpart IIIa), or Emissions Guidelines (EG) (40 CFR part 60, subpart DDDD). If you have questions regarding the applicability of this action to a particular entity, consult the person listed in the **FOR FURTHER INFORMATION CONTACT** section.

B. Where can I get a copy of this document and other related information?

In addition to being available in the docket (Docket ID No. EPA–HQ–OAR–2003–0119), an electronic copy of this action will be available on the internet at *https://www.epa.gov/stationary-sources-air-pollution/commercial-and-industrial-solid-waste-incineration-units-ciswi-new.*

II. Background

A. What is the statutory authority for this action?

The Clean Air Act (CAA), and CAA section 129 in particular (42 U.S.C. 7429), provides the statutory authority to issue this action.

B. What rule is being rescinded?

On August 26, 2025, the EPA published an IFR titled ''Commercial and Industrial Solid Waste Incineration Units: Temporary-Use Incinerators and Air Curtain Incinerators Used in Disaster Recovery.'' [1] The IFR was effective upon publication and provided an opportunity for public comment. The IFR added temporary-use provisions to the CISWI NSPS, EG, and Federal Plan at 40 CFR 60.2041, 40 CFR 60.2556, and 40 CFR 62.14531a, respectively. The temporary-use provisions provided an exclusion from otherwise applicable requirements when a CISWI unit, including an ACI, temporarily combusts non-hazardous debris from a disaster or emergency in specified circumstances. The IFR also included conditions related to the operation of control devices, notifications, and the duration and scope of the temporary-use exclusion.

III. Why is the EPA rescinding the IFR?

The EPA issued the IFR to ensure that more incinerators were available for recovery efforts before the 2025 hurricane and wildfire disaster seasons arrived.[2] Now that the 2025 hurricane and wildfire disaster seasons have passed, the immediate near-term context that motivated expedited issuance has changed, and the EPA has determined that it is appropriate to revisit the temporary-use provisions through notice-and-comment rulemaking. Accordingly, the EPA is rescinding the IFR and addressing the same subject matter in a separate notice-and-comment rulemaking. This action is prospective only and does not alter the compliance status of any owner or operator for conduct occurring before the effective date of this final rule.

This rescission removes the IFR amendments and returns the regulatory text to the requirements in effect immediately prior to the IFR. As mentioned above, the EPA is proceeding under a separate proposal published today that will provide the public with an opportunity to submit comments, input and data for EPA's consideration before the Agency issues a final rule.

IV. Statutory and Executive Order Reviews

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

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

This action is not a significant regulatory action and therefore was not submitted to the Office of Management and Budget for review. The EPA prepared an Economic Impact Analysis (EIA) for the IFR that is being rescinded in this action. The EIA explained that facilities that elected to use the disaster recovery temporary use provisions were not subject to additional control requirements and, accordingly, the EPA anticipated that there would be no additional compliance costs. The EPA was unable to quantify any overall nationwide cost savings because the Agency could not determine how many units would be subject to, or would elect to use, the temporary use provisions. The EIA also explained that if a disaster made operation of emission controls technically infeasible, emissions increases could occur but could not be quantified due to uncertainty in the volume and composition of combusted debris. This action rescinds the IFR; therefore, the EPA no longer anticipates the previously unquantified cost and emissions implications associated with the temporary use provisions.

B. Executive Order 14192: Unleashing Prosperity Through Deregulation

This action is not an Executive Order 14192 regulatory action because this action is not significant under Executive Order 12866.

C. Paperwork Reduction Act (PRA)

This action does not impose any new information collection burden under the PRA. This action does not change the information collection requirements.

D. Regulatory Flexibility Act (RFA)

I certify that this action will not have a significant economic impact on a substantial number of small entities under the RFA. This action will not impose any requirements on small entities.

E. Unfunded Mandates Reform Act of 1995 (UMRA)

This action does not contain an unfunded mandate of $100 million (adjusted annually for inflation) or more as described in UMRA, 2 U.S.C. 1531–1538 and does not significantly or uniquely affect small governments. The action imposes no enforceable duty on any State, local or Tribal governments. Although this action creates an enforceable duty on the private sector, the cost does not exceed $100 million or more.

F. Executive Order 13132: Federalism

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

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

This action does not have Tribal implications as specified in Executive Order 13175. This rule will implement revisions to the compliance dates for certain provisions. Thus, Executive Order 13175 does not apply to this action.

[1] 90 FR 41508.

[2] *Id.* at 41513.

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

Executive Order 13045 directs Federal agencies to include an evaluation of the health and safety effects of the planned regulation on children in Federal health and safety standards and explains why the regulation is preferable to potentially effective and reasonably feasible alternatives. This action is not subject to Executive Order 13045 because it is not a significant regulatory action under section 3(f)(1) of Executive Order 12866, and because the EPA does not believe the environmental health or safety risks addressed by this action present a disproportionate risk to children.

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

This action is not subject to Executive Order 13211, because it is not a significant regulatory action under Executive Order 12866.

J. National Technology Transfer and Advancement Act (NTTAA)

This action does not involve technical standards; therefore, the NTTAA does not apply.

K. Congressional Review Act (CRA)

This action is subject to the CRA, 5 U.S.C. 801–808, and the EPA will submit a rule report to each House of the Congress and to the Comptroller General of the United States. This is not a major action as defined by 5 U.S.C. 804(2).

List of Subjects in 40 CFR Parts 60 and 62

Environmental protection, Administrative practice and procedure, Air pollution control, Reporting and recordkeeping requirements.

Lee Zeldin,

Administrator.

For the reasons stated in the preamble, the Environmental Protection Agency amends parts 60 and 62 of title 40, chapter I, of the Code of Federal Regulations as follows:

PART 60—STANDARDS OF PERFORMANCE FOR NEW STATIONARY SOURCES

■ 1. The authority citation for part 60 continues to read as follows:

Authority: 42 U.S.C. 7401 *et seq.*

Subpart CCCC—Standards of Performance for Commercial and Industrial Solid Waste Incineration Units

§ 60.2041 [Removed and Reserved]

■ 2. Remove and reserve § 60.2041.

Subpart DDDD—Emissions Guidelines and Compliance Times for Commercial and Industrial Solid Waste Incineration Units

§ 60.2556 [Removed and Reserved]

■ 3. Remove and reserve § 60.2556.

PART 62—APPROVAL AND PROMULGATION OF STATE PLANS FOR DESIGNATED FACILITIES AND POLLUTANTS

■ 4. The authority citation for part 62 continues to read as follows:

Authority: 42 U.S.C. 7401 *et seq.*

Subpart III—Federal Plan Requirements for Commercial and Industrial Solid Waste Incineration Units That Commenced Construction On or Before November 30, 1999

§ 62.14531a [Removed and Reserved]

■ 5. Remove and reserve § 62.14531a.

[FR Doc. 2026–05395 Filed 3–18–26; 8:45 am]

BILLING CODE 6560–50–P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 141

[EPA–HQ–OW–2024–0456; FRL–10774–02–OW]

Announcement of Final Regulatory Determinations for Contaminants on the Fifth Drinking Water Contaminant Candidate List

AGENCY: Environmental Protection Agency (EPA).

ACTION: Regulatory determinations.

SUMMARY: The U.S. Environmental Protection Agency (EPA) is announcing final regulatory determinations for nine contaminants listed on the fifth Contaminant Candidate List. Specifically, the Agency is making final determinations not to regulate 2-aminotoluene, cylindrospermopsin, ethoprop, microcystins, molybdenum, permethrin, profenofos, tebuconazole, and tribufos. The Safe Drinking Water Act (SDWA) requires the EPA to make regulatory determinations every five years on at least five unregulated contaminants. A regulatory determination is a decision about whether or not to begin the process to propose and promulgate- a national primary drinking water regulation (NPDWR) for an unregulated contaminant.

DATES: For the purpose of judicial review, the determinations not to regulate in this document are issued as of March 19, 2026.

FOR FURTHER INFORMATION CONTACT: George Gardenier, Standards and Risk Management Division, Office of Ground Water and Drinking Water (Mail Code 4607M), Environmental Protection Agency, 1200 Pennsylvania Avenue NW, Washington, DC 20460; telephone number: (202) 564–3333; email address: *gardenier.george@epa.gov.*

SUPPLEMENTARY INFORMATION:

Abbreviations Used in This Document

ATSDR Agency for Toxic Substances and Disease Registry
CCL Contaminant Candidate List
CCL 5 Fifth Contaminant Candidate List
CRL Cancer Risk Level
CSF Cancer Slope Factor
DWI–BW Drinking Water Intake Adjusted for Body Weight
FIFRA Federal Insecticide, Fungicide and Rodenticide Act
HABs Harmful Algal Blooms
HESD Health Effects Support Document
HHRA Human Health Risk Assessment
HRL Health Reference Level
HRRCA Health Risk Reduction Cost Analysis
MRL Minimum Reporting Level
NPDWR National Primary Drinking Water Regulation
NRDC Natural Resources Defense Council
OW Office of Water
PPRTV Provisional Peer-Reviewed Toxicity Value
PWS Public Water System
RD 5 Regulatory Determination 5
RSC Relative Source Contribution
SDWA Safe Drinking Water Act
UCMR Unregulated Contaminant Monitoring Rule
UCMR 3 Third Unregulated Contaminant Monitoring Rule
UCMR 4 Fourth Unregulated Contaminant Monitoring Rule
USEPA United States Environmental Protection Agency
USGS United States Geological Survey

Table of Contents

I. General Information

A. Does this action apply to me?

These final regulatory determinations will not impose any requirements on anyone. Instead, this action notifies interested parties of the EPA's final determinations not to regulate nine contaminants under the SDWA.

B. How can I get copies of this document and other related information?

1. Docket. The EPA has established a docket for this action under Docket ID No. EPA–HQ–OW–2024–0456. Publicly available docket materials are available either electronically through *https://www.regulations.gov* or in hard copy at the EPA Docket Center, WJC West Building, Room 3334, 1301 Constitution Ave. NW, Washington, DC. The Docket Center's hours of operations are 8:30 a.m.–4:30 p.m., Monday through Friday (except Federal Holidays). For further information on the EPA Docket Center services and the current status, see: *https://www.epa.gov/dockets.*

2. Electronic Access. You may access this **Federal Register** document electronically from *https://www.federalregister.gov/documents/current.*

II. Purpose and Background

A. What is the purpose of this action?

The purpose of this action is to present a summary of the EPA's final SDWA regulatory determinations for nine contaminants on the fifth Contaminant Candidate List (CCL 5) (87 FR 68060; USEPA, 2022). The Agency is making determinations not to regulate 2-aminotoluene, cylindrospermopsin, ethoprop, microcystins, molybdenum, permethrin, profenofos, tebuconazole, and tribufos. This action summarizes the SDWA statutory requirements for selecting new contaminants in drinking water to regulate, provides an overview of the contaminants that the Agency considered for regulation, and describes the approach used to make the final regulatory determinations. In addition, this action summarizes the public comments received on the Agency's preliminary determinations announcement and the Agency's responses to those comments.

B. What are the statutory requirements for the SDWA Contaminant Candidate List (CCL) and regulatory determinations?

The SDWA provides a stepwise process for establishing drinking water standards for unregulated contaminants. First, the SDWA section 1412(b)(1)(B)(i) requires the EPA to publish a list of unregulated contaminants that are candidates for drinking water regulations, referred to as the Contaminant Candidate List (CCL). The statute requires the EPA to publish this CCL every five years after public notice and an opportunity to comment. The SDWA defines the CCL as a list of contaminants which are not subject to any proposed or promulgated National Primary Drinking Water Regulations (NPDWRs) but are known or anticipated to occur in public water systems (PWSs) and may require regulation under the SDWA.

Second, the SDWA section 1412(b)(1)(B)(ii) directs the EPA to determine, after public notice and an opportunity to comment, whether to regulate at least five contaminants from the CCL every five years. Under SDWA section 1412(b)(1)(A), the EPA makes a determination to regulate a contaminant in drinking water if the Administrator determines that:

(i) The contaminant may have an adverse effect on the health of persons;

(ii) The contaminant is known to occur or there is a substantial likelihood that the contaminant will occur in public water systems with a frequency and at levels of public health concern; and

(iii) In the sole judgment of the Administrator, regulation of such contaminant presents a meaningful opportunity for health risk reduction for persons served by public water systems.

If, after considering public comment on a preliminary determination, the Agency makes a final determination to regulate a contaminant, section 1412(b)(1)(E) requires the EPA to propose and promulgate an NPDWR and publish a Maximum Contaminant Level Goal for that contaminant. In that case, the statutory time frame provides for the Agency's proposal of a regulation within 24 months and action on a final regulation within 18 months of proposal (which may be extended by 9 months).

C. Which contaminants did the EPA consider for regulation?

The EPA has published five CCLs since 1996. On January 15, 2025, the EPA published preliminary regulatory determinations not to regulate nine contaminants on the fifth Contaminant Candidate List (CCL 5) (90 FR 3830; USEPA, 2025a). The Agency is finalizing the determinations not to regulate 2-aminotoluene, cylindrospermopsin, ethoprop, microcystins, molybdenum, permethrin, profenofos, tebuconazole, and tribufos.

Information further describing the Agency's analyses informing the regulatory determinations for these nine contaminants can be found in the *Final Regulatory Determination 5 Support Document* (USEPA, 2026a). More information is available in the Public Docket at *https://www.regulations.gov* (Docket ID No. EPA–HQ–OW–2024–0456) and also on the EPA's Regulatory Determination 5 website at *https://www.epa.gov/ccl/regulatory-determination-5*.

III. Approach to Identifying and Evaluating Contaminants for Regulatory Determinations

A. How the EPA Identified and Evaluated Contaminants for the Fifth Regulatory Determination

This section summarizes the Agency's approach to identifying and evaluating contaminants for the Fifth Regulatory Determination (RD 5). As explained in the **Federal Register** document for the preliminary determinations for this fifth cycle of regulatory determinations, the approach taken under RD 5 is similar to that used in previous rounds of regulatory determination and formalized in a written protocol under Regulatory Determination 3 (USEPA 2014; 81 FR 13; USEPA, 2016). For more detailed information on the approach and the analyses performed, please refer to the ''Protocol for the Regulatory Determination 5'' found in appendix B of the *Final Regulatory Determination 5 Support Document* (USEPA, 2026a) and the **Federal Register** publication for the preliminary regulatory determinations (90 FR 3830; USEPA, 2025a).

The CCL 5 identified 81 contaminants or groups of contaminants that are not currently subject to any proposed or promulgated NPDWR, are known or anticipated to occur in public water systems, and may require regulation under the SDWA (87 FR 68060; USEPA, 2022). The Agency used a three-phase process to identify which of the contaminants are candidates for regulatory determinations and found that many of the CCL 5 contaminants do

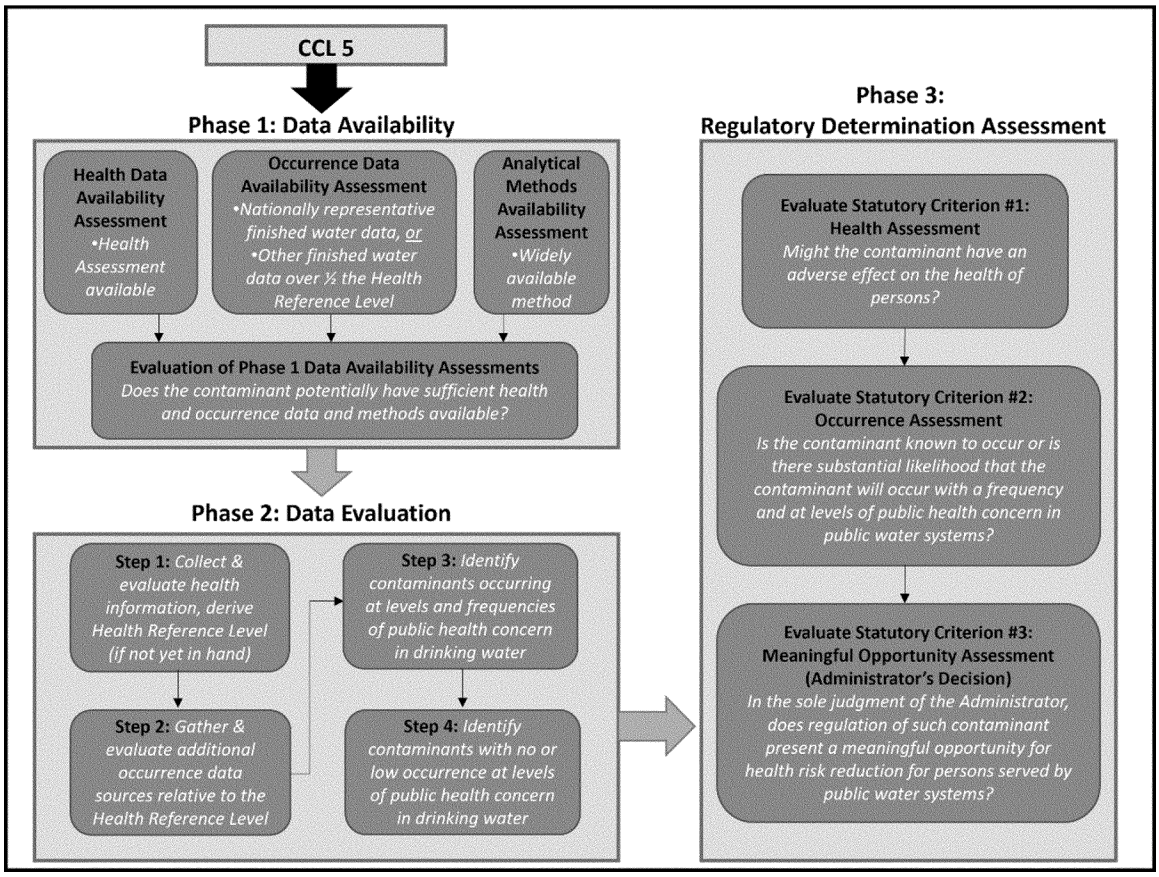
not have adequate health and/or finished drinking water occurrence data to evaluate against the three statutory criteria necessary to make a regulatory determination (see section II.B. of this document). Priority was given to identifying contaminants known or substantially likely to occur at frequencies and levels of public health concern.

In accordance with the Agency's Policy on Evaluating Health Risks to Children (USEPA, 1995), the EPA has explicitly considered children's health and potential unique vulnerabilities in the RD 5 process by reviewing all available scientific information on children's exposure and health effects from the contaminants the Agency considered.

The three phases of the Fifth Regulatory Determination protocol, like the protocol the Agency used for the Third and Fourth Regulatory Determinations, are (1) the *Data Availability Phase,* (2) the *Data Evaluation Phase* and (3) the *Regulatory Determination Assessment Phase.*

Throughout the RD 5 Evaluation process, the EPA conducted its evaluations in a manner consistent with the *U.S. Environmental Protection Agency Implementation of Gold Standard Science* (USEPA, 2025b), including through developing a standardized process for conducting the evaluations of contaminants from RD 5, which can be found in appendix B of the *Regulatory Determination 5 Support Document* (USEPA, 2026a). The overall process is displayed in Exhibit 1.

Exhibit 1:The Three Phases of the Regulatory Determination 5 Process



The purpose of the first phase, the *Data Availability Phase,* is to screen out contaminants that clearly do not have sufficient data to support a regulatory determination. The Agency applies criteria to ensure that any contaminant that potentially has sufficient data to characterize the health effects and known or likely occurrence in drinking water will proceed to the *Data Evaluation Phase,* the second phase of the regulatory determination process. From the 81 CCL 5 contaminants and contaminant groups, the Agency identified 35 CCL 5 contaminants to further evaluate in the second phase of the regulatory determination process. See the *Final Regulatory Determination 5 Support Document* for more details of the *Data Evaluation Phase* (USEPA, 2026a).

During the second phase, the Agency evaluated these 35 contaminants in greater detail to identify those that have sufficient data (or are expected to have sufficient data within the timeframe allotted for the second phase) for the EPA to assess the three statutory criteria. As part of the second phase, the Agency specifically focused its efforts on identifying those contaminants or contaminant groups that are occurring (or have substantial likelihood to occur) at levels and frequencies of public health concern based on the best available peer-reviewed data.

The EPA conducted a systematic search for human health effects assessments from EPA and other authoritative sources for each drinking water chemical contaminant on CCL 5 in a manner consistent with the EPA's Scientific Integrity Policy and with the Agency's *Implementation of Gold Standard Science* (USEPA, 2025b). When conducting the literature searches for health effects assessments, the EPA prioritized assessments that are

reproducible, transparent, communicative of error and uncertainty, subject to unbiased peer review, and without conflicts of interest. The EPA selected a health effects assessment for each contaminant and derived a Health Reference Level (HRL). The EPA followed a structured and transparent process to select the assessment(s) for both cancer and noncancer HRL derivation. The process included expert evaluations applying specific criteria. These criteria are designed to identify the assessment relevant to drinking water that was developed using comparable approaches to the EPA human health risk assessment methods and based on the best available science. HRLs are health-based drinking water concentrations, derived from qualifying health effects assessments based on the best available science, and are not final drinking water values. HRLs are derived using a procedure that is inclusive of sensitive subpopulations. The EPA evaluates the HRLs against the occurrence data to determine if contaminants occur at levels of potential public health concern in drinking water, to inform regulatory determinations. As with the first phase, if the Agency finds in Phase 2 that sufficient data are not available to evaluate the three statutory criteria, then the contaminant is not considered a candidate for regulatory determination.

Often the primary source of nationally representative occurrence data is from the EPA's Unregulated Contaminant Monitoring Rule (UCMR) program. SDWA section 1412 (b)(1)(B)(ii)(II) requires that the EPA include consideration of the data collected by the UCMR program in making regulatory determinations. The UCMR program collects nationally representative occurrence data that is considered by the EPA in the CCL and regulatory determination processes. The UCMR sampling is limited by statute to no more than 30 contaminants every five years (SDWA section 1445(a)(2)) and provides information on unregulated contaminants in finished drinking water that is considered in this process. Under UCMR 3 and UCMR 4, the UCMRs relevant to this document, data were collected from all PWSs serving a population of more than 10,000, and from a nationally representative sample of 800 small PWSs serving 10,000 people or fewer.

If sufficient data are available for a contaminant to characterize the potential health effects and known or likely occurrence in drinking water, the contaminant is evaluated against the three SDWA statutory criteria laid out in section 1412(b)(1)(A) in the *Regulatory Determination Assessment Phase,* which is the third phase of the process. Of the 35 contaminants that were evaluated under Phase 2, 14 were designated for evaluation against the three statutory criteria in Phase 3.

Of the 14 CCL 5 contaminants that were evaluated in Phase 3 against the three statutory criteria, the Agency made preliminary regulatory determinations not to regulate nine contaminants (2-aminotoluene, cylindrospermopsin, ethoprop, microcystins, molybdenum, permethrin, profenofos, tebuconazole, and tribufos). These preliminary determinations were published in the **Federal Register** on January 15, 2025, for public comment (90 FR 3830; USEPA, 2025a).

B. Consideration of Public Comments

The EPA received comments from eight organizations and individuals on the preliminary regulatory determinations for CCL 5 (90 FR 3830; USEPA, 2025a). Most of these comments were supportive of the Agency's determinations not to regulate the nine contaminants. There were two commenters who urged the EPA to regulate all nine contaminants because each has the potential to cause adverse health effects. While these contaminants may have potential adverse health effects, SDWA section 1412(b)(1)(A) requires the Agency to consider all three statutory criteria, described in section II.B. of this document, of which the potential to have adverse health effects is only one. In order to make a determination to regulate a contaminant under the SDWA, all three criteria must be met: exposure to the contaminant may result in an adverse health effect, the contaminant is known or substantially likely to occur in public water systems with a frequency and at levels of public health concern, and that regulation in public water systems would provide a meaningful opportunity to reduce the public health risks associated with exposure to the contaminant. The potential for adverse health effects alone, therefore, is not a sufficient basis to determine to regulate a contaminant in drinking water under the SDWA.

See the *Responses to Public Comments on Preliminary Regulatory Determinations for Contaminants on the Fifth Drinking Water Contaminant Candidate List* for additional details about the public comments received and the EPA's responses (USEPA, 2026b).

IV. The EPA's Findings on Specific Contaminants

After considering the public comments, the EPA is making final determinations not to regulate the nine contaminants listed in table 1. The next sections of this document provide a brief description of the Agency's findings on these contaminants. Details on the background, health and occurrence information, and analyses used to evaluate and make final determinations for these contaminants can be found in the *Final Regulatory Determination 5 Support Document* (USEPA, 2026a), the *Occurrence Data from the Fourth Unregulated Contaminant Monitoring Rule (UCMR 4)* (USEPA, 2024), and the **Federal Register** publication for the preliminary regulatory determination (90 FR 3830; USEPA, 2025a).

TABLE 1—SUMMARY OF HEALTH AND OCCURRENCE INFORMATION FOR THE NINE CONTAMINANTS RECEIVING A FINAL DETERMINATION UNDER RD 5

RD 5 contaminant	Minimum reporting level (MRL), (µg/L)	Health reference level (HRL),[1] (µg/L)	Critical effect	PWSs[2] with at least 1 measurement > HRL (percent)	Population[2] served by PWSs with at least 1 measurement > HRL (percent)
2-Aminotoluene	0.007	2	Subcutaneous fibromas and fibrosarcomas	0.0	0.0
Cylindrospermopsin	0.09	0.6	Increased relative kidney weight	0.03	0.01
Ethoprop	0.03	0.09	Inhibition of red blood cell cholinesterase	0.02	0.01
Microcystins	0.3	0.3	Liver effects	0.2	0.06
Molybdenum	1	100	Kidney effects	0.1	0.06
Permethrin	0.04	3,000	Decreased motor activity	0.0	0.0

TABLE 1—SUMMARY OF HEALTH AND OCCURRENCE INFORMATION FOR THE NINE CONTAMINANTS RECEIVING A FINAL DETERMINATION UNDER RD 5—Continued

RD 5 contaminant	Minimum reporting level (MRL), (µg/L)	Health reference level (HRL),[1] (µg/L)	Critical effect	PWSs[2] with at least 1 measurement > HRL (percent)	Population[2] served by PWSs with at least 1 measurement > HRL (percent)
Profenofos	0.3	0.7	Inhibition of red blood cell acetylcholinesterase	0.02	0.01
Tebuconazole	0.2	200	Increased incidence of skull/neural tube defects	0.0	0.0
Tribufos	0.07	1	Inhibition of red blood cell cholinesterase	0.0	0.0

[1] An HRL is a health-based concentration against which the Agency evaluates occurrence data when making regulatory determinations. See the Final Regulatory Determination 5 Support Document for information about how HRLs are derived (USEPA, 2026a).

[2] Assessment monitoring under UCMR 3 and UCMR 4 (the cycles relevant to this document) included all PWSs servicing a population greater than 10,000. It also included a nationally representative sample of 800 small systems, defined as those serving a population of 10,000 or fewer.

A. 2-Aminotoluene

2-Aminotoluene (also referred to as *o*-toluidine or 2-methylaniline) is a synthetic aromatic amine and occurs as a colorless or light-yellow liquid. 2-Aminotoluene is used in the manufacture of dyes, rubber vulcanization accelerators, pharmaceuticals and pesticides (NCBI, 2024).

The EPA has found that 2-aminotoluene may have an adverse effect on the health of persons and therefore meets SDWA's Statutory Criterion 1 for regulatory determinations. The health assessment selected to derive an HRL for 2-aminotoluene is the 2012 EPA Provisional Peer-Reviewed Toxicity Value (PPRTV) (USEPA, 2012), because it is a qualifying peer-reviewed health assessment that derives an oral cancer slope factor (CSF) based on the best available science. The 2012 EPA PPRTV health assessment for 2-aminotoluene describes multiple adverse health effects. The EPA selected subcutaneous fibromas and fibrosarcomas (*i.e.,* cancer) in male rats as the critical effect to derive the oral toxicity value (USEPA, 2012). In this health assessment, the EPA determined that 2-aminotoluene is ''likely to be carcinogenic to humans'' by following the process described in the EPA's 2005 Guidelines for Carcinogen Risk Assessment (USEPA, 2005; USEPA, 2012). The EPA derived an HRL for 2-aminotoluene of 2 µg/L based on a one-in-a-million (10^{-6}) cancer risk level (CRL), oral CSF of 0.016 $(mg/kg/day)^{-1}$ (USEPA, 2012), and a drinking water intake adjusted for body weight (DWI–BW) for children (birth to <21 years) of 0.0343 L/kg/day (USEPA, 2019a).

The EPA has determined that 2-aminotoluene does not occur with a frequency and at levels of public health concern in PWSs based on available occurrence information and therefore does not meet SDWA's Statutory Criterion 2 for regulatory determinations. The primary occurrence data for 2-aminotoluene are nationally representative drinking water monitoring data from the UCMR 4 program (2018–2020) (USEPA, 2024). Under UCMR 4 assessment monitoring, there were no measurements of 2-aminotoluene greater than the HRL (USEPA, 2026a).

The UCMR 4 data do not indicate that persons served by public water systems are exposed to 2-aminotoluene at levels of public health concern (USEPA, 2026a). The Agency, therefore, has determined that regulating 2-aminotoluene under the SDWA does not present a meaningful opportunity for health risk reduction for persons served by PWSs, as required by SDWA's Statutory Criterion 3 for regulatory determinations.

The Agency has evaluated the best available information on 2-aminotoluene against the three SDWA section 1412(b)(1)(A) statutory criteria and found that this contaminant does not satisfy the second and third criteria. The EPA is therefore making a final determination not to regulate 2-aminotoluene with an NPDWR.

B. Cylindrospermopsin

Cylindrospermopsin is a toxin naturally produced and released by cyanobacteria. Cyanobacteria, sometimes referred to as blue-green algae, are photosynthetic bacteria that are nearly ubiquitous in freshwater and marine environments. Harmful algal blooms (HABs) of cyanobacteria in freshwater environments can release cyanotoxins, including cylindrospermopsin.

The EPA has found that cylindrospermopsin may have an adverse effect on the health of persons and therefore meets SDWA's Statutory Criterion 1 for regulatory determinations. The health assessment selected to derive an HRL for cylindrospermopsin is the EPA's 2015 *Health Effects Support Document for the Cyanobacterial Toxin Cylindrospermopsin* (USEPA, 2015a) because it is a peer-reviewed health assessment that derives an oral toxicity value, and it uses the best available science in its evaluation of noncancer risk for cylindrospermopsin. The 2015 EPA Health Effects Support Document (HESD) health assessment describes multiple adverse health effects for cylindrospermopsin. The EPA selected increased relative kidney weight in mice as the critical effect to derive the oral toxicity value (USEPA, 2015a). The EPA derived an HRL for cylindrospermopsin of 0.6 µg/L based on an oral reference value of 0.0001 mg/kg/day (USEPA, 2015a), a DWI–BW for children (birth to <21 years) of 0.0343 L/kg/day (USEPA, 2019a) and a 20% relative source contribution (RSC) (USEPA, 2000).

The EPA has determined that cylindrospermopsin does not occur with a frequency and at levels of public health concern in PWSs based on the available occurrence information and therefore does not meet SDWA's Statutory Criterion 2 for regulatory determinations. The primary occurrence data for cylindrospermopsin are nationally representative drinking water monitoring data from the UCMR 4 program (USEPA, 2024). Under UCMR 4 assessment monitoring, 0.03% of PWSs reported at least one measurement of cylindrospermopsin greater than the HRL (USEPA, 2026a).

The EPA has determined that regulating cylindrospermopsin under the SDWA does not present a meaningful opportunity for health risk reduction for persons served by PWSs based on the exposed population and therefore does not meet SDWA's Statutory Criterion 3 for regulatory determinations. The PWS-served population exposed to

cylindrospermopsin at levels of public health concern is only 0.01%, based on UCMR 4 finished water data (USEPA, 2026a).

Conventional water treatment (consisting of coagulation, sedimentation, filtration and chlorination) can generally remove intact cyanobacterial cells and low levels of cyanotoxins from source waters. However, water systems may face challenges in providing drinking water during a severe bloom event when there are high levels of cyanobacteria and cyanotoxins in source waters. With proactive planning, diligent operations and maintenance and active management, PWSs can reduce the risks of cyanotoxins breaking through the treatment process and occurring in finished drinking water. Because these non-regulatory efforts to manage cyanotoxins are effective, the Agency finds that an NPDWR for cylindrospermopsin does not present a meaningful opportunity for health risk reduction for this reason as well.

The Agency has evaluated the best available information on cylindrospermopsin against the three SDWA section 1412(b)(1)(A) statutory criteria and found that this contaminant does not satisfy the second and third criteria. The EPA is therefore making a final determination not to regulate cylindrospermopsin with an NPDWR.

C. Ethoprop

Ethoprop is an organophosphate pesticide and is used as an insecticide and nematicide on mostly vegetables and fruit crops. Over the past few decades, estimated usage of ethoprop has declined, and in 2019 showed limited geographic usage to the Pacific Northwest and California (USGS, 2023).

The EPA has found that ethoprop may have an adverse effect on the health of persons and therefore meets SDWA's Statutory Criterion 1 for regulatory determinations. The EPA used toxicity information from the EPA's Office of Pesticide Programs for ethoprop as the basis for HRL derivation (USEPA, 2015b). The health assessment selected to derive an HRL for ethoprop is the EPA's Office of Pesticide Programs 2015 Human Health Risk Assessment (HHRA) for ethoprop (USEPA, 2015b; USEPA, 2015c). The 2015 EPA HHRA describes multiple adverse health effects for ethoprop. The EPA selected inhibition of red blood cell cholinesterase in male rats as the critical effect to derive the oral toxicity value (USEPA, 2015b). The EPA derived an HRL for ethoprop of 0.09 µg/L based on an oral reference value of 0.000065 mg/kg/day (USEPA, 2015b), a DWI–BW for infants (birth to <1 year) of 0.143 L/kg/day (USEPA, 2019a) and a 20% RSC (USEPA, 2000).

The EPA has determined that ethoprop does not occur with a frequency and at levels of public health concern in PWSs based on nationally representative drinking water monitoring data from UCMR 4 (USEPA, 2024). The Agency therefore finds that ethoprop does not meet Statutory Criterion 2 for regulatory determinations. Of the UCMR 4 systems that reported results for ethoprop, only 0.02% reported a result above the HRL (USEPA, 2026a).

The EPA has determined that there is no meaningful opportunity for health risk reduction through regulation of ethoprop with an NPDWR. The PWS-served population exposed to ethoprop at levels of public health concern is only 0.01%, based on UCMR 4 finished water data (USEPA, 2026a). Therefore, Statutory Criterion 3 for regulatory determinations is also not met.

The Agency has evaluated the best available information on ethoprop against the three SDWA section 1412(b)(1)(A) statutory criteria and found that this contaminant does not satisfy the second and third criteria. The EPA is therefore making a final determination not to regulate ethoprop with an NPDWR.

D. Microcystins

Microcystins are toxins that are naturally produced and released by cyanobacteria. Microcystins exist in multiple forms (congeners), based on variations in amino acid composition; there are approximately 100 known microcystin congeners (USEPA, 2015d). Microcystins are the most common cyanotoxins found worldwide and they have been reported in surface waters in most of the U.S. (Funari and Testai, 2008 as cited in USEPA, 2015d).

The EPA has found that microcystins may have an adverse effect on the health of persons and therefore meet SDWA's Statutory Criterion 1 for regulatory determinations. The health assessment selected for RD 5 is the EPA's 2015 *Health Effects Support Document for the Cyanobacterial Toxin Microcystins* (USEPA, 2015d) because it is a peer-reviewed health assessment that derives an oral toxicity value and uses the best available science in its evaluation of noncancer risk. The 2015 EPA HESD describes multiple adverse health effects for microcystins. The EPA selected liver effects in rats as the critical effect to derive the oral toxicity value (USEPA, 2015d). The EPA derived an HRL for microcystins of 0.3 µg/L based on an oral reference value of 0.00005 mg/kg/day (USEPA, 2015d), a DWI–BW for adults (21 years and older) of 0.0336 L/kg/day (USEPA, 2019a) and a 20% RSC (USEPA, 2000).

The EPA has determined that microcystins do not occur in PWSs with a frequency and at levels of public health concern based upon nationally representative drinking water monitoring data from the UCMR 4 program (USEPA, 2024). Only 0.2% of systems reported at least one result above the HRL for total microcystins (USEPA, 2026a). As a result, the EPA finds that SDWA's Statutory Criterion 2 for regulatory determinations is not met.

Regulating microcystins under the SDWA does not present a meaningful opportunity for health risk reduction for persons served by PWSs based on the exposed population, including sensitive populations. The population exposed to microcystins at levels of public health concern is only 0.06% based on UCMR 4 finished drinking water data (USEPA, 2026a). Therefore, the EPA finds that SDWA's Statutory Criterion 3 for regulatory determinations is not met.

Conventional water treatment (consisting of coagulation, sedimentation, filtration and chlorination) can generally remove intact cyanobacterial cells and low levels of cyanotoxins from source waters. However, water systems may face challenges in providing drinking water during a severe bloom event when there are high levels of cyanobacteria and cyanotoxins in source waters. With proactive planning, diligent operations and maintenance and active management, PWSs can reduce the risks of cyanotoxins breaking through the treatment process and occurring in finished drinking water. Because these non-regulatory efforts are effective, the Agency finds that an NPDWR for microcystins does not present a meaningful opportunity for health risk reduction for this reason as well.

The Agency has evaluated the best available information on microcystins against the three SDWA section 1412(b)(1)(A) statutory criteria and found that this contaminant does not satisfy the second and third criteria. The Agency is therefore making a final determination not to regulate microcystins with an NPDWR.

E. Molybdenum

Molybdenum is a naturally occurring element present in soils. Anthropogenic sources of molybdenum in water include effluents from molybdenum, uranium and copper mining and milling operations, oil production and oil refining operations, and coal-fired power plants. Molybdenum is commonly used in metallurgy,

including in alloys with cast iron, steel and superalloys. Molybdenum compounds are also used in catalysts, lubricants and pigments (ATSDR, 2020).

The EPA has found that exposure to molybdenum may have an adverse effect on the health of persons and therefore meets SDWA's Statutory Criterion 1 for regulatory determinations. The health assessment selected for RD 5 is the 2020 Agency for Toxic Substances and Disease Registry's (ATSDR) 2020 Toxicological Profile for Molybdenum (ATSDR, 2020) because it is the most recent peer-reviewed health assessment identified for molybdenum that derives an oral toxicity value, it uses the best available science in its evaluation of noncancer risk, and its toxicity value is based on a more recent critical study (Murray et al., 2014) than those of previous health assessments (USEPA, 1992; WHO, 2011). The 2020 ATSDR health assessment describes multiple adverse health effects for molybdenum, and ATSDR selected kidney effects in female rats as the critical effect to derive the oral toxicity value (ATSDR, 2020). The EPA derived an HRL for molybdenum of 100 µg/L based on an oral reference value of 0.06 mg/kg/day (ATSDR, 2020), with an additional uncertainty factor of 3, a DWI–BW for children of 0.0343 L/kg/day (USEPA, 2019a) and a 20% RSC (USEPA, 2000).

Based on the Agency's evaluation of the available occurrence information, the EPA has determined that molybdenum does not occur with a frequency and at levels of public health concern in PWSs and therefore does not meet Statutory Criterion 2 for regulatory determinations. The primary occurrence data for molybdenum are nationally representative drinking water monitoring data from the UCMR 3 program (2013–2015) (USEPA, 2019b). Under UCMR 3 assessment monitoring, 0.1% of systems reported results above the HRL (USEPA, 2026a).

The UCMR 3 data indicate that the population exposed to molybdenum above the HRL is only 0.06% (USEPA, 2026a). The Agency, therefore, has determined that regulating molybdenum under the SDWA does not present a meaningful opportunity for health risk reduction for persons served by PWSs, and as required by SDWA's Statutory Criterion 3 for regulatory determinations.

The Agency has evaluated the best available information on molybdenum against the three SDWA section 1412(b)(1)(A) statutory criteria and found that this contaminant does not satisfy the second and third criteria. The EPA is therefore making a final determination not to regulate molybdenum with an NPDWR.

F. Permethrin

Permethrin is a pyrethroid pesticide primarily used as an insecticide. Sources of permethrin include agricultural usage and industrial activities. Permethrin usage in agriculture has been estimated by USGS to have peaked in 1995 with 1.4 million pounds, with a gradual decrease to steady usage between around 600,000 and 800,000 pounds annually throughout 2001–2019 (USGS, 2023).

The EPA has found that exposure to permethrin may have an adverse effect on the health of persons and therefore meets SDWA's Statutory Criterion 1 for regulatory determinations. The health assessment selected to derive an HRL for permethrin is the EPA's Office of Pesticide Programs 2020 HHRA for permethrin (USEPA, 2020a; USEPA, 2020b). The EPA's 2020 HHRA describes multiple adverse health effects for permethrin. The EPA selected decreased motor activity in male rats as the critical effect to derive the oral toxicity value (USEPA, 2020a; USEPA 2020b). The EPA derived an HRL for permethrin of 3,000 µg/L based on an oral reference value of 0.44 mg/kg/day (USEPA, 2020a; USEPA, 2020b), a DWI–BW for children of 0.0343 L/kg/day (USEPA, 2019a) and a 20% RSC (USEPA, 2000).

The EPA has determined that permethrin does not occur with a frequency and at levels of public health concern in PWSs based on available occurrence information and therefore does not meet SDWA's Statutory Criterion 2 for regulatory determinations. The primary occurrence data for permethrin are nationally representative drinking water monitoring data from the UCMR 4 program (2018–2020) (USEPA, 2024). Under UCMR 4 assessment monitoring, there were no measurements of permethrin greater than the HRL (USEPA, 2026a).

The UCMR 4 data indicate persons served by the public water systems are not exposed to permethrin at levels of public health concern (USEPA, 2026a). The Agency has thus determined that regulating permethrin under the SDWA does not present a meaningful opportunity for health risk reduction for persons served by PWSs, as required by SDWA's Statutory Criterion 3 for regulatory determinations.

The Agency has evaluated the best available information on permethrin against the three SDWA section 1412(b)(1)(A) statutory criteria and found that this contaminant does not satisfy the second and third criteria. The EPA is therefore making a final determination not to regulate permethrin with an NPDWR.

G. Profenofos

Profenofos is an organophosphate pesticide that is applied as an insecticide. Profenofos registration was canceled in 2018, and it currently has no active labels in the EPA's Pesticide Product and Label System database (USEPA, 2023). USGS Pesticide Use Maps show cotton is the sole crop to which profenofos was applied in the years before cancellation; usage diminished since the mid-1990s and ceased around 2011 according to these records (USGS, 2023).

The EPA has found exposure to profenofos may have an adverse effect on the health of persons, meeting SDWA's Statutory Criterion 1 for regulatory determinations. The health assessment selected to derive an HRL for profenofos is the EPA's Office of Pesticide Programs 2015 HHRA for profenofos (USEPA, 2015c; USEPA, 2015e). The EPA's 2015 HHRA describes multiple adverse health effects for profenofos, and the EPA selected inhibition of red blood cell acetylcholinesterase in rats as the critical effect to derive the oral toxicity value (USEPA, 2015c; USEPA, 2015e). The EPA derived an HRL for profenofos of 0.7 µg/L based on an oral reference value of 0.00012 mg/kg/day (USEPA, 2015c; USEPA, 2015e), a DWI–BW for children of 0.0343 L/kg/day (USEPA, 2019a) and a 20% RSC (USEPA, 2000).

The EPA has determined that profenofos does not occur with a frequency and at levels of public health concern in PWSs based on available occurrence information and therefore does not meet SDWA's Statutory Criterion 2 for regulatory determinations. The primary occurrence data for profenofos are nationally representative drinking water monitoring data from the UCMR 4 program (USEPA, 2024), during which 0.02% of systems reported a result above the HRL (USEPA, 2026a).

The population exposed to profenofos at levels of public health concern in drinking water is less than 0.01%, based on UCMR 4 finished water data (USEPA, 2026a). Therefore, the EPA has determined that regulating profenofos under the SDWA does not present a meaningful opportunity for health risk reduction for persons served by PWSs, as required by SDWA's Statutory Criterion 3 for regulatory determinations.

The Agency has evaluated the best available information on profenofos

against the three SDWA section 1412(b)(1)(A) statutory criteria and found that this contaminant does not satisfy the second and third criteria. The EPA is therefore making a final determination not to regulate profenofos with an NPDWR.

H. Tebuconazole

Tebuconazole is a triazole that is used as a fungicide. The USGS estimated pesticide use data show that there has been an increase in tebuconazole use over the past few decades, peaking in 2015 at over 2.5 million pounds and then remaining steady at around 2.0 million pounds per year from 2016 to 2019 (USGS, 2023).

The EPA has found that exposure to tebuconazole may have an adverse effect on the health of persons and therefore meets SDWA's Statutory Criterion 1 for regulatory determinations. The health assessment selected to derive an HRL for tebuconazole is the EPA's Office of Pesticide Programs 2021 HHRA for tebuconazole (USEPA, 2021a; USEPA, 2021b). The EPA's 2021 HHRA describes multiple adverse health effects for tebuconazole. The EPA selected increased incidence of skull/neural tube defects in mice as the critical effect to derive the oral toxicity value (USEPA, 2021a; USEPA, 2021b). The EPA derived an HRL for tebuconazole of 200 µg/L based on an oral reference value of 0.03 mg/kg/day (USEPA, 2021a; USEPA, 2021b), a DWI–BW for females of reproductive age (13 to < 50 years) of 0.0354 L/kg/day (USEPA, 2019a) and a 20% RSC (USEPA, 2000).

The EPA has determined that tebuconazole does not occur with a frequency and at levels of public health concern in PWSs based on available occurrence information and therefore does not meet SDWA's Statutory Criterion 2 for regulatory determinations. The primary occurrence data for tebuconazole are nationally representative drinking water monitoring data from the UCMR 4 program (USEPA, 2024). Under UCMR 4 assessment monitoring there were no measurements of tebuconazole greater than the HRL (USEPA, 2026a).

The UCMR 4 finished water data indicate that there are no persons served by public water systems exposed to tebuconazole at levels of public health concern in drinking water (USEPA, 2026a). Therefore, the EPA has determined that regulating tebuconazole under the SDWA does not present a meaningful opportunity for health risk reduction for persons served by PWSs, as required by SDWA's Statutory Criterion 3 for regulatory determinations.

The Agency has evaluated the best available information on tebuconazole against the three SDWA section 1412(b)(1)(A) statutory criteria and found that this contaminant does not satisfy the second and third criteria. The EPA is therefore making a final determination not to regulate tebuconazole with an NPDWR.

I. Tribufos

Tribufos is a thiophosphate pesticide that is used as an insecticide and cotton defoliant (NCBI, 2023). From 1992 to 2018, tribufos usage has fluctuated between about 1.5 million pounds and 4.5 million pounds. Tribufos has been used almost exclusively on cotton. The maps indicate that tribufos is most intensively used in the South, in particular in the Atlantic coastal states, along the lower Mississippi River, and in Texas (USGS, 2023).

The EPA has found that exposure to tribufos may have an adverse effect on the health of persons and therefore meets SDWA's Statutory Criterion 1 for regulatory determinations. The health assessment selected to derive an HRL for tribufos is the EPA's 2015 HHRA for tribufos (USEPA, 2015f; USEPA, 2015g). The EPA's 2015 HHRA describes multiple adverse health effects for tribufos, and the EPA selected red blood cell cholinesterase inhibition in rats as the critical effect to derive the oral toxicity value (USEPA, 2015h; USEPA, 2015i). The EPA derived an HRL for tribufos of 1 µg/L based on an oral reference value of 0.0002 mg/kg/day (USEPA, 2015f; USEPA, 2015g), a DWI–BW for children of 0.0343 L/kg/day (USEPA, 2019a) and a 20% RSC (USEPA, 2000).

The EPA has determined that tribufos does not occur with a frequency and at levels of public health concern in PWSs based on available occurrence information and therefore does not meet SDWA's Statutory Criterion 2 for regulatory determinations. The primary occurrence data for tribufos are nationally representative drinking water monitoring data from the UCMR 4 program (USEPA, 2024). Under UCMR 4 assessment monitoring there were no measurements of tribufos greater than the HRL (USEPA, 2026a).

The UCMR 4 finished water data indicate that there are no persons served by public water systems exposed to tribufos at levels of public health concern in drinking water (USEPA, 2026a). Therefore, the EPA has determined that regulating tribufos under the SDWA does not present a meaningful opportunity for health risk reduction for persons served by PWSs, as required by SDWA's Statutory Criterion 3 for regulatory determinations.

The Agency has evaluated the best available information on tribufos against the three SDWA section 1412(b)(1)(A) statutory criteria and found that this contaminant does not satisfy the second and third criteria. The Agency is therefore making a final determination not to regulate tribufos with an NPDWR.

V. The EPA's Considerations for Future Regulatory Determinations

In a 2023 decision, the D.C. Circuit Court of Appeals in *NRDC* v. *Regan,* 67 F.4th 397 (D.C. Cir. 2023), held that the EPA must proceed to regulate a contaminant after finalizing a determination to regulate even when the Agency later determines that the contaminant no longer satisfies the statutory criteria for regulation. This ruling presented a change to the EPA's understanding of the flexibilities afforded to the Agency under the SDWA. Prior to this ruling, the EPA had understood that the Agency could withdraw a positive determination if, during the more-detailed analyses conducted during the development of the proposed rule, the EPA determined that the potential for health-risk reduction was less beneficial than initially predicted.

In light of this ruling, the EPA continues to consider changes to its approach to making future determinations to regulate contaminants as explained in the preliminary regulatory determination for RD 5 (90 FR 3830; USEPA, 2025a). The EPA is evaluating conducting preliminary benefits analyses and treatment feasibility analysis for some future regulatory determinations. The EPA is considering performing these analyses for future regulatory determinations such as certain of those contaminants that are determined to meet the first two regulatory determination criteria under SDWA section 1412(b)(1)(A)(i) and (ii). The results of these analyses would add to information for the Agency's evaluation under the third regulatory determination criterion (SDWA section 1412(b)(1)(A)(iii)) on whether regulation of the contaminant presents a meaningful opportunity for health risk reduction for persons served by PWSs.

Several commenters expressed support for the EPA's intention to conduct preliminary benefits or treatment feasibility analyses prior to making positive regulatory determinations (USEPA, 2026b). The commenters noted that these analyses will be especially important in light of the 2023 D.C. Circuit Court ruling in *NRDC* v. *Regan* (USEPA, 2026b).

In the preliminary regulatory determination FRN for RD 5 (90 FR 3830; USEPA, 2025a) the EPA stated that the Agency was working collaboratively across programs to address the unreasonable risk from 1,4 -dioxane identified under TSCA. Since that time, the EPA is administratively reconsidering the 2024 supplemental risk evaluation and revised risk determination, as well as the underlying 2020 risk evaluation, focusing on the cancer risk analysis in the hazard assessment and its consistency with the best available science and EPA's 2005 Cancer Guidelines (*https://www.epa.gov/assessing-and-managing-chemicals-under-tsca/final-risk-evaluation-14-dioxane*). Results of the reconsideration of the cancer risk analysis may be taken into consideration for future Agency actions, as appropriate, to protect public health based on the best available science.

VI. Next Steps

The Agency will not be taking regulatory action under the SDWA for the nine contaminants receiving negative determinations at this time. However, if new information about any of these contaminants becomes available (*e.g.,* new studies on adverse health effects or new occurrence data), the EPA will evaluate whether to include them on a future CCL.

VII. References

Agency for Toxic Substances and Disease Registry (ATSDR). 2020. *Toxicological Profile for Molybdenum.* U.S. Department of Health and Human Services, Public Health Service. *https://www.atsdr.cdc.gov/ToxProfiles/tp212.pdf.*

D.C. Circuit Court (D.C. Cir.). 2023. *National Resources Defense Council* v. *Michael S. Regan, Administrator, U.S. Environmental Protection Agency and Environmental Protection Agency,* 67 F.4th 397. *https://casetext.com/case/nat-res-def-council-v-regan-1.*

Murray F.J., F.M. Sullivan, A.K. Tiwary, and S. Carey. 2014. 90-Day Subchronic Toxicity Study of Sodium Molybdate Dihydrate in Rats. *Regulatory Toxicology and Pharmacology,* 70(3): 579–88. *https://doi.org/10.1016/j.yrtph.2013.09.003.*

National Center for Biotechnology Information (NCBI). 2023. PubChem Compound Summary for CID 5125, Tribufos. Accessed December 11, 2023. *https://pubchem.ncbi.nlm.nih.gov/compound/Tribufos.*

NCBI. 2024. PubChem Compound Summary for CID 7242, o-Toluidine. *https://pubchem.ncbi.nlm.nih.gov/compound/o-Toluidine.* Accessed January 5, 2024.

United States Environmental Protection Agency (USEPA). 1992. Molybdenum; CASRN 7439–98–7. National Center for Environmental Assessment, Integrated Risk Information System, Chemical Assessment Summary. *https://iris.epa.gov/static/pdfs/0425_summary.pdf.*

USEPA. 1995. Policy on Evaluating Health Risks to Children. October 20, 1995. Science Policy Council, Washington, DC. Available on the internet at: *https://www.epa.gov/sites/production/files/2014-05/documents/1995_childrens_health_policy_statement.pdf;* Cover memo at:*https://www.epa.gov/sites/production/files/2014-05/documents/health_policy_cover_memo.pdf.*

USEPA. 2000. *Methodology for Deriving Ambient Water Quality Criteria for the Protection of Human Health (2000).* Office of Water, Office of Science and Technology. EPA/822/B–00/004. October. *https://www.epa.gov/sites/default/files/2018-10/documents/methodology-wqc-protection-hh-2000.pdf.*

USEPA. 2005. *Guidelines for Carcinogen Risk Assessment.* Risk Assessment Forum. EPA/630/P–03/001F. March. *https://www.epa.gov/sites/default/files/2013-09/documents/cancer_guidelines_final_3-25-05.pdf.*

USEPA. 2012. Provisional Peer-Reviewed Toxicity Values for o-Toluidine (CASRN 95–53–4). Office of Research and Development's National Center for Environmental Assessment, Superfund Health Risk Technical Support Center. EPA/690/R–12/032F. December. *https://cfpub.epa.gov/ncea/pprtv/documents/ToluidineoMethylaniline2.pdf.*

USEPA. 2014. Protocol for the Regulatory Determinations 3. Including appendices A–F. EPA 815–R14–005. April 2014.

USEPA. 2015a. *Health Effects Support Document for the Cyanobacterial Toxin Cylindrospermopsin.* Office of Water, Health and Ecological Criteria Division. EPA–820R15103. June. *https://www.epa.gov/sites/default/files/2017-06/documents/cylindrospermopsin-support-report-2015.pdf.*

USEPA. 2015b. Ethoprop: Draft Human Health Risk Assessment for Registration Review. September 15, 2015, memo from Office of Chemical Safety and Pollution Prevention, Office of Pesticide Programs, Health Effects Division. DP D410028. *https://www.regulations.gov/document/EPA-HQ-OPP-2008-0560-0028.*

USEPA. 2015c. Pesticide Registration: Draft Human Health and Ecological Risk Assessments for Sulfonylureas and Certain Other Pesticides. **Federal Register,** 80(186): 57812–57816, Sept 25, 2015. *https://www.federalregister.gov/documents/2015/09/25/2015-24452/pesticide-registration-review-draft-human-health-and-ecological-risk-assessments-for-sulfonylureas.*

USEPA. 2015d. *Health Effects Support Document for the Cyanobacterial Toxin Microcystins.* EPA–820–R–15–102. June. *https://www.epa.gov/sites/default/files/2017-06/documents/microcystins-support-report-2015.pdf.*

USEPA. 2015e. Profenofos: Human Health Draft Risk Assessment (DRA) for Registration Review. September 15, 2015 memo from Office of Chemical Safety and Pollution Prevention. DP D414150. *https://www.regulations.gov/document/EPA-HQ-OPP-2008-0345-0024.*

USEPA. 2015f. Tribufos: Human Health Draft Risk Assessment for Registration Review. September 15, 2015, memo from Office of Chemical Safety and Pollution Prevention. DP D357537. *https://www.regulations.gov/document/EPA-HQ-OPP-2008-0883-0011.*

USEPA. 2015g. Pesticide Registration Review; Draft Human Health and Ecological Risk Assessments for Certain Organophosphates; Extension of Comment Period. **Federal Register**, 80(246): 79888–79889, December 23, 2015. *https://www.govinfo.gov/content/pkg/FR-2015-12-23/pdf/2015-32326.pdf.*

USEPA. 2016. Announcement of Final Regulatory Determinations for Contaminants on the Third Drinking Water Contaminant Candidate List. **Federal Register** 81(1): 13, January 4, 2016.

USEPA. 2019a. *Exposure Factors Handbook Chapter 3 (Update): Ingestion of Water and Other Select Liquids.* Office of Research and Development. EPA/600/R–8/259F. *https://cfpub.epa.gov/ncea/efp/recordisplay.cfm?deid=343661.*

USEPA. 2019b. *Occurrence Data from the Third Unregulated Contaminant Monitoring Rule (UCMR 3).* EPA 815–R–19–007.

USEPA. 2020a. Pesticide Registration Review: Interim Decisions for Several Pesticides. **Federal Register,** 85(206): 67538–67540, Oct 23, 2020. *https://www.federalregister.gov/documents/2020/10/23/2020-23504/pesticide-registration-review-interim-decisions-for-several-pesticides-notice-of-availability.*

USEPA. 2020b. Permethrin: Human Health Risk Assessment for New Use on ''Fruit, Small, Vine Climbing, Except Fuzzy Kiwifruit, Subgroup 13–07F''; Multiple Crop Group Conversions/Expansions; and the Establishment of a Tolerance without a U.S. Registration for Tea, and the Revised Draft Risk Assessment (DRA) for Registration Review. March 17, 2020, memo from Office of Chemical Safety and Pollution Prevention, Office of Pesticide Programs, Health Effects Division. DPs D449288, D455545. *https://www.regulations.gov/document/EPA-HQ-OPP-2011-0039-0130.*

USEPA. 2021a. Registration Review Draft Risk Assessment for the Antimicrobial Uses of Tebuconazole. March 24, 2021, memo from Office of Chemical Safety and Pollution Prevention. DP 455145. *https://downloads.regulations.gov/EPA-HQ-OPP-2015-0378-0020/content.pdf.*

USEPA. 2021b. Pesticide Registration Review; Draft Human Health and/or Ecological Risk Assessments for Several Pesticides; Notice of Availability. **Federal Register**, 86(97): 27593–27594, May 21, 2021. *https://www.govinfo.gov/content/pkg/FR-2021-05-21/pdf/2021-10715.pdf.*

USEPA. 2022. Drinking Water Contaminant Candidate List 5-Final. **Federal Register**. Vol. 87, No. 218. P. 68060, November 14, 2022.

USEPA. 2023. Pesticide Product and Label System Database. *https://ordspub.epa.gov/ords/pesticides/f?p=PPLS:1.*

USEPA. 2024. *Occurrence Data from the Fourth Unregulated Contaminant Monitoring Rule (UCMR 4).* EPA 815–B–24–016.

USEPA. 2025a. Announcement of Preliminary Regulatory Determinations for Contaminants on the Fifth Drinking Water Contaminant Candidate List. **Federal Register** Vol 90 Number 9 Page 3830. January 15, 2025.

USEPA. 2025b. *U.S. Environmental Protection Agency Implementation of Gold Standard Science. https://www.epa.gov/scientific-leadership/gold-standard-science.*

USEPA. 2026a. *Final Regulatory Determination 5 Support Document.* EPA 815–R–26–002.

USEPA. 2026b. Responses to Public Comments on Preliminary Regulatory Determinations for Contaminants on the Fifth Drinking Water Contaminant Candidate List. EPA–815–R–26–003.

United States Geological Survey (USGS). 2023. Estimated Annual Agricultural Pesticide Use. *https://water.usgs.gov/nawqa/pnsp/usage/maps/index.php.* Last updated June 14, 2023.

World Health Organization (WHO). 2011. *Molybdenum in Drinking-Water. Background Document for Development of WHO Guidelines for Drinking-Water Quality.* WHO/SDE/WSH/03.04/11/Rev/1. *https://cdn.who.int/media/docs/default-source/wash-documents/wash-chemicals/molybdenum.pdf?sfvrsn=d01920eb_4.*

Lee Zeldin,

Administrator.

[FR Doc. 2026–05452 Filed 3–18–26; 8:45 am]

BILLING CODE 6560–50–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 679

[Docket No.: 260305–0067; RTID 0648–XF288]

Fisheries of the Exclusive Economic Zone Off Alaska; Gulf of Alaska; 2026 and 2027 Harvest Specifications for Groundfish

Correction

In Rule Document 2026–04753, appearing on pages 11902–11933, in the issue of Wednesday, March 11, 2026, make the following correction:

On page 11921, Table 22 is corrected to read as follows:

TABLE 22—FINAL 2027 GOA NON-AMERICAN FISHERIES ACT CRAB VESSEL GROUNDFISH SIDEBOARD LIMITS

[Values are rounded to the nearest mt]

Species	Season	Sector	Ratio of 1996–2000 non-AFA crab vessel catch to 1996–2000 total harvest	Final 2027 TACs	Final 2027 non-AFA crab vessel sideboard limit
Pacific cod	A Season: January 20–June 10	Western GOA Pot CV	0.0997	3,310	330
		Central GOA Pot CV	0.0474	10,698	507
	B Season: September 1–November 1	Western GOA Pot CV	0.0997	1,882	188
		Central GOA Pot CV	0.0474	6,019	285

Note: The 2027 GOA non-AFA crab vessel groundfish sideboard limits are effective from 0001 hours, A.l.t., January 1, 2027, through 1200 hours, A.l.t., March 17, 2027.

On page 11923, Table 25 is corrected to read as follows:

TABLE 25—FINAL 2027 GOA GROUNDFISH SIDEBOARD LIMITS FOR AMENDMENT 80 PROGRAM VESSELS

[Values are rounded to nearest mt]

Species	Season	Area	Ratio of amendment 80 sector vessels 1998–2004 catch to TAC	Final 2027 TACs	Final 2027 amendment 80 vessel sideboard limit (mt)
Pollock	A Season: January 20–May 31	Shumagin (610) ...	0.003	4,109	12
	A Season: January 20–May 31	Chirikof (620)	0.002	46,510	93
	A Season: January 20–May 31	Kodiak (630)	0.002	12,314	25
	B Season: September 1–November 1	Shumagin (610) ...	0.003	23,344	70
	B Season: September 1–November 1	Chirikof (620)	0.002	13,967	28
	B Season: September 1–November 1	Kodiak (630)	0.002	25,622	51
	Annual	WYK (640)	0.002	3,883	8
Pacific cod	A Season: January 20–June 10	W	0.02	3,310	66
	A Season: January 20–June 10	C	0.044	10,698	471
	B Season: September 1–November 1	W	0.02	1,882	38
	B Season: September 1–November 1	C	0.044	6,019	265
	Annual	WYK	0.034	1,450	49
Pacific ocean perch	Annual	W	0.994	1,688	1,678
	Annual	WYK	0.961	1,993	1,915
Northern rockfish	Annual	W	1	1,346	1,346

TABLE 25—FINAL 2027 GOA GROUNDFISH SIDEBOARD LIMITS FOR AMENDMENT 80 PROGRAM VESSELS—Continued

[Values are rounded to nearest mt]

Species	Season	Area	Ratio of amendment 80 sector vessels 1998–2004 catch to TAC	Final 2027 TACs	Final 2027 amendment 80 vessel sideboard limit (mt)
Dusky rockfish	Annual	W	0.764	199	152
	Annual	WYK	0.896	204	183

Note: The 2027 GOA groundfish sideboard limits for Amendment 80 Program vessels are effective from 0001 hours, A.l.t., January 1, 2027, through 1200 hours, A.l.t., March 17, 2027.

[FR Doc. C1–2026–04753 Filed 3–18–26; 8:45 am]

BILLING CODE 0099–10–P

Proposed Rules

Federal Register
Vol. 91, No. 53
Thursday, March 19, 2026

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.

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2026–2717; Project Identifier AD–2025–01668–E]

RIN 2120–AA64

Airworthiness Directives; General Electric Company Engines

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: The FAA proposes to adopt a new airworthiness directive (AD) for certain General Electric Company (GE) Model GEnx–1B64, GEnx–1B64/P1, GEnx–1B64/P2, GEnx–1B67, GEnx–1B67/P1, GEnx–1B67/P2, GEnx–1B70, GEnx–1B70/75/P1, GEnx–1B70/75/P2, GEnx–1B70/P1, GEnx–1B70/P2, GEnx–1B70C/P1, GEnx–1B70C/P2, GEnx–1B74/75/P1, GEnx–1B74/75/P2, GEnx–1B76/P2, GEnx–1B76A/P2, GEnx–2B67, GEnx–2B67B, and GEnx–2B67/P engines. This proposed AD was prompted by a report of a fuel leak caused by a defective fuel tube hose connecting the main fuel-oil heat exchanger. This proposed AD would require removal of all affected fuel tube hoses from service and replacement with parts eligible for installation. The FAA is proposing this AD to address the unsafe condition on these products.

DATES: The FAA must receive comments on this proposed AD by May 4, 2026.

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*. 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* under Docket No. FAA–2026–2717; 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, any comments received, and other information. The street address for Docket Operations is listed above.

Material Incorporated by Reference:

- For GE material identified in this AD, contact GE, 1 Neumann Way, Cincinnati, OH 45215; phone: (513) 552–3272; email: *aviation.fleetsupport@ge.com*; website: *ge.com*.
- You may view this material at the FAA, Airworthiness Products Section, Operational Safety Branch, 1200 District Avenue, Burlington, MA 01803. For information on the availability of this material at the FAA, call (817) 222–5110.

FOR FURTHER INFORMATION CONTACT: Itanza Young, Aviation Safety Engineer, FAA, 2200 South 216th Street, Des Moines, WA 98198; phone: (206) 482–6306; email: *itanza.n.young@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–2026–2717; Project Identifier AD–2025–01668–E'' 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 revise this 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*, 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 Itanza Young, Aviation Safety Engineer, FAA, 2200 South 216th Street, Des Moines, WA 98198. Any commentary that the FAA receives which is not specifically designated as CBI will be placed in the public docket for this rulemaking.

Background

The FAA received a report where a Boeing 787–8 Model airplane powered by GE Model GEnx–1B70/P2 engines experienced a fuel imbalance caused by a fuel leak from a fuel tube hose that connects the main fuel-oil heat exchanger. A manufacturer investigation revealed that a suspected manufacturing defect in the hose assembly caused the fuel tube hose to crack and leak. The investigation identified that the defect was associated with certain hose preform manufacturing lot numbers that were used to manufacture multiple fuel tube hose assemblies installed on both GEnx–1B and GEnx–2B engines. As a result, GE published service material with instructions for identifying and removing all affected fuel tube hoses by preform manufacturing lot number. This condition, if not addressed, could result in an uncontrolled engine fire and damage to the airplane.

FAA's Determination

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.

Material Incorporated by Reference Under 1 CFR Part 51

The FAA reviewed GE GEnx–1B Service Bulletin (SB) 73–0116 R00, dated November 4, 2025 (GE GEnx–1B SB 73–0116 R00); and GE GEnx–2B SB 73–0108 R00, dated November 4, 2025 (GE GEnx–2B SB 73–0108 R00). This material specifies procedures for identification of the preform manufacturing lot numbers of the affected fuel cooled oil cooler (FCOC) fuel return hose manifold, FCOC fuel cooling inlet tube hose, heat exchanger fuel tube hose, and heat exchanger inlet fuel tube hose. 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.

Proposed AD Requirements in This NPRM

This proposed AD would require removal of all affected fuel tube hoses from service and replacement with parts eligible for installation.

Costs of Compliance

The FAA estimates that this AD, if adopted as proposed, would affect 13 engines installed on airplanes of U.S. registry.

The FAA estimates the following costs to comply with this proposed AD:

ESTIMATED COSTS

Action	Labor cost	Parts cost	Cost per product	Cost on U.S. operators
Replace FCOC fuel return hose manifold (11 GE Model GEnx–1B engines).	8 work-hours × $85 per hour = $680	$1,521	$2,201	$24,211
Replace FCOC fuel cooling inlet tube hose (11 GE Model GEnx–1B engines).	8 work-hours × $85 per hour = $680	1,695	2,375	26,125
Replace heat exchanger fuel tube hose (2 GE Model GEnx–2B engines).	8 work-hours × $85 per hour = $680	1,090	1,770	3,540
Replace heat exchanger inlet fuel tube hose (2 GE Model GEnx–2B engines).	8 work-hours × $85 per hour = $680	1,313	1,993	3,986

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 adding the following new airworthiness directive:

General Electric Company: Docket No. FAA–2026–2717; Project Identifier AD–2025–01668–E.

(a) Comments Due Date

The FAA must receive comments on this airworthiness directive (AD) by May 4, 2026.

(b) Affected ADs

None.

(c) Applicability

This AD applies to all General Electric Company (GE) engines listed in paragraphs (c)(1) and (2) of this AD with a fuel tube hose installed having a part number (P/N) identified in table 1 to paragraph (c) of this AD.

(1) GEnx–1B engines: Model GEnx–1B64, GEnx–1B64/P1, GEnx–1B64/P2, GEnx–1B67, GEnx–1B67/P1, GEnx–1B67/P2, GEnx–1B70, GEnx–1B70/75/P1, GEnx–1B70/75/P2, GEnx–1B70/P1, GEnx–1B70/P2, GEnx–1B70C/P1, GEnx–1B70C/P2, GEnx–1B74/75/P1, GEnx–1B74/75/P2, GEnx–1B76/P2, and GEnx–1B76A/P2.

(2) GEnx–2B engines: Model GEnx–2B67, GEnx–2B67B, and GEnx–2B67/P.

TABLE 1 TO PARAGRAPH (c)—AFFECTED FUEL TUBE HOSES

Engine model	Part name	P/N
GEnx–1B	Fuel cooled oil cooler (FCOC) fuel return hose manifold	2426M07P01
	FCOC fuel cooling inlet tube hose	2426M08P01
GEnx–2B	Heat exchanger fuel tube hose	2477M34P01

TABLE 1 TO PARAGRAPH (c)—AFFECTED FUEL TUBE HOSES—Continued

Engine model	Part name	P/N
	Heat exchanger inlet fuel tube hose	2477M35P01

(d) Subject

Joint Aircraft System Component (JASC) Code 7310, Engine Fuel Distribution.

(e) Unsafe Condition

This AD was prompted by a report of a fuel leak caused by a defective fuel tube hose connecting the main fuel-oil heat exchanger. The FAA is issuing this AD to prevent cracking and fuel leakage in affected fuel tube hoses. The unsafe condition, if not addressed, could result in uncontrolled engine fire and damage to the airplane.

(f) Compliance

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

(g) Definitions

For the purpose of this AD:

(1) A ''part eligible for installation'' is any fuel tube hose that does not have a P/N identified in table 1 to paragraph (c) of this AD with preform manufacturing lot number 684141 or 677536.

(2) An ''engine shop visit'' is the induction of an engine into the shop for maintenance.

(h) Required Actions

(1) At the next engine shop visit after the effective date of this AD, identify the preform manufacturing lot number for the FCOC fuel return hose manifold, FCOC fuel cooling inlet tube hose, heat exchanger fuel tube hose, and heat exchanger inlet fuel tube hose in accordance with the following, as applicable:

(i) For GEnx–1B engines, Figure 1 of GE GEnx–1B Service Bulletin (SB) 73–0116 R00, dated November 4, 2025.

(ii) For GEnx–2B engines, Figure 1 of GE GEnx–2B SB 73–0108 R00, dated November 4, 2025.

(2) If the preform manufacturing lot number of the affected fuel tube hose is 684141 or 677536, remove the affected fuel tube hose and replace it with a part eligible for installation.

(i) No Reporting Requirement

Where GE GEnx–1B SB 73–0116 R00 and GE GEnx–2B SB 73–0108 R00 require reporting part identification for affected fuel tube hoses, this AD does not require that action.

(j) Alternative Methods of Compliance (AMOCs)

The Manager, AIR–520 Continued Operational Safety 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 local Flight Standards District Office, as appropriate. If sending information directly to the manager of the AIR–520 Continued Operational Safety Branch, send it to the attention of the person identified in paragraph (k) 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 local flight standards district office/certificate holding district office.

(k) Additional Information

For more information about this AD, contact Itanza Young, Aviation Safety Engineer, FAA, 2200 South 216th Street, Des Moines, WA 98198; phone: (206) 482–6306; email: *itanza.n.young@faa.gov.*

(l) 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 the AD specifies otherwise.

(i) GE GEnx–1B Service Bulletin (SB) 73–0116 R00, dated November 4, 2025. (ii) GE GEnx–2B SB 73–0108 R00, dated November 4, 2025.

(3) For GE material identified in this AD, contact General Electric Company, 1 Neumann Way, Cincinnati, OH 45215; phone: (513) 552–3272; email: *aviation.fleetsupport@ge.com;* website: *ge.com.*

(4) You may view this material at the FAA, Airworthiness Products Section, Operational Safety Branch, 1200 District Avenue, Burlington, MA 01803. For information on the availability of this material at the FAA, call (817) 222–5110.

(5) 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 March 17, 2026.

Peter A. White,

Deputy Director, Integrated Certificate Management Division, Aircraft Certification Service.

[FR Doc. 2026–05403 Filed 3–18–26; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2026–2715; Project Identifier MCAI–2025–01779–A]

RIN 2120–AA64

Airworthiness Directives; Pilatus Aircraft Ltd. Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: The FAA proposes to adopt a new airworthiness directive (AD) for certain Pilatus Aircraft Ltd. (Pilatus) Model PC–12/47E airplanes. This AD was prompted by a report of the stall warning protection system (SWPS) engaging when not appropriate. This proposed AD would require updating operational software and incorporating a pilot's operating handbook (POH) temporary revision. The proposed AD would also prohibit the installation of affected software. The FAA is proposing this AD to address the unsafe condition on these products.

DATES: The FAA must receive comments on this NPRM by May 4, 2026.

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.* 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* under Docket No. FAA–2026–2715; 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 European Union Aviation Agency (EASA) material identified in this NPRM, contact EASA, Konrad-Adenauer-Ufer 3, 50668 Cologne, Germany; phone: +49 221 8999 000; email: *ADs@easa.europa.eu;* website: *easa.europa.eu.* You may find this material on the EASA website at *ad.easa.europa.eu.*
- You may view this material at the FAA, Airworthiness Products Section, Operational Safety Branch, 901 Locust, Kansas City, MO 64106. For information on the availability of this material at the FAA, call (817) 222–5110.

FOR FURTHER INFORMATION CONTACT: Doug Rudolph, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: (816) 329–4059; email: *doug.rudolph@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 **ADDRESSES**. Include ''Docket No. FAA–2026–2715; Project Identifier MCAI–2025–01779–A'' 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 this 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,* 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 Doug Rudolph, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590. Any commentary that the FAA receives which is not specifically designated as CBI will be placed in the public docket for this rulemaking.

Background

EASA, which is the Technical Agent for the Member States of the European Union, has issued EASA AD 2025–0271, dated December 2, 2025 (EASA AD 2025–0271) (also referred to as the MCAI), to correct an unsafe condition on certain Pilatus Model PC–12/47E airplanes. The MCAI states that during a test flight on a Pilatus Model PC–12/47E airplane in which the airplane flew specific maneuvers where gravitational loads (g-loads) were close to 0 g, during landing the SWPS triggered at a higher-than-expected airspeed. The SWPS included the aural warning, stick shaker, and stick pusher. This same software is on the delivered airplanes that are affected by this AD.

This condition, if not addressed, could result in reduced safety margins of the airplane, increased pilot workload, and reduced control of the airplane.

You may examine the MCAI in the AD docket at *regulations.gov* under Docket No. FAA–2026–2715.

Material Incorporated by Reference Under 1 CFR Part 51

The FAA reviewed EASA AD 2025–0271, which specifies procedures for updating the Honeywell Primus Apex operational software, and for incorporating Pilatus PC–12/47E POH Temporary Revision (TR) No. 32 (also referred to as POH–TR 32) into the POH. EASA AD 2025–0271 also allows for the incorporation of a later POH revision that includes the same POH amendment content and prohibits the installation of affected software. 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 (CAA) 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 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 AD Requirements in This NPRM

This proposed AD would require accomplishing the actions specified in the MCAI described previously, except for any differences identified as exceptions in the regulatory text of this proposed AD. The owner/operator (pilot) holding at least a private pilot certificate may revise the existing POH for the airplane and must enter compliance with the applicable paragraph of this proposed AD into the airplane maintenance records in accordance with 14 CFR 43.9(a) and 91.417(a)(2)(v). The pilot may perform this action because it only involves revising the POH. This action could be performed equally well by a pilot or a mechanic. This is an exception to the FAA's standard maintenance regulations.

Explanation of Required Compliance Information

In the FAA's ongoing efforts to improve the efficiency of the AD process, the FAA developed a process to use some CAA ADs as the primary source of information for compliance with requirements for corresponding FAA ADs. The FAA has been coordinating this process with manufacturers and CAAs. As a result, the FAA proposes to incorporate EASA AD 2025–0271 by reference in the FAA final rule. This proposed AD would, therefore, require compliance with EASA AD 2025–0271 in its entirety through that incorporation, except for any differences identified as exceptions in the regulatory text of this proposed AD. Using common terms that are the same as the heading of a particular section in the EASA AD 2025–0271 does not mean that operators need comply only with that section. For example, where the AD requirement refers to ''all required actions and compliance times,'' compliance with this AD requirement is not limited to the section titled ''Required Action(s) and Compliance Time(s)'' in EASA AD 2025–0271. Material required by EASA AD 2025–0271 for compliance will be available at *regulations.gov* under Docket No. FAA–2026–2715 after the FAA final rule is published.

Costs of Compliance

The FAA estimates that this AD, if adopted as proposed, would affect 265 airplanes of U.S. registry.

The FAA estimates the following costs to comply with this proposed AD:

ESTIMATED COSTS

Action	Labor cost	Parts cost	Cost per product	Cost on U.S. operators
Update software	3 work-hours × $85 per hour = $255	$0	$255	$67,575
Revise POH	1 work-hour × $85 per hour = $85	0	85	22,525

The FAA has included all known costs in its cost estimate. According to the manufacturer, however, some of the costs of this proposed AD may be covered under warranty, thereby reducing the cost impact on affected operators.

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 adding the following new airworthiness directive:

Pilatus Aircraft Ltd.: Docket No. FAA–2026–2715; Project Identifier MCAI–2025–01779–A.

(a) Comments Due Date

The FAA must receive comments on this airworthiness directive (AD) by May 4, 2026.

(b) Affected ADs

None.

(c) Applicability

This AD applies to Pilatus Aircraft Ltd Model PC–12/47E airplanes, manufacturer serial numbers 1720, and 2001 through 2476, certificated in any category.

(d) Subject

Joint Aircraft System Component (JASC) Code 4500, Central Maint., Computer.

(e) Unsafe Condition

This AD was prompted by a report of the stall warning protection system (SWPS) engaging when not appropriate. The FAA is issuing this AD to ensure the update of the certified operational software and prevent the inappropriate activation of the SWPS. The unsafe condition, if not addressed, could result in reduced safety margins of the airplane, increased pilot workload, and reduced control of the airplane.

(f) Compliance

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

(g) Required Actions

(1) Except as specified in paragraphs (h) and (i) of this AD: Comply with all required actions and compliance times specified in, and in accordance with, European Union Aviation Safety Agency (EASA) AD 2025–0271, dated December 2, 2025 (EASA AD 2025–0271).

(2) The owner/operator (pilot) holding at least a private pilot certificate may revise the existing pilot's operating handbook (POH) for the airplane and must enter compliance with this requirement into the aircraft records in accordance with 14 CFR 43.9(a) and 91.417(a)(2)(v). The record must be maintained as required by 14 CFR 91.417, 121.380, or 135.439.

(h) Exceptions to EASA AD 2025–0271

(1) Where EASA AD 2025–0271 refers to its effective date, this AD requires using the effective date of this AD.

(2) Where paragraph (4) of EASA AD 2025–0271 specifies to ''implement the instructions of the POH–TR, as required by paragraph (4.1) or (4.2) of this AD, as applicable'', this AD requires replacing that text with ''revise the Emergency Procedures Section and Airplane and Systems Description of the existing POH for the airplane by inserting a copy of the POH–TR as defined in EASA AD 2025–0271.''

(3) This AD does not adopt the ''Remarks'' section of EASA AD 2025–0271.

(i) No Reporting Requirement

Although the service material referenced in EASA AD 2025–0271 specifies to submit certain information to the manufacturer, this AD does not include those requirements.

(j) Alternative Methods of Compliance (AMOCs)

(1) 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 local Flight Standards District 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 (k) of this AD and email to: *AMOC@faa.gov.*

(2) Before using any approved AMOC, notify your appropriate principal inspector, or lacking a principal inspector, the manager of the responsible Flight Standards Office/certificate holding district office.

(k) Additional Information

For more information about this AD, contact Doug Rudolph, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: (816) 329–4059; email: *doug.rudolph@faa.gov.*

(l) 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 the AD specifies otherwise.

(i) European Union Aviation Safety Agency (EASA) AD 2025–0271, dated December 2, 2025.

(ii) [Reserved]

(3) For EASA material identified in this AD, contact EASA, Konrad-Adenauer-Ufer 3, 50668 Cologne, Germany; phone: +49 221 8999 000; email: *ADs@easa.europa.eu;* website: *easa.europa.eu.* You may find this EASA AD on the EASA website at *ad.easa.europa.eu.*

(4) You may view this material at the FAA, Airworthiness Products Section, Operational Safety Branch, 901 Locust, Kansas City, MO 64106. For information on the availability of this material at the FAA, call (817) 222–5110.

(5) 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 March 12, 2026.

Steven W. Thompson,

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

[FR Doc. 2026–05364 Filed 3–18–26; 8:45 am]

BILLING CODE 4910–13–P

SECURITIES AND EXCHANGE COMMISSION

17 CFR Part 240

[Release No. 34–105004; File No. S7–2026–08]

RIN 3235–AN36

Publication or Submission of Quotations Without Specified Information

AGENCY: Securities and Exchange Commission.

ACTION: Proposed rule.

SUMMARY: The Securities and Exchange Commission (''Commission'') is proposing amendments to revise a rule that governs certain information gathering and review requirements that brokers and dealers must satisfy before initiating (or resuming) any quotation for a security in a quotation medium other than a national securities exchange. The proposed amendments would revise the rule to refer to only equity securities.

DATES: Comments should be submitted on or before May 18, 2026.

ADDRESSES: Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/comments/s7-2026-08/publication-or-submission-quotations-without-specified-information*); or
- Send an email to *rule-comments@sec.gov.* Please include File Number S7–2026–08 on the subject line.

Paper Comments

- Send paper comments to Vanessa A. Countryman, Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to File Number S7–2026–08. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's website (*https://www.sec.gov/rules-regulations/2026/03/s7-2026-08*). All comments received will be posted without change. Do not include personally identifiable information in submissions; you should submit only information that you wish to make available publicly. The Commission may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection.

Studies, memoranda, or other substantive items may be added by the Commission or staff to the comment file during this rulemaking. A notification of the inclusion in the comment file of any such materials will be made available on the Commission's website. To ensure direct electronic receipt of such notifications, sign up through the ''Stay Connected'' option at *www.sec.gov* to receive notifications by email.

A summary of the proposal of not more than 100 words is posted on the Commission's website (*https://www.sec.gov/rules-regulations/2026/03/s7-2026-08*).

FOR FURTHER INFORMATION CONTACT: James Curley, Special Counsel, Laura Weber, Branch Chief, Josephine Tao, Assistant Director, Office of Trading Practices, or Carol McGee, Associate Director, Office of Derivatives Policy and Trading Practices, at (202) 551–5777, Division of Trading and Markets, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–7010.

SUPPLEMENTARY INFORMATION: The Commission is proposing to amend 17 CFR 240.15c2–11 (''Rule 15c2–11'') under the Securities Exchange Act of 1934 (''Exchange Act'').[1]

Table of Contents

[1] 15 U.S.C. 78a *et seq.*

I. Introduction

Rule 15c2–11 requires that brokers and dealers give some measure of attention to financial and other information about the issuer of a security before commencing trading in that security.[2] To that end, Rule 15c2–11 requires, subject to exceptions,[3] a broker or dealer, before initiating (or resuming) any quotation for a security in a quotation medium,[4] to gather specified information regarding the security and its issuer and,[5] based upon a review of such information, along with certain supplemental information,[6] to have a reasonable basis under the circumstances for believing that such information is accurate and is from a reliable source.[7] Alternatively, a broker or dealer may submit a quotation in a quotation medium that is a qualified interdealer quotation system (''QIDQS'')[8] that has made a publicly available determination that it has performed certain information gathering and review requirements,[9] if certain conditions are met.[10] Rule 15c2–11 also includes certain record preservation requirements.[11]

Rule 15c2–11 applies to quotations for securities.[12] However, several exceptions[13] and exemptions[14] apply to certain broker or dealer activities, including: quotations for securities admitted to trading on a national securities exchange;[15] quotations that represent a customer's unsolicited indication of interest (''unsolicited quotation exception'');[16] quotations published or submitted in an interdealer quotation system for a security that has been the subject of a bid or offer quotation in such a system at a specified price, with no more than four business days in succession without such a quotation (''piggyback exception'');[17] quotations for municipal securities;[18] quotations for securities that meet certain average daily trading volume (''ADTV'') value and total asset and shareholder equity criteria (''ADTV and asset test exception'');[19] quotations for a security by a broker or dealer that is named as an underwriter in a registration statement or offering statement for that class of security (''underwritten offering exception'');[20] and quotations that rely on a publicly available determination by a QIDQS or registered national securities association (''RNSA'') that the requirements of certain of these exceptions are met.[21] Rule 15c2–11 does not apply to certain exempted securities,[22] including, among others, certain government securities, such as securities which are direct obligations of, or obligations guaranteed as to principal or interest by, the United States.[23] Additionally, in 2023, the Commission provided an exemption from Rule 15c2–11 for fixed-income securities that are sold in compliance with the safe harbor in 17 CFR 230.144A (''Rule 144A'') under the Securities Act of 1933 (''Securities Act'').[24]

Adopted in 1971, Rule 15c2–11 was designed to prevent certain manipulative and fraudulent trading schemes that had arisen in connection with the distribution and trading of unregistered securities issued by shell corporations or other companies having outstanding but infrequently traded securities.[25] In 2020, to provide greater transparency of information and to allow investors to effectively analyze the market for quoted OTC securities, the rule was amended to require that specified information be current and publicly available for brokers and dealers to publish a quotation for, or maintain a continuous quoted market in, a security in a quotation medium.[26] Following the adoption of the 2020 amendments to Rule 15c2–11,[27] numerous industry participants stated that they never understood Rule 15c2–11 to apply to non-equity securities and expressed concerns with the potential burdens of applying the amended rule to fixed-income securities.[28] In

[2] A broader purpose of Rule 15c2–11, however, is to prohibit brokers and dealers from establishing arbitrary quotations for infrequently traded over-the-counter (''OTC'') securities in the absence of certain information. *See* Initiation or Resumption of Quotations Without Specified Information, Exchange Act Release No. 21470 (Nov. 8, 1984) [49 FR 45117 (Nov. 15, 1984)] (''1984 Release''), 49 FR 45117–18. *See also* Initiation or Resumption of Quotations by a Broker or Dealer Who Lacks Certain Information, Exchange Act Release No. 9310 (Sept. 13, 1971) [36 FR 18641 (Sept. 18, 1971)] (''1971 Release''), 36 FR 18641 (''[B]rokers and dealers should be aware that the submission or publication of a quotation at a price which does not bear a reasonable relationship to the nature and scope of the issuer's business or its financial status or experience, may constitute a part of a fraudulent or manipulative scheme.'').

[3] *See* 17 CFR 240.15c2–11(f).

[4] *See* 17 CFR 240.15c2–11(e)(8) (defining the term ''quotation medium'' to mean any ''interdealer quotation system'' or any publication or electronic communications network or other device that is used by brokers or dealers to make known to others their interest in transactions in any security, including offers to buy or sell at a stated price or otherwise, or invitations of offers to buy or sell).

[5] *See* 17 CFR 240.15c2–11(b) (''Rule 15c2–11(b)'').

[6] *See* 17 CFR 240.15c2–11(c) (''Rule 15c2–11(c)'').

[7] *See* 17 CFR 240.15c2–11(a) (''Rule 15c2–11(a)'').

[8] *See* 17 CFR 240.15c2–11(e)(6).

[9] *See* 17 CFR 240.15c2–11(a)(1)(ii).

[10] *See* 17 CFR 240.15c2–11(a)(2).

[11] *See* 17 CFR 240.15c2–11(d) (''Rule 15c2–11(d)'').

[12] *See* 17 CFR 240.15c2–11(a).

[13] *See* 17 CFR 240.15c2–11(f) (''Rule 15c2–11(f)'').

[14] *See infra* notes 22–24.

[15] *See* 17 CFR 240.15c2–11(f)(1).

[16] *See* 17 CFR 240.15c2–11(f)(2).

[17] *See* 17 CFR 240.15c2–11(f)(3).

[18] *See* 17 CFR 240.15c2–11(f)(4). *See also infra* note 23.

[19] *See* 17 CFR 240.15c2–11(f)(5).

[20] *See* 17 CFR 240.15c2–11(f)(6).

[21] *See* 17 CFR 240.15c2–11(f)(7).

[22] *See* 15 U.S.C. 78*o*(c)(2)(A) (removing certain exempted securities from the scope of Rule 15c2–11).

[23] *See* 15 U.S.C. 78c(a)(12). Municipal securities are not deemed to be ''exempted securities'' for the purposes of section 15 (or section 17A) of the Exchange Act. *See* 15 U.S.C. 78c(a)(12)(B)(ii); Public Law 94–29 sec. 3(3), 89 Stat. 97, 97–98 (1975). However, in 1976, the Commission adopted an exception from Rule 15c2–11 for municipal securities. *See* Regulation of Municipal Securities Professionals and Transactions in Municipal Securities, Exchange Act Release No. 12468 (May 20, 1976) [41 FR 22820 (June 7, 1976)]. Although municipal securities have been excepted from Rule 15c2–11 since 1976, a robust municipal securities disclosure regime has developed since the Commission's adoption of Exchange Act Rule 15c2–12 in 1989. *See* 17 CFR 240.15c2–12.

[24] *See* Order Granting Broker-Dealers Exemptive Relief, Pursuant to Section 36(a) and Rule 15c2–11(g) under the Securities Exchange Act of 1934, from Rule 15c2–11 for Fixed-Income Securities Sold in Compliance with the Safe Harbor of Rule 144A under the Securities Act of 1933, Exchange Act Release No. 98819 (Oct. 30, 2023) [88 FR 75343 (Nov. 2, 2023)] (''144A Exemptive Release'').

[25] *See* 1971 Release, 36 FR 18641 (''fraudulent and manipulative potential . . . exists when a broker or dealer submits quotations concerning any infrequently traded security in the absence of certain information''); Initiation or Resumption of Quotations Without Specified Information, Exchange Act Release No. 19673 (Apr. 14, 1983) [48 FR 17111 (Apr. 21, 1983)] (''1983 Release''), 48 FR 17112.

[26] *See* Exchange Act Release No. 89891 (Sept. 16, 2020) [85 FR 68124 (Oct. 27, 2020)] (''2020 Release''), 85 FR 68140.

[27] *See supra* note 26.

[28] *See generally* Letter from Christopher B. Killian, Managing Director, Securities Industry and Financial Markets Assoc. (''SIFMA'') and Lindsey Weber Keljo, Managing Director, Securities Industry and Financial Markets Assoc.—Asset Management Group (''SIFMA AMG'') (Mar. 2, 2026) (''SIFMA Letter''); Letter from Paul Cellupica, General Counsel, Investment Company Institute (''ICI'') and Lindsey Weber Keljo, Managing Director, SIFMA AMG (Nov. 21, 2024) (''ICI Letter''), *available at https://www.ici.org/system/files/2024-11/24-cl-joint-rule-15c2-11-extension.pdf;* Letter from Kristi Leo, President, Structured Finance Assoc. (''SFA'') (Dec. 9, 2021) (''SFA Letter''), *available at https://structuredfinance.org/wp-content/uploads/2021/12/SFA_15c2-11_vf_website-1.pdf;* Group Letter from Lindsey Weber Keljo, Managing Director, SIFMA AMG, et al. (Sept. 23, 2021) (''SIFMA AMG Group Letter''), *available at https://www.sifma.org/wp-content/uploads/2021/09/Investor-15c2-11-letter-final-2021-09-23.pdf;* Letter from Christopher B.

September 2021, the Commission approved amendments to FINRA's rule implementing the 2020 amendments to Rule 15c2–11.[29] FINRA has always structured its rule to apply to only equity securities that are not traded on a national securities exchange.[30] After industry participants shared their concerns regarding Rule 15c2–11's application, the Commission provided exemptive relief and the staff issued a no-action letter addressing the vast majority of fixed-income securities.[31]

As discussed below in Part II, consistent with the Commission's provision of exemptive relief and the staff's issuance of a no-action letter for certain fixed-income securities,[32] as well as with other Commission proposals identifying certain non-equity securities as not requiring Rule 15c2–11's protections,[33] the Commission is proposing amendments to Rule 15c2–11 to replace the terms ''security'' and ''securities'' with the terms ''equity security'' or ''equity securities.'' Under the proposal, ''equity security'' (or ''equity securities'') would be as defined in 17 CFR 240.3a11–1'' (''Rule 3a11–1'').

II. Discussion of the Proposed Rule Amendments

A. Amendments to Rule 15c2–11

The proposed amendments would replace the terms ''security'' and ''securities'' in Rule 15c2–11 with the terms ''equity security'' or ''equity securities,'' as defined in Rule 3a11–1,[34] but would not otherwise change the substantive information gathering and review requirements under existing Rule 15c2–11(a) that brokers and dealers must satisfy before initiating (or resuming) any quotation for equity securities in a quotation medium.

Exchange Act Rule 3a11–1 includes a broad range of equity interests [35] and provides more specificity than 15 U.S.C. 78c(a)(11) (''section 3(a)(11)''), which also defines the term ''equity security.'' [36] Leveraging the definition in Rule 3a11–1 should provide more clarity with respect to which securities are subject to the rule than referencing the statutory definition. In addition, Rule 3a11–1 provides a definition that should be familiar to issuers who are tracking their obligations under Exchange Act section 12(g). Accordingly, the Commission is proposing to amend paragraph (a)(1) of Rule 15c2–11 by replacing the word ''security'' with ''an equity security as defined in § 240.3a11–1 of this chapter.'' [37]

As discussed below, Rule 3a11–1 defines the term ''equity security'' as used in Exchange Act section 12(g),[38] which is one of the triggers of the information requirements specified in Rule 15c2–11(b).[39] Accordingly, under the proposal, Rule 15c2–11 would continue to apply to brokers and dealers initiating (or resuming) quotations in a quotation medium for any equity security as defined in Rule 3a11–1.[40] The Commission is also proposing conforming amendments to other provisions of the rule, such as the specified and supplemental information in Rule 15c2–11(b) and Rule 15c2–11(c), respectively, that must be reviewed, as well as to the rule's record preservation requirements and exceptions in Rule 15c2–11(d) and Rule 15c2–11(f), respectively, to specify that only equity securities would be subject to these provisions. The Commission is also proposing non-substantive, grammatical corrections to three provisions of the rule.

Regarding the proposed amendments' application to crypto assets,[41] to the extent a crypto asset is an equity security, as defined in Rule 3a11–1, Rule 15c2–11 would apply to brokers and dealers initiating (or resuming) quotations for those crypto assets in a quotation medium.

By proposing to revise Rule 15c2–11 to refer to only equity securities, the Commission does not intend to, and the proposed rule would not, excuse brokers and dealers from their duty to comply with applicable registration [42]

Killian, Managing Director, SIFMA and Michael Decker, Senior Vice President, Bond Dealers of America (''BDA'') (Aug. 26, 2021) (''BDA Letter''), *available at https://www.sifma.org/wp-content/uploads/2021/09/SIFMA-BDA-Exemptive-Request-FI-2021-08-26.pdf* (in part discussing that ''the fixed income markets are different from the equity markets due to the variety of types of securities, the large number of fixed income securities, the lack of exchange trading, and the infrequency of trading of particular fixed income securities, among other things.'').

[29] *See* Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Order Granting Approval of a Proposed Rule Change Relating to Members' Filing Requirements Under FINRA Rule 6432 (Compliance With the Information Requirements of SEA Rule 15c2–11), Exchange Act Release No. 92932 (Sept. 10, 2021) [86 FR 51700 (Sept. 16, 2021)] (''Rule 6432 Order'').

[30] *See* Rule 6432 Order, 49 FR 51701 n.10. *See also* Letter from Daniel Zinn, General Counsel, and Cass Sanford, Associate General Counsel, OTC Markets Group Inc., (July 6, 2021) (supporting the application of the proposed rule changes to the OTC equities market), *available at https://www.sec.gov/comments/sr-finra-2021-014/srfinra2021014-9038478-246207.pdf.*

[31] *See* 144A Exemptive Release. In addition, in 2024, the Division of Trading and Markets issued a no-action letter that addresses certain other fixed-income securities. *See* Letter from Josephine J. Tao, Assistant Director, Division of Trading and Markets, SEC, to Racquel Russell, Senior Vice President and Director of Capital Markets Policy, Office of the General Counsel, Financial Industry Regulatory Authority, Inc. (''FINRA'') (Nov. 22, 2024) (''2024 No-Action Letter''), *available at https://www.sec.gov/files/investment/no-action/fixed-income-rule-15c2-11-no-action-letter-finra-112224.pdf.* Staff no-action letters and other staff documents (including those cited herein) represent the views of Commission staff and are not a rule, regulation, or statement of the Commission. The Commission has neither approved nor disapproved the content of these documents and, like all staff statements, they have no legal force or effect, do not alter or amend applicable law, and create no new or additional obligations for any person.

[32] *See* 144A Exemptive Release; 2024 No-Action Letter.

[33] *See* Publication or Submission of Quotations Without Specified Information, Exchange Act Release No. 39670 (Feb. 17, 1998) [63 FR 9661 (Feb. 25, 1998)] (''1998 Release''), 63 FR 9669 (stating that ''[d]ebt securities frequently are held by institutional investors, and it does not appear that they have been the subject of the abuses that [Rule 15c2–11] is intended to address''); Publication or Submission of Quotations Without Specified Information, Exchange Act Release No. 41110 (Feb. 25, 1999) [64 FR 11124 (Mar. 8, 1999)] (''1999 Release''), 64 FR 11128–30 (stating that ''applying [Rule 15c2–11] to . . . certain fixed-income debt securities is not directly related to microcap fraud concerns'' and ''proposing to exclude [from Rule 15c2–11] debt securities, non-participatory preferred stock, and investment grade asset-backed securities''); 2019 Release, 84 FR 58230, 58239.

[34] Rule 3a11–1 defines ''equity security'' as ''any stock or similar security, certificate of interest or participation in any profit sharing agreement, preorganization certificate or subscription, transferable share, voting trust certificate or certificate of deposit for an equity security, limited partnership interest, interest in a joint venture, or certificate of interest in a business trust; any security future on any such security; or any security convertible, with or without consideration into such a security, or carrying any warrant or right to subscribe to or purchase such a security; or any such warrant or right; or any put, call, straddle, or other option or privilege of buying such a security from or selling such a security to another without being bound to do so.'' *See* 17 CFR 240.3a11–1.

[35] *See* Equity Securities; Exemptions from Registration, Exchange Act Release No. 7581 (Apr. 23, 1965) [30 FR 6114 (Apr. 30, 1965)] 30 FR 6114–15.

[36] Exchange Act section 3(a)(11) defines the term ''equity security'' to mean ''any stock or similar security; or any security future on any such security; or any security convertible, with or without consideration, into such a security, or carrying any warrant or right to subscribe to or purchase such a security; or any such warrant or right; or any other security which the Commission shall deem to be of similar nature and consider necessary or appropriate, by such rules and regulations as it may prescribe in the public interest or for the protection of investors, to treat as an equity security.''

[37] *See infra* Part IX including proposed amended Rule 15c2–11(a)(1).

[38] *See supra* note 35.

[39] *See* 17 CFR 240.15c2–11(b)(3), (b)(4).

[40] 17 CFR 240.3a11–1. The other provisions of Rule 15c2–11 would continue to apply, including the exceptions in paragraph (f).

[41] A ''crypto asset'' is any digital representation of value that is recorded on a cryptographically secured distributed ledger. The foregoing definition of ''crypto asset'' is identical to the definition of ''Digital Asset'' in section 2(6) of the Guiding and Establishing National Innovation for U.S. Stablecoins Act, Public Law 119–27, 139 Stat. 419 (2025).

[42] For example, Rule 15c2–11 has no bearing on whether brokers or dealers may rely on the section

Continued

and antifraud provisions of the Federal securities laws and Commission rules, including their duty to make reasonable inquiry with respect to non-equity securities.[43]

The Commission proposes a compliance date for the proposed amendments that is the same as the effective date, and an effective date that is 60 days after publication of the proposed amendments in the **Federal Register**. This approach would limit the amount of time before the applicability of Rule 15c2–11's proposed revision to refer to only equity securities, as defined in Rule 3a11–1.

In proposing to revise Rule 15c2–11 to refer to only equity securities, the Commission recognizes that the regulatory concerns that prompted the Commission's adoption of and subsequent amendments to Rule 15c2–11 were manipulative schemes observed in the OTC equity markets, particularly for the shares of issuers with little or no business activity or assets.[44] The Commission stated when adopting Rule 15c2–11 in 1971 that ''these concerns exist when a broker or dealer submits quotations concerning any infrequently traded security in the absence of certain information.''[45] Therefore, the rule was designed to prevent brokers and dealers from initiating market making activities that were critical to the success of certain manipulative and fraudulent trading schemes with a focus on the OTC equity markets.[46]

The Commission also previously explored whether to explicitly except non-equity securities, particularly fixed-income securities, from the rule. For instance, in requesting comment in the 1999 Release as to whether to except fixed-income securities from the rule, the Commission stated that the type of issuer information required by Rule 15c2–11 is much less relevant to the pricing and trading of fixed-income securities.[47] In that proposal, the Commission also stated that fraud and manipulation in microcap securities has not been evident in the fixed-income market, and that non-convertible debt securities and investment grade asset-backed securities generally trade at prices and in denominations that make them less likely targets for manipulation.[48] Many commenters to the 1998 Release concurred, and asked that amendments be crafted to cover only those equity securities most likely to be prone to abusive activities.[49]

In 2020, the Commission amended Rule 15c2–11 to require that certain information about a security be current and publicly available for a broker or dealer to initiate (or resume) a quotation for it.[50] In doing so, the Commission stated that it was seeking to further protect retail investors from fraud and manipulation in the OTC market.[51] While these amendments were intended to enhance protections for retail investors in equity securities,[52] such as by requiring that the information be both current and publicly available, they created potential operational and liquidity difficulties with regard to non-equity securities, for which the applicable information was less likely to be current and publicly available.[53]

In 2023, the Commission issued exemptive relief for fixed-income securities sold in reliance on Rule 144A[54] because issuers of such securities must provide information to investors (including potential investors) upon request, and such investors—who must be qualified institutional buyers—would be able to use the provided information to make better informed investment decisions and assess potential risks in investing in the securities.[55] Market participants stated that, without relief, the amended rule would undermine its intended purpose because issuers of such securities would reduce information flow and possibly go dark because making such information available to the general public, rather than to only persons who are qualified to invest in such securities would, among other things, reveal confidential information.[56]

In 2024, the staff issued a no-action letter that addressed numerous categories of fixed-income securities.[57] The staff issued this letter in response to various concerns by market participants including that, unlike the equity markets, there is no infrastructure where the rule's required current information for fixed-income securities is consolidated and publicly available.[58] Information on OTC equity securities has been available and consolidated on various sources, such as OTC Markets and Bloomberg, for some time. Information on non-equity securities is not similarly consolidated and thus often not publicly available or easily accessible,[59] creating burdens on brokers and dealers to ensure that current Rule 15c2–11 information remains publicly available before initiating or resuming quotations—a requirement that did not exist prior to 2020.[60] Similar to the reasons behind the Commission's exemption for fixed-income securities sold under Rule 144A, investors in the securities covered by the no-action letter are often sophisticated or qualified investors.[61]

Further, many exceptions from Rule 15c2–11 available to equity securities

4(a)(3) or 4(a)(4) exemptions from registration under the Securities Act.

[43] *See, e.g.,* 1971 Release, 36 FR 18641. *See also* 1999 Release, 64 FR 11147.

[44] *See* Spin Offs and Shell Corporations, Exchange Act Release No. 8638 (July 2, 1969) [34 FR 11581 (July 15, 1969)]. *See also* 1983 Release, 48 FR 17111–12; Initiation or Resumption of Quotations Without Specified Information, Exchange Act Release No. 27247 (Sept. 14, 1989) [54 FR 39194 (Sept. 25, 1989)] (''1989 Release''), 54 FR 39195; Initiation or Resumption of Quotations Without Specified Information, Exchange Act Release No. 29094 (Apr. 17, 1991) [56 FR 19148 (Apr. 25, 1991)] (''1991 Release''), 56 FR 19159; 1999 Release, 64 FR 11148, 11150; Publication or Submission of Quotations Without Specified Information, Exchange Act Release No. 87115 (Sept. 25, 2019) [84 FR 58206 (Oct. 30, 2019)] (''2019 Release''), 84 FR 58219.

[45] 1971 Release, 36 FR 18641.

[46] *See* 1971 Release, 36 FR 18641; 1983 Release, 48 FR 17112.

[47] *See* 1999 Release, 64 FR 11130.

[48] *See* 1999 Release, 64 FR 11130.

[49] *See* 1999 Release, 64 FR 11128. The Commission did not act on the proposal.

[50] *See* 2020 Release.

[51] *See* 2020 Release, 85 FR 68128.

[52] *See* 2020 Release, 85 FR 68125.

[53] *See, e.g.,* SIFMA AMG Group Letter, at 7 (addressing fixed-income securities); SFA Letter, at 4–5 (addressing asset-backed securities).

[54] 17 CFR 230.144A. *See also* No. 33–6862 (Apr. 23, 1990), 55 FR 17933, 17939 n.55 (Apr. 30, 1990) (''Rule 144A Adopting Release'') (noting the applicability of Rule 15c2–11 to Rule 144A offerings).

[55] *See* 144A Exemptive Release.

[56] *See, e.g.,* Letter from Andrew Pincus, Petition for Rulemaking and Application for Exemption from Rule 15c2–11 (Nov. 22, 2022), *available at https://www.sec.gov/files/rules/petitions/2022/petamend-rule-15c211-4795.pdf.*

[57] *See* 2024 No-Action Letter. Although the Commission's exemptive relief and the staff's no-action letter address the vast majority of fixed-income securities, they do not encompass all non-equity securities. The 2024 No-Action Letter superseded staff no-action letters that were issued starting in 2021.

[58] *See* SIFMA AMG Group Letter, at 6 (stating that for fixed-income securities ''there is currently no infrastructure for compliance with the Rule''); SFA Letter, at 2 (stating that ''Rule 15c2–11 information is not materially relevant to ABS and therefore such information is not available''); BDA Letter, at 4 (stating that ''accurate volume data is not available [for fixed-income securities]'').

[59] *See, e.g.,* SIFMA Letter, at 6 (stating that ''there is a party (a qualified interdealer quotation system, or QIDQS) in the OTC equity markets that makes determinations of public availability of information upon which dealers may rely for Rule 15c2–11 compliance. Since 2021, no vendors, SROs, bond exchanges or ATSs have stepped forward to take this role in the fixed-income [markets]''); *supra* note 58.

[60] *See, e.g.,* The Detriment of Rule 15c2–11's Application to Fixed Income Markets, Joe Corcoran, SIFMA (Sept. 12, 2022), *available at https://www.sifma.org/news/blog/the-detriment-of-rule-15c2-11s-application-to-fixed-income-markets-the-consequences-of-unilateral-rulemaking-without-public-comment.*

[61] *See* ICI Letter, at 3 (''in the fixed income market . . . traders are overwhelmingly institutional investors''); SFA Letter, at 3 (''Unlike the equity markets which include substantial retail investment, the fixed income markets are largely institutional.'').

traded on OTC markets are not typically available to non-equity securities.[62] As the Commission has previously stated, such exceptions help reduce unnecessary burdens on brokers and dealers and enhance the efficiency of the OTC market.[63] For instance, Rule 15c2–11 includes an exception for securities listed on national securities exchanges if certain conditions are met, but few fixed-income securities are listed on a national securities exchange.[64] In addition, the exceptions that rely on the worldwide ADTV value,[65] or those premised on the frequency of quotations,[66] would not typically be available to non-equity securities because accurate volume data is often not available and such securities can be infrequently traded or quoted. The result is a more burdensome rule for non-equity securities.

Finally, the types of information required by the rule can be burdensome to locate or may be nonexistent for non-equity securities. As noted above, Rule 3a11–1 defines the term ''equity security'' as used in Exchange Act section 12(g),[67] which only applies to equity securities,[68] and registration pursuant to section 12(g) is one of the triggers for many of the information requirements specified in Rule 15c2–11(b).[69] Therefore, paragraph (b) information is more likely to be readily available to brokers and dealers with respect to equity securities than it is for non-equity securities, given the affirmative registration requirements imposed on certain issuers of equity securities, but not non-equity securities, by section 12(g). Section 12(g)(1) of the Exchange Act and 17 CFR 240.12g–1 (''Rule 12g–1'') promulgated thereunder generally require an issuer to register a class of equity securities if the issuer of the securities, at the end of its fiscal year, has more than $10,000,000 in total assets and a class of equity securities held of record by either 2,000 persons or 500 persons who are not accredited investors.[70] Every issuer of a class of equity securities registered pursuant to section 12(g) is required to file with the Commission periodic and current reports pursuant to section 13(a) of the Exchange Act, which would help to satisfy the paragraph (b)(3) information requirements.[71] In addition, market participants have expressed concerns that, with respect to issuers of fixed-income or other non-equity securities that have not incurred a reporting obligation under the Exchange Act and have not filed a registration or offering statement with respect to the non-equity securities, the ''catch-all'' information specified in Rule 15c2–11(b)(5) often is not current or publicly available.[72]

For the reasons discussed above, the Commission is proposing amendments to revise the rule to refer to only equity securities.

Request for Comments

The Commission generally requests comment from the public on this aspect of the proposal. More specific requests for comment are set forth below. As much as possible, commenters are requested to provide empirical data in support of any arguments or analyses and to offer explanations for their views.

Q1. The Commission is proposing to use the equity security definition in Rule 3a11–1. Does this definition provide adequate specificity to market participants as to Rule 15c2–11's scope? If not, what other amendment(s) to Rule 15c2–11 would be required to provide such specificity?

Q2. Is there another or alternative equity security definition that is more appropriate (than the definition in Rule 3a11–1) to be referenced in Rule 15c2–11? Please explain.

Q3. Should a definition of equity security be added to paragraph (e) of Rule 15c2–11?

Q4. If the Commission adds a definition of equity security to Rule 15c2–11, should the definition incorporate all of Rule 3a11–1's elements or only a subset of the different types of equity securities listed under Rule 3a11–1? For example, should the definition exclude security futures, which are required to be traded on a national securities exchange pursuant to 15 U.S.C. 78f(h)(1) (section 6(h)(1)) of the Exchange Act, or puts, calls, options or privileges?[73] Please explain.

B. Conforming Amendments

The Commission is proposing conforming amendments throughout Rule 15c2–11 in light of its proposal to revise Rule 15c2–11 to refer to only equity securities, as defined in Rule 3a11–1.

1. Specified and Supplemental Information

Under the proposed amendments, documents and information concerning only equity securities would need to be gathered and reviewed in satisfying Rule 15c2–11's information gathering and review requirements, except with regard to the existing requirement in paragraph (c)(2) concerning any trading suspension order, issued by the Commission within a certain timeframe, regarding ''any securities'' of the security's issuer or its predecessor.[74] The documents and information that are required to be gathered and reviewed are specified, (1) with regard to issuers and their securities, in paragraph (b) of Rule 15c2–11 (''paragraph (b) information'') and, (2) with regard to certain supplemental information, in paragraph (c) of Rule 15c2–11 (''supplemental information'').[75]

Paragraph (b) information generally references certain types of Commission filings (*e.g.,* prospectus, offering circular, annual report or statement, or periodic or current report)[76] or other documents and information,[77] depending on the regulatory status of the issuer of the security that is the subject of a broker's, dealer's, or QIDQS's review. Certain paragraph (b) information currently includes the term

[62] *See* SIFMA AMG Group Letter, at 7 (requesting that the Commission ''revise the Rule in a manner that is consistent with the structure of the [fixed-income] markets, with workable provisions and exceptions'').

[63] *See* 2020 Release, 85 FR 68140.

[64] *See* 17 CFR 240.15c2–11(f)(1). 15 U.S.C. 78l(g) (''section 12(g)'') of the Exchange Act applies to equity securities, making it more likely that current and publicly available information is readily available to brokers and dealers for review. *See infra* note 69.

[65] *See* 17 CFR 240.15c2–11(f)(5).

[66] *See* 17 CFR 240.15c2–11(f)(3).

[67] *See supra* note 35.

[68] *See* 15 U.S.C. 78l(g)(1)(A).

[69] *See* 17 CFR 240.15c2–11(b)(3), (b)(4). Although issuers of non-equity securities would incur reporting obligations under 15 U.S.C. 78m(a) (''section 13(a)'') or 15 U.S.C. 78o(d) (''section 15(d)'') of the Exchange Act to the extent they choose to list a class of non-equity securities on a national securities exchange or conduct a registered offering of non-equity securities, section 12(g) does not apply to non-equity securities and there is no comparable provision that mandates registration of a class of non-exchange traded non-equity securities under the Exchange Act.

[70] *See* 15 U.S.C. 78l(g)(1); 17 CFR 240.12g–1.

[71] *See* 17 CFR 240.15c2–11(b)(3).

[72] *See, e.g.,* ICI Letter, at 3; SFA Letter, at 4.

[73] *See, e.g.,* Letter from Karl Trinko (Mar. 3, 2026), *available at https://www.sec.gov/files/rules/petitions/2026/petn4-888.pdf* (discussing the securities of certain royalty trusts).

[74] Reviewing the information in trading suspension orders, regardless of the type or class of securities to which the suspension applies, is important because it can apprise brokers and dealers of questions the Commission has raised regarding the issuer or its securities that should be considered when they determine to publish quotations. *See* 1991 Release, 56 FR 19154. Limiting the required review of trading suspension orders to only equity securities could prevent brokers and dealers from being alerted to the possibility that information in their possession concerning the issuer may no longer be accurate. *See* 1991 Release, 56 FR 19153. *See also* 1989 Release, 54 FR 39196 (stating that ''it is essential that a broker-dealer considering submitting quotations for a security be alert to unusual circumstances that may be present, such as the issuance of a trading suspension'').

[75] *See* 17 CFR 240.15c2–11(a)(1)(i)(C), (a)(2)(iii).

[76] *See* 17 CFR 240.15c2–11(b)(1) through (3).

[77] *See* 17 CFR 240.15c2–11(b)(4), (b)(5).

''security.'' The proposal, therefore, includes conforming amendments to paragraph (b) to specify that documents and information regarding only equity securities must be gathered and reviewed. The Commission is proposing to replace the term ''security'' with the defined term ''equity security'' in the following paragraphs of Rule 15c2–11: paragraph (b)(3)(v), with respect to an annual statement referred to in section 12(g)(2)(G)(i) of the Exchange Act; paragraph (b)(4), with respect to a copy of the information that must be published for a foreign private issuer to meet the exemption from having to register a class of securities under section 12(g) of the Exchange Act; and paragraphs (b)(5)(i)(D), (b)(5)(i)(E), (b)(5)(i)(F), (b)(5)(i)(P), and (b)(5)(ii), with respect to information regarding an issuer that generally is not subject to statute- or rule-based disclosure and reporting requirements under the Federal securities laws.[78] Additionally, the Commission is proposing to add the word ''equity'' in front of the word ''security'' in the introductory paragraph of Rule 15c2–11(c). These conforming amendments are being proposed only for the purpose of specifying Rule 15c2–11's scope and do not change the requirements or prohibitions of any other Exchange Act sections or rules referenced in Rule 15c2–11.

Request for Comments

The Commission generally requests comment from the public on this aspect of the proposal. More specific requests for comment are set forth below. As much as possible, commenters are requested to provide empirical data in support of any arguments or analyses and to offer explanations for their views.

Q5. In satisfying Rule 15c2–11's information gathering and review requirements concerning any security, a broker, dealer, or QIDQS currently must, under paragraph (c)(2), gather and review (if any) a copy of any trading suspension order, issued by the Commission within a certain timeframe, regarding ''any securities'' of the security's issuer or its predecessor.[79] If the Commission were to adopt the proposal to revise Rule 15c2–11 to refer to only equity securities, should the supplemental information in paragraph (c)(2) also be revised to specify ''any equity securities'' of the issuer or its predecessor? Would it raise any investor protection concerns if trading suspension orders for only equity securities were required to be reviewed for purposes of satisfying Rule 15c2–11's information gathering and review requirements? Please explain.

2. Exceptions

In light of the Commission's proposal to revise Rule 15c2–11 to refer to only equity securities, the Commission is proposing conforming amendments to specify that Rule 15c2–11's conditional exceptions in paragraph (f) would cover quotations for only equity securities. Certain of these exceptions currently include the word ''security.'' The Commission is therefore proposing to add the word ''equity'' in front of the word ''security'' in the following paragraphs of Rule 15c2–11: paragraph (f)(1), with respect to quotations for securities traded on a national securities exchange; paragraphs (f)(3)(i)(A), (f)(3)(i)(B), (f)(3)(i)(B)(*2*), (f)(3)(i)(C), and (f)(3)(ii), with respect to the ''piggyback'' exception for regular and frequent priced quotations; paragraphs (f)(5)(i) and (f)(5)(ii), with respect to quotations for securities that meet a specified ADTV value and asset test; and paragraph (f)(6), with respect to quotations for securities issued in underwritten offerings.[80] Rule 15c2–11's other exceptions—in paragraph (f)(2), concerning quotations representing a customer's unsolicited indication of interest,[81] and in paragraph (f)(7), concerning quotations published in reliance on a publicly available determination from a QIDQS or RNSA that the conditions of certain rule exceptions are met [82]—do not include the word ''security'' but, under the proposal, similarly would cover quotations for only equity securities.

Additionally, the Commission is proposing to remove Rule 15c2–11's existing exception for municipal securities, in paragraph (f)(4), because this exception is expected to no longer be needed if Rule 15c2–11 referred to only equity securities.[83] The Commission similarly is proposing a conforming amendment in paragraph (f)(7) (quotations published in reliance on a publicly available determination from a QIDQS or RNSA that the conditions of certain rule exceptions are met) to remove the existing reference to the municipal securities exception in paragraph (f)(4) because the municipal securities exception would be removed from Rule 15c2–11.

Request for Comments

The Commission generally requests comment from the public on this aspect of the proposal. More specific requests for comment are set forth below. As much as possible, commenters are requested to provide empirical data in support of any arguments or analyses and to offer explanations for their views.

Q6. Should Rule 15c2–11 continue to include an exception for municipal securities, in paragraph (f)(4), if Rule 15c2–11 were revised to refer to only equity securities? What would be the purpose or advantage of preserving such an exception if Rule 15c2–11 referred to only equity securities? Do commenters know of, or anticipate the possibility of, any municipal securities being structured in a way that meets the definition of the term ''equity security,'' as defined in Rule 3a11–1?

3. Record Preservation Requirements

Paragraph (d) of Rule 15c2–11 sets forth requirements for any broker, dealer, QIDQS, or RNSA to preserve

[78] The Commission is also proposing a non-substantive, grammatical amendment to change the word ''a,'' which precedes the word ''security'' in the existing rule, to ''an,'' which would precede the words ''equity security'' in paragraph (b)(3)(v).

[79] *See supra* note 74.

[80] The Commission is also proposing non-substantive, grammatical amendments to change the word ''a,'' which precedes the word ''security'' in the existing rule, to ''an,'' which would precede the words ''equity security'' in certain of these paragraphs: (f)(1), (f)(3)(i)(A), (f)(3)(i)(C), (f)(5)(i), and (f)(6).

[81] Brokers and dealers are reminded that the exception in paragraph (f)(2) is available only for quotations representing an unsolicited indication of interest from a customer (other than a person acting as or for a dealer). The exception would not apply to a broker's or dealer's proprietary order that is routed by or through another broker or dealer because a broker's or dealer's proprietary order does not originate with a customer. *See* 1984 Release, 49 FR 45119–20 n.13.

[82] A broker or dealer may publish quotations in reliance on a QIDQS's or RNSA's publicly available determination that the conditions of any of the following Rule 15c2–11 exceptions are met: (f)(1), (f)(3)(i), or (f)(4) or (5). *See* 17 CFR 240.15c2–11(f)(7). A QIDQS or RNSA can also make a publicly available determination that paragraph (b) information is current and publicly available for purposes of satisfying the conditions in paragraph (f)(2)(iii)(B) or paragraph (f)(3)(ii)(A). A QIDQS or RNSA that makes any such publicly available determination must establish, maintain, and enforce certain reasonably designed written policies and procedures. *See* 17 CFR 240.15c2–11(a)(3). Although paragraph (a)(3) of Rule 15c2–11 does not include the word ''security,'' under the proposal, its requirements would be applied with respect to making any publicly available determination (described in paragraph (f)(2)(iii)(B), paragraph (f)(3)(ii)(A), or paragraph (f)(7)) concerning an equity security.

[83] In addition, although municipal securities have been excepted from Rule 15c2–11 since 1976, a robust municipal securities disclosure regime has developed since the Commission's adoption of Exchange Act Rule 15c2–12 in 1989. *See* 17 CFR 240.15c2–12 (adopted ''[a]s a means reasonably designed to prevent fraudulent, deceptive, or manipulative acts or practices''). Furthermore, the MSRB requires brokers, dealers, and municipal securities dealers to make separate time of trade disclosures that protect individual investors in the municipal securities market. *See* MSRB Rule G–47 (requiring brokers, dealers, and municipal securities dealers to disclose to customers at or prior to the time of trade all material information known or available publicly through established industry sources).

records that support, as applicable, their satisfaction of the information gathering and review requirements, reliance on certain Rule 15c2–11 exceptions, a publicly available determination made pursuant to paragraph (a)(2)(iv) or paragraph (a)(3), or reliance on any such publicly available determination.[84] In light of the proposal to revise Rule 15c2–11 to refer to only equity securities, the Commission is proposing conforming amendments to specify the scope of Rule 15c2–11's record preservation requirements, some of which currently include the word ''security.'' The Commission is therefore proposing to add the word ''equity'' in front of the word ''security'' in paragraphs (d)(1)(i)(A) and (d)(1)(i)(B) of Rule 15c2–11, which pertain to supporting documents and information for the information gathering and review requirements.[85] Rule 15c2–11's other record preservation requirements [86] currently do not include the word ''security'' but, under the proposal, similarly would be applied only with respect to brokers' or dealers' quotations for equity securities or any QIDQS's or RNSA's publicly available determinations regarding equity securities.

Additionally, the Commission is proposing to amend the existing record preservation requirement in paragraph (d)(2)(ii) for any broker or dealer that relies on a publicly available determination described in paragraph (f)(7), if the publicly available determination pertains to the availability of the municipal securities exception in paragraph (f)(4). As discussed above, in Part II.B.2, the Commission is proposing to remove the municipal securities exception, as well as the reference to that exception in paragraph (f)(7). In light of these proposed amendments, the Commission is proposing a conforming amendment in paragraph (d)(2)(ii) to remove the existing reference to paragraph (f)(4) because it would no longer be appropriate to include if the exception that serves as a basis for this record preservation requirement were removed.

C. Technical Amendments

The Commission is proposing three technical, grammatical corrections to Rule 15c2–11 that would not change the meaning or operation of any of the rule's provisions. Specifically, paragraph (f)(3)(ii) of the piggyback exception currently erroneously repeats the word ''in.'' The proposed amendments would remove the second, redundant ''in'' from this provision. Additionally, the word ''federal'' appears twice in Rule 15c2–11, in paragraphs (b)(5)(i)(P) and (e)(5). The proposed amendments would capitalize the word ''Federal'' in both instances.

Request for Comments

The Commission generally requests comment from the public on this aspect of the proposal. As much as possible, commenters are requested to provide empirical data in support of any arguments or analyses and to offer explanations for their views.

III. General Request for Comment

The Commission generally requests comment from the public on all aspects of the proposal. As much as possible, commenters are requested to provide empirical data in support of any arguments or analyses and to offer explanations for their views.

Q7. As discussed above, in Parts I and II, the Commission is proposing to revise Rule 15c2–11 to refer to only equity securities, as defined in Rule 3a11–1, without changing any of the rule's other requirements or conditions. Do commenters believe that the proposed amendments should involve any changes to Rule 15c2–11's requirements or conditions—other than determining whether the subject security meets the definition of equity security in Rule 3a11–1—that were not discussed above, in Part II? Please explain.

Q8. Rule 15c2–11's definitions for the terms ''quotation'' and ''quotation medium,'' in paragraphs (e)(7) and (e)(8), respectively, currently are consistent with section 15(c)(2) of the Exchange Act, which applies to any security (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills). If Rule 15c2–11 were revised to refer to only equity securities, should Rule 15c2–11's definitions for the terms quotation and quotation medium be amended to add the word ''equity'' preceding any mention of the word ''security?'' Or, is any such amendment redundant or otherwise unnecessary given the proposed revisions in paragraphs (a), (b), (c), (d), and (f) of the rule? Please explain.

Q9. Should Rule 15c2–11 be amended to include an exception in paragraph (f) for equity securities that are ''crypto assets''? Should such an exception contain any conditions? Why or how are the securities that would be covered by such an exception less likely to be the subject of fraudulent or manipulative activity? Please discuss the advantages and disadvantages of such an exception.

Q10. Should the Commission adopt a specified information paragraph, for purposes of satisfying Rule 15c2–11's information gathering and review requirements, that can be more narrowly tailored (than existing paragraph (b)(5)(i) may be) to address equity securities that are crypto assets? Please explain.

Q11. In 2020, the Commission proposed a conditional exemption from Rule 15c2–11 to facilitate the formation and implementation of an ''expert market'' for sophisticated or professional investors in grey market securities (*i.e.,* securities that trade over-the-counter but for which no quoted prices are published or submitted in a quotation medium for buyers and sellers to access).[87] Should the Commission re-propose the conditional exemption? [88] Please explain the purpose of such an expert market if the Commission were to adopt the proposal to revise Rule 15c2–11 to refer to only equity securities. Why would such an exemption to facilitate the formation of an expert market be necessary or appropriate in the public interest? Should any further safeguards be included as a condition to this exemption (*e.g.,* a condition that all quotations be priced, consist of both a bid and an offer, meet a minimum size requirement, etc.)? Should any other conditions be included to ensure that this market is limited to sophisticated or professional investors? Please explain.

Q12. Instead of providing an exemption for the expert market described in the 2020 Expert Market Notice, should the rule include an exception in paragraph (f) of Rule 15c2–11 to facilitate the formation of any expert market, subject to certain conditions? Please explain why this exception would be needed if the Commission were to adopt the proposal to revise Rule 15c2–11 to refer to only equity securities. Additionally, please explain what conditions the exception should include to promote investor protection; the maintenance of fair, orderly, and efficient markets; and capital formation.

[84] *See* 17 CFR 240.15c2–11(d)(1), (d)(2).

[85] The Commission is also proposing non-substantive, grammatical amendments to change the word ''a,'' which precedes the word ''security'' in the existing rule, to ''an,'' which would precede the words ''equity security'' in these paragraphs.

[86] *See* 17 CFR 240.15c2–11(d)(1)(ii), (d)(2), (d)(2)(i), (d)(2)(ii).

[87] *See* Notice of Proposed Conditional Exemptive Order Granting a Conditional Exemption From the Information Review Requirement and the Recordkeeping Requirement Under the Securities Exchange Act of 1934 for Certain Publications or Submissions of Broker-Dealer Quotations on an Expert Market, Exchange Act Release No. 90769 (Dec. 22, 2020) [86 FR 2311 (Jan. 12, 2021)] (''2020 Expert Market Notice'').

[88] *See* 2020 Expert Market Notice.

Q13. Do some non-reporting companies choose not to make their paragraph (b) information available to brokers or dealers? If so, how often does this occur and what is the impact on the liquidity of these securities? What is the effect on shareholders? What effect would the formation of an expert market have on the liquidity of the securities of non-reporting companies that choose not to make their paragraph (b) information publicly available?

Q14. Have some brokers or dealers ceased market making in securities currently within the scope of Rule 15c2–11 rather than comply with its provisions, as amended in 2020? If yes, has this significantly reduced liquidity in these securities? Please explain, including by addressing any types or classes of securities in which brokers or dealers have ceased market making.

Q15. Would having simultaneous compliance and effective dates for the amendments (proposed to be 60 days after publication of the proposed amendments in the **Federal Register**) present any operational difficulties or other challenges? Please explain.

Q16.

IV. Economic Analysis

This section examines the economic effects of the proposed amendments, including expected benefits, costs, and effects on efficiency, competition, and capital formation.[89]

As explained in Part I, following the adoption of the 2020 amendments to Rule 15c2–11 that required specified information be current and publicly available for brokers and dealers to publish a quotation for, or maintain a continuous quoted market in, a security in a quotation medium,[90] numerous industry participants stated that they never understood Rule 15c2–11 to apply to non-equity securities and expressed concerns with the potential burdens of applying the amended rule to fixed-income securities.[91] Nevertheless, industry participants' concerns regarding the application of the rule prompted the Commission to provide relief for the vast majority of fixed-income securities.[92]

Consistent with the Commission's prior provision of exemptive relief for certain fixed-income securities [93] and with other Commission proposals identifying certain non-equity securities as not requiring Rule 15c2–11 protections,[94] the Commission is proposing amendments to Rule 15c2–11 to amend the rule by replacing the term ''security'' with ''equity security.'' Under the proposal, equity security would be as defined in Rule 3a11–1.

Where possible, the Commission quantifies the expected economic effects. However, for the proposed rule, the Commission is unable to fully quantify the expected effects due to data limitations for securities that are not equity securities as defined in Rule 3a11–1. For example, we lack data on certain non-equity quotations and broker-dealers that quote non-equity securities, particularly those non-equity securities that are not presently covered by the exemptive order or staff no-action position, which prevent quantification of potential aggregate cost savings from the proposed amendments. Hence, the discussion below is mostly qualitative in nature, and we describe, as feasible, the direction of the economic effects and their economic significance.

A. Baseline

The baseline against which the benefits, costs, and the effects on efficiency, competition, and capital formation for the proposed amendments are measured consists of the current regulatory framework, including existing exemptions and no-action positions, and the existing OTC market, including affected securities and parties in that market.[95]

1. Regulatory Baseline

Rule 15c2–11 is intended to protect investors from certain manipulative and fraudulent trading schemes by requiring brokers and dealers to consider financial and other information about the issuer of a security before they commence making a market in that security. In particular, brokers and dealers must gather specified current and publicly available information regarding the security and its issuer and, based upon a review of such information, along with certain supplemental information, have a reasonable basis under the circumstances for believing that such information is accurate in all material respects and is from a reliable source.[96] The production of the required information that brokers and dealers have to gather prior to publishing quotes benefits investors because not only are quotes more efficiently priced but investors also have easier access to current and publicly available information about the securities.

Numerous industry participants have stated that they always understood Rule 15c2–11 to apply only to equity securities.[97] After industry participants shared their concerns regarding the rule's application following the 2020 amendments to Rule 15c2–11, the Commission provided exemptive relief and the staff issued a no-action letter addressing the vast majority of fixed-income securities.[98] Accordingly, consistent with industry participants' understanding of the application of Rule 15c2–11, we would expect that Rule 15c2–11 is being applied with respect to non-equity securities only to the extent that the current regulatory text has been understood by particular broker-dealers to apply to non-equity OTC securities.

2. Affected Securities

As discussed in Part II.A above, under the proposal, Rule 15c2–11 would continue to apply to equity securities, as defined in Rule 3a11–1. Regarding the proposed amendments' application to crypto assets,[99] to the extent a crypto asset is an equity security, as defined in Rule 3a11–1, Rule 15c2–11 would apply to brokers and dealers initiating or resuming quotations for those equity securities in a quotation medium.

In 2023, the Commission issued exemptive relief for fixed-income securities sold in reliance on Rule

[89] Under section 3(f) of the Exchange Act, whenever the Commission engages in rulemaking under the Exchange Act and is required to consider or determine whether an action is necessary or appropriate in the public interest, it must consider, in addition to the protection of investors, whether the action will promote efficiency, competition, and capital formation. *See* 15 U.S.C. 78c(f). In addition, section 23(a)(2) of the Exchange Act prohibits the Commission from adopting any rule that would impose a burden on competition not necessary or appropriate in furtherance of the purposes of the Exchange Act. *See* 15 U.S.C. 78w(a)(2).

[90] *See supra* note 26.

[91] *See supra* note 28.

[92] *See supra* note 31.

[93] *See* 144A Exemptive Release.

[94] *See supra* note 33.

[95] *See, e.g., Nasdaq* v. *SEC,* 34 F.4th 1105, 1111–15 (D.C. Cir. 2022). This approach also follows SEC staff guidance on economic analysis for rulemaking. *See* SEC Staff, Current Guidance on Economic Analysis in SEC Rulemaking (Mar. 16, 2012), *available at https://www.sec.gov/divisions/riskfin/rsfi_guidance_econ_analy_secrulemaking.pdf* (''The economic consequences of proposed rules (potential costs and benefits including effects on efficiency, competition, and capital formation) should be measured against a baseline, which is the best assessment of how the world would look in the absence of the proposed action.''); *id.* at 7 (''The baseline includes both the economic attributes of the relevant market and the existing regulatory structure.'').

[96] *See supra* Part I for detail on the information required.

[97] *See supra* note 28 and accompanying text.

[98] *See supra* note 31 (discussing the 144A Exemptive Release and the 2024 No-Action Letter) and accompanying text.

[99] A ''crypto asset'' is any digital representation of value that is recorded on a cryptographically secured distributed ledger. The foregoing definition of ''crypto asset'' is identical to the definition of ''Digital Asset'' in section 2(6) of the Guiding and Establishing National Innovation for U.S. Stablecoins Act, Public Law No. 119–27, 139 Stat. 419 (2025).

144A.[100] The staff has also issued a no-action position for numerous categories of fixed-income securities.[101] Estimating the number of fixed-income securities to which the no-action position has relevance is difficult because the no-action position applied to fixed-income securities or issuers that met certain criteria, and which are not necessarily reflected in data reported by issuers or market intermediaries. One source of fixed-income transactions, the Trade Reporting and Compliance Engine (TRACE), contains transactions for over 53,100 bond issues from over 3,300 issuers in the first quarter of 2025.[102]

3. Affected Parties

Rule 15c2–11 would continue to apply to broker-dealers who publish quotations for OTC equity securities, any QIDQS that undertakes to satisfy the rule's information gathering and review requirements concerning an OTC equity security and makes a publicly available determination regarding such review, and any QIDQS or RNSA that chooses to make a publicly available determination regarding the public availability of current paragraph (b) information or the availability of certain Rule 15c2–11 exceptions for OTC equity securities. According to available data, 1,261 of 3,388 broker-dealers filing FOCUS reports report engaging in the ''Retailing Corporate Equity Securities Over The Counter.'' The Commission estimates that approximately 196 brokers and dealers,[103] one QIDQS,[104] and one RNSA [105] would be subject to rule requirements associated with documenting whether the conditions of an exception in paragraph (f) are met and with preserving corresponding records.[106] However, only twelve brokers and dealers filed a Form 211 pursuant to FINRA Rule 6432(a) in 2024.[107] The Commission believes that most OTC equity securities are quoted on OTC Link ATS and Global OTC, to the extent the quotation is subject to Rule 15c2–11.[108] As of September 30, 2025, there were 77 broker and dealer subscribers to OTC Link ATS. As of September 30, 2025, there were 119 brokers and dealers that trade on Global OTC.[109]

Additionally, there is one QIDQS, which makes publicly available determinations that it satisfied Rule 15c2–11's information gathering and review requirements for OTC equity securities or that the conditions of certain rule exceptions were met for affected securities.[110] In addition, there is one RNSA that makes publicly available determinations that the conditions of certain rule exceptions are met for OTC equity securities.[111]

The proposed amendments to Rule 15c2–11, if adopted, would affect brokers and dealers that publish or submit quotations for OTC non-equity securities in a quotation medium that is subject to this rule only to the extent that those broker-dealers apply the rule more broadly than to only equity securities. In particular, certain broker-dealers that quote OTC non-equity securities that are not covered by the 144A Exemptive Release and 2024 No-Action Letter may have different understandings of the scope of Rule 15c2–11 and may currently be applying Rule 15c2–11 to non-equity securities. The Commission lacks data on the number of such broker-dealers but understands that few, if any, industry participants understood Rule 15c2–11 to apply to non-equity OTC securities. Among other limitations, it is difficult to estimate the scope of brokers' and dealers' quotations in quotation mediums for non-equity securities, partially due to the same information availability challenges in the market for non-equity securities described by market participants.[112]

Finally, to the extent that certain broker-dealers are not currently applying Rule 15c2–11 to only equity securities, other affected parties would include issuers of OTC non-equity securities and investors in these securities (either investors already holding a position in OTC non-equity securities or those considering acquiring such a position).[113]

B. Benefits and Costs

1. Affected Brokers, Dealers, QIDQSs, and RNSAs

The Commission expects that the benefits and the costs of the proposed amendments for brokers, dealers, the QIDQS, and the RNSA to be minimal. To the extent that certain brokers and dealers, as well as the QIDQS and RNSA, apply Rule 15c2–11 to non-equity OTC securities, they would benefit from reduced ongoing costs under the proposed amendments, while incurring some initial costs to adjust their practices consistent with the proposed amendments. The proposed amendments would benefit such affected brokers and dealers, including the QIDQS, by eliminating the ongoing cost of undertaking the substantive information gathering and review requirements in Rule 15c2–11(a)(1)(i) and (a)(2) before initiating or resuming any quotation for a non-equity OTC security that is neither exempt from nor qualifies for an exception from the rule in a quotation medium and the corresponding record preservation requirements.[114] In addition, such brokers and dealers, including QIDQSs, as well as RNSAs would benefit from no longer satisfying the requirements for the exceptions in Rule 15c2–11(f) and corresponding record preservation requirements.[115] Similarly, such brokers

[100] *See supra* note 54.

[101] *See* 2024 No-Action Letter.

[102] Securities that are eligible to be reported to TRACE are debt securities that are United States dollar-denominated and are: (1) issued by a U.S. or foreign private issuer, and, if a ''restricted security'' as defined in Securities Act Rule 144(a)(3), sold pursuant to Securities Act Rule 144A; (2) issued or guaranteed by an Agency as defined in paragraph (k) or a Government-Sponsored Enterprise as defined in paragraph (n); (3) U.S. Treasury Securities as defined in paragraph (p); or (4) Foreign Sovereign Debt Securities as defined in paragraph (kk) Excluded are debt securities that are Money Market Instruments as defined in paragraph (o). *See* FINRA Rule 6710(a), *available at: https://www.finra.org/rules-guidance/rulebooks/finra-rules/6710.*

[103] As of September 30, 2025, there were 77 brokers and dealer subscribers to OTC Link ATS. As of September 30, 2025, there were 119 brokers and dealers that trade on Global OTC. The Commission believes that most OTC equity securities are quoted on OTC Link ATS and Global OTC, to the extent the quotation is subject to Rule 15c2–11, and that the total amount of individual brokers and dealers trading on these systems reasonably estimates the number of brokers and dealers that may be subject to PRA burdens in satisfying Rule 15c2–11's requirements. *See* 2020 Release, 85 FR 68174 n.564. The Commission recognizes that there may be equity securities that are quoted in other quotation mediums but, at this time, does not have the empirical data to include them in the PRA burdens estimations.

[104] *See infra* note 141.

[105] Currently, FINRA is the only existing RNSA.

[106] *See infra* Part V.D.2.

[107] The Commission uses this number as a proxy for the number of brokers and dealers that comply with Rule 15c2–11's information gathering and review requirements by conducting the review itself, instead of relying on the QIDQS's publicly available determination regarding its satisfaction of Rule 15c2–11's information gathering and review requirement. *See infra* note 140.

[108] The Commission believes that most OTC equity securities are quoted on OTC Link ATS and Global OTC, to the extent the quotation is subject to Rule 15c2–11, and that the total amount of individual brokers and dealers trading on these systems reasonably estimates the number of brokers and dealers that may be subject to Rule 15c2–11's recordkeeping requirements. *See* 2020 Release, 85 FR 68174 n.564. The Commission recognizes that there may be equity securities that are quoted in other quotation mediums but, at this time, does not have the data to include them in these estimates.

[109] *Id.*

[110] A broker or dealer may publish quotations in reliance on a QIDQS's or RNSA's publicly available determination that the conditions of certain Rule 15c2–11 exceptions are met. *See supra* Part I.

[111] *Id.*

[112] *See supra* note 58.

[113] The Commission does not have the necessary data to estimate the number of issuers of non-equity securities or investors currently participating in the OTC market for non-equity securities.

[114] *See* 17 CFR 240.15c2–11(a)(1)(i), (a)(2), (d)(1)(i)(A), (d)(1)(i)(B).

[115] *See* 17 CFR.240.15c2–11(d)(2), (f).

and dealers would no longer incur the costs for non-equity OTC securities of preserving records concerning Rule 15c2–11(a)(1)(ii) and (a)(3). The Commission preliminarily estimates that there would be no change in the costs associated with any necessary ongoing update to QIDQS or RNSA written policies and procedures due to the proposed amendments even if the QIDQS and RNSA currently interpret the scope of Rule 15c2–11 to apply to non-equity OTC securities.[116]

Corresponding to any cost savings from the proposed amendments, there would also be initial costs for affected brokers and dealers as well as the existing QIDQS and RNSA to the extent that they need to update their internal systems or renegotiate agreements with third-party service providers to exclude non-equity securities in their Rule 15c2–11 compliance activities. The QIDQS and RNSA, in addition, would need to update their policies and procedures under Rule 15c2–11(a)(3) if those policies and procedures were not already consistent with applying the rule to only equity OTC securities.

In addition, to the extent that concerns regarding the rule's application continue to exist, revising the rule to refer to equity securities could potentially result in reduced costs for all brokers, dealers, QIDQSs, and RNSAs, with respect to the quotation of non-equity OTC securities in a quotation medium. In general, uncertainty regarding the application of regulatory requirements can lead to increased legal costs even for those firms acting consistently with the general understanding of industry participants. This increased certainty is not expected to result in additional costs for market participants.

Lastly, affected brokers and dealers, including QIDQSs, may continue to have economic incentives to gather and review information about non-equity OTC securities (*e.g.,* such as for pricing purposes), and also provide some information to investors (though not necessarily the information that was required under 15c2–11) should investors demand such information to trade in affected securities.

2. Affected Issuers

The proposed amendments could reduce incentives for issuers of non-equity OTC securities to provide information that is current and publicly available because brokers and dealers could publish quotations for any non-equity security in a quotation medium whether the issuer makes information current and publicly available or not. As a result, it is possible that to the extent issuers of non-equity securities are currently providing information to the public based on their understanding of the application of Rule 15c2–11, they may reduce the amount of information about themselves that is current and publicly available, and some of those issuers might choose to stop providing information altogether. This could decrease disclosure costs for those issuers. However, the effect may be mitigated for several reasons. First, following the adoption of the 2020 amendments to Rule 15c2–11, numerous industry participants have stated that they never understood Rule 15c2–11 to apply to non-equity securities,[117] so the amendments are not likely to impact issuer decisions concerning the provision of information. Second, the Commission has provided exemptive relief and the staff has issued a no-action letter addressing the vast majority of fixed-income securities [118] further reducing the likelihood that the proposed amendments will affect the incentives for issuers of non-equity securities to change their behavior. Finally, to the extent that a lack of information about an issuer's non-equity OTC securities were to adversely impact a broker or dealer's ability to make markets in those securities or investor demand for those securities, that issuer could have incentives to continue to supply some information to brokers and dealers as well as to investors.

3. Affected Investors

Under the proposed amendments, investors in non-equity OTC securities could have less information about those securities, because affected brokers and dealers, QIDQSs, and RNSAs might no longer gather, review, and provide information on these securities and issuers could provide less information that is current and publicly available.[119] As stated above, investors in non-equity securities are largely sophisticated or qualified investors.[120] A reduction in information to investors could increase the risk that they would be subject to certain manipulative and fraudulent trading schemes involving affected securities; however, this risk is mitigated to the extent that investors in non-equity securities are sophisticated or qualified. Furthermore, the general understanding of industry participants regarding the application of Rule 15c2–11 to non-equity OTC securities means that investors in such securities may already receive less information.

Further, with respect to OTC fixed-income securities, several factors likely mitigate the cost associated with the loss, if any, of current and publicly available paragraph (b) information. First, the OTC fixed-income market is generally dominated by sophisticated investors that likely do not wholly depend on a broker or dealer's review of the information specified in Rule 15c2–11. Second, the ''catch-all'' list of information required to be reviewed for a security of an issuer that does not have registration statements or other current documents filed with the Commission, is less likely to be available.[121] Lastly, to the extent that any loss of information caused investors to significantly curtail their investment in non-equity OTC securities, affected brokers and dealers, QIDQSs, and issuers could have economic incentives to provide some information to investors to help boost investor demand.

C. Efficiency, Competition, and Capital Formation

The potential reduction in costs to ascertain compliance obligations, and any associated reduction in costs in complying with those obligations, for affected brokers and dealers could enhance liquidity provision in affected securities. There is also the possibility that additional brokers and dealers could initiate (or resume) quotations for affected securities in a quotation medium and additional competition on quotations could result in quotations that are more efficiently priced. The lower costs, however, stem in part from a reduction in gathering and reviewing information. Any reduction in information could negatively affect

[116] *See* 17 CFR 240.15c2–11(a)(3).

[117] *See supra* note 28.

[118] *See supra* note 31.

[119] *See supra* Part II.A.

[120] *See supra* Part II.A. However, the municipal securities market, which is currently excepted from Rule 15c2–11, historically has not been dominated by sophisticated investors. *See, e.g.,* SIFMA, ''Quarterly Report: US Fixed Income, 3Q25,'' at 8 (Jan. 2026), *available at https://www.sifma.org/wp-content/uploads/2025/09/SIFMA-Research-Quarterly-Fixed-Income-O-3Q25.pdf* (reporting that 48.3% of municipal securities holders are individuals and 28.4% are mutual funds). *See also, e.g.,* Simon Z. Wu and Nicholas J. Ostroy, MSRB, ''A Comparison of Transaction Costs for Municipal Securities and Other Fixed-Income Securities,'' at 11 (Mar. 2025), *available at https://www.msrb.org/sites/default/files/2025-03/Comparison-of-Transaction-Costs.pdf* (''Overall, corporate bonds had a lower proportion of odd-lot customer trades than agency securities and municipal securities, with 72% of corporate bond trades being odd-lot trades, compared to 84% for both agency securities and municipal securities. On the other hand, corporate bonds had a higher proportion of intermediate customer trades and block customer trades than agency securities and municipal securities. This suggests a higher participation rate by institutional investors for corporate bonds than for agency securities and municipal securities.'').

[121] *See supra* note 72.

investor demand for the affected securities, if investors otherwise relied on the information disclosed regarding non-equity securities and have no close substitute source for that information. In this case, investors could perceive investment in the affected securities as riskier than before and might require a greater return to compensate for the perceived increase in risk. This could raise the required return for the affected securities, including in relation to other securities, possibly making it costlier and more difficult for affected issuers to raise capital. To address this issue, as discussed above, brokers and dealers as well as issuers could decide to gather, review, and provide some information regarding non-equity securities to investors.

D. Reasonable Alternative

The Commission considered a reasonable alternative to the proposal and seeks public comments on the following alternative and on all other alternatives that the public believes are reasonable.

1. Except Crypto Securities That Are Equity Securities

In addition to the proposed amendments, the Commission could also provide an exception for crypto securities that are equity securities or otherwise require tailoring of provisions, including the information provision in paragraph (b)(5). The Commission believes that to the extent a crypto asset is an equity security, as defined in Rule 3a11–1, Rule 15c2–11 applies to brokers and dealers publishing quotations for those equity securities in a quotation medium. The Commission seeks public comment on various aspects of the application of Rule 15c2–11 to equity securities that are ''crypto assets.''

E. Request for Comment

The Commission requests comment on all aspects of this initial economic analysis, including the potential benefits and costs, all effects on efficiency, competition, and capital formation, and reasonable alternatives to the proposed rule and amendments. We request and encourage any interested person to submit comments regarding the proposed amendments, our analysis of the potential effects of the proposed amendments, and other matters that may have an effect on the proposed amendments. We request that commenters identify sources of data and information as well as provide data and information to assist us in analyzing the economic consequences of the proposed amendments and each reasonable alternative. We are also interested in comments on the qualitative benefits and costs we have identified and any qualitative benefits and costs we may have overlooked, including those associated with each reasonable alternative. In addition, we are interested in comments on any other reasonable alternative.

Q16. Are there any effects on market participants, including brokers and dealers, investors, and issuers, that have not been addressed?

Q17. Are there specific types of non-equity OTC securities that should be included within the scope of Rule 15c2–11? What is the aggregate market value of these other non-equity OTC securities, and are their investors retail or institutional?

Q18. How costly is it for issuers and brokers and dealers to determine whether or not a specific security is an ''equity security'' under Rule 3a11–1?

V. Paperwork Reduction Act

A. Introduction

Certain provisions of Rule 15c2–11 contain ''collection of information requirements'' within the meaning of the Paperwork Reduction Act of 1995 (''PRA'').[122] The title for the information collection is ''Publication or submission of quotations without specified information.'' Responses to the collections of information are mandatory. The Office of Management and Budget (''OMB'') has assigned control number 3235–0202 to the collection of information. The Commission is submitting the collections of information as proposed to be revised to OMB for review in accordance with 44 U.S.C. 3507(d) and 5 CFR 1320.11.[123] An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the agency displays a currently valid control number.[124]

B. Rule 15c2–11

Rule 15c2–11 requires that brokers and dealers give some measure of attention to financial and other information about the issuer of a security before they commence trading in that security.[125] To that end, the rule requires, subject to exceptions,[126] brokers and dealers, before initiating (or resuming) any quotation for a security in a quotation medium,[127] to gather specified information regarding the security and its issuer and,[128] based upon a review of such information, along with certain supplemental information,[129] to have a reasonable basis under the circumstances for believing that such information is accurate and is from a reliable source.[130] Alternatively, a broker or dealer may submit a quotation in a quotation medium that is a QIDQS[131] that has made a publicly available determination that it has performed certain information gathering and review requirements,[132] if certain conditions are met.[133] Rule 15c2–11 also includes certain exceptions[134] and record preservation requirements.[135]

C. Collection of Information

The proposed amendments would revise Rule 15c2–11 to replace the terms ''security'' and ''securities'' with the terms ''equity security'' or ''equity securities,'' as defined in Rule 3a11–1,[136] but would not change Rule 15c2–11's information collection requirements as they relate to broker or dealer quotations for equity securities.[137] The availability of updated and supplemented OTC equities market data in the estimates, discussed below in Part V.F, result in some changes, including increases, to the PRA burden estimates compared to the PRA Analysis in the 2020 Release[138] and PRA Supporting Statement filed with and approved by OMB in 2023.[139] However, any such changes in PRA burden estimates are the result of changes to participation and activity in the OTC equity market, the use of updated and supplemented OTC equity market data, or changes to the calculation methodology, and are not the result of the proposed amendments.

[122] 44 U.S.C. 3501 *et seq.* The burdens associated with the information collection requirements are referred to as ''PRA burdens.''

[123] *See* 44 U.S.C. 3507; 5 CFR 1320.11.

[124] *See* 5 CFR 1320.08.

[125] *See* 1984 Release, 49 FR 45118.

[126] *See* 17 CFR 240.15c2–11(f).

[127] *See* 17 CFR 240.15c2–11(e)(8).

[128] *See* 17 CFR 240.15c2–11(b).

[129] *See* 17 CFR 240.15c2–11(c).

[130] *See* 17 CFR 240.15c2–11(a).

[131] *See* 17 CFR 240.15c2–11(e)(6).

[132] *See* 17 CFR 240.15c2–11(a)(1)(ii).

[133] *See* 17 CFR 240.15c2–11(a)(2).

[134] *See* 17 CFR 240.15c2–11(f).

[135] *See* 17 CFR 240.15c2–11(d).

[136] *See supra* note 34.

[137] The changes to the estimated burdens based on the updated and supplemented data will be included in an upcoming extension request for OMB Control No. 3235–0202 and will be noticed for public comment in connection with that request.

[138] *See* 2020 Release, 85 FR 68174–84 (containing the Paperwork Reduction Act Analysis of the 2020 Release).

[139] *See* 2023 Supporting Statement for the Paperwork Reduction Act Information Collection Submission for Rule 15c2–11, OMB Control No. 3235–0202 (''2023 PRA Extension''), at 9, *available at https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202303-3235-044.*

D. Respondents

Respondents to Rule 15c2–11 include brokers and dealers who publish quotations for equity securities. Respondents also include any QIDQS that undertakes to satisfy the rule's information gathering and review requirements concerning an equity security and makes a publicly available determination regarding such review, as well as any QIDQS or RNSA that chooses to make a publicly available determination regarding the public availability of current paragraph (b) information or the availability of certain exceptions to Rule 15c2–11.

1. Respondents Related to Rule 15c2–11's Information Gathering and Review Requirements and Corresponding Record Preservation Requirements

The Commission estimates that approximately twelve brokers and dealers [140] and one QIDQS [141] would be subject to PRA burdens associated with gathering and reviewing paragraph (b) information and supplemental information in satisfying amended Rule 15c2–11's information gathering and review requirements, as well as with preserving corresponding records under paragraph (d).[142]

2. Respondents Related to Rule 15c2–11's Exceptions and Corresponding Record Preservation Requirements

The Commission estimates that approximately 196 brokers and dealers,[143] one QIDQS,[144] and one RNSA [145] would be subject to PRA burdens associated with documenting whether the conditions of an exception in paragraph (f) are met and with preserving corresponding records.

3. Respondents Related to Other Record Preservation Requirements

The Commission estimates that approximately 77 brokers and dealers would be subject to PRA burdens associated with preserving records related to their initiation of a quoted market in an equity security based on a QIDQS's publicly available determination that it satisfied Rule 15c2–11's information gathering and review requirements pursuant to paragraph (a)(1)(ii).[146] The Commission also estimates that approximately 196 brokers and dealers would be subject to PRA burdens associated with preserving records related to their publication or submission of quotations pursuant to paragraph (a)(3) for equity securities in reliance on a QIDQS's or an RNSA's publicly available determination described in paragraph (f)(2)(iii)(B), (f)(3)(ii)(A), or (f)(7).[147]

4. Respondents Related to a QIDQS's or RNSA's Written Policies and Procedures

Additionally, the Commission estimates that one QIDQS would be subject to PRA burdens in establishing, maintaining, and enforcing reasonably designed written policies and procedures for making publicly available determinations pursuant to paragraph (a)(3) of Rule 15c2–11.

E. Use of Information

The information collected under Rule 15c2–11(a)'s information gathering and review requirements helps protect investors by deterring fraudulent or manipulative quotations for thinly-traded equity securities whose issuers are relatively unknown and helps brokers and dealers guard against becoming unwitting participants in fraudulent or manipulative schemes.[148] The information collected under Rule 15c2–11(f)'s exceptions helps to ensure that only those equity securities that are less likely to be the subject of fraudulent or manipulative activity are being quoted pursuant to an exception.

The information collected under Rule 15c2–11(d)'s applicable record preservation requirements helps to promote compliance with Rule 15c2–11's information gathering and review requirements, prevent abuse of the rule's exceptions, and facilitate the Commission in conducting examinations of brokers and dealers that publish quotations for OTC equity securities, any QIDQS that makes a publicly available determination pursuant to paragraph (a)(2)(iv), or any QIDQS or RNSA that makes a publicly available determination pursuant to paragraph (a)(3). The information collected under Rule 15c2–11(a)(3), which requires a QIDQS or RNSA to establish, maintain, and enforce reasonably designed written policies and procedures for making publicly available determinations, similarly helps prevent brokers' or dealers' abuse of any Rule 15c2–11 exceptions for which publicly available determinations are made.

F. Collections of Information for Equity Quotations

The proposed amendments would revise Rule 15c2–11 to refer to only equity securities, as defined by Rule 3a11–1. Discussed below in this Part V.F, are the collections of information that would continue to apply to quotations for equity securities should the proposed amendments be adopted.

Any broker, dealer, or QIDQS that undertakes to satisfy Rule 15c2–11's information gathering and review requirements concerning an equity security would continue to be required to gather and review applicable paragraph (b) information and supplemental information for that equity security under paragraph (c). Such broker, dealer, or QIDQS would also continue to incur PRA burdens preserving paragraph (b) and (c) information under the recordkeeping requirements of paragraph (d). Additionally, respondents who determine whether the conditions of a Rule 15c2–11 exception are met pursuant to paragraph (f) or make

[140] Twelve brokers and dealers filed a Form 211 pursuant to FINRA Rule 6432(a) in 2024. The Commission uses this number as a proxy for the number of brokers and dealers that comply with Rule 15c2–11's information gathering and review requirements. FINRA Rule 6432, which similarly applies to equity securities, other than a Restricted Equity Security, that are not traded on a national securities exchange, sets forth the requirements for filing a Form 211. As discussed below, in Part V.F.3, any broker or dealer that initiates a quoted market in an equity security in reliance on a QIDQS's publicly available determination regarding its satisfaction of Rule 15c2–11's information gathering and review requirements would be required under paragraph (d)(1)(ii) of Rule 15c2–11 to preserve records of the name of the QIDQS that made the publicly available determination.

[141] One QIDQS filed a Form 211 pursuant to FINRA Rule 6432(b) in 2024. The Commission uses this number as a proxy for the number of QIDQSs that comply with Rule 15c2–11's information gathering and review requirements.

[142] The estimate of 13 respondents for this requirement is a significant decrease from the prior estimate of 88 respondents contained in the 2023 Supporting Statement. This updated estimate is based on the total number of brokers, dealers, and QIDQSs that filed a Form 211 in 2024, which should be more accurate than the estimated number of respondents included in the 2023 Supporting Statement, which included all brokers and dealers that published or submitted a quotation on OTC Markets Group's systems, plus one IDQS and one RNSA. *See* 2023 PRA Extension.

[143] As of September 30, 2025, there were 77 brokers and dealer subscribers to OTC Link ATS. As of September 30, 2025, there were 119 brokers and dealers that trade on Global OTC. The Commission believes that most OTC equity securities are quoted on OTC Link ATS and Global OTC, to the extent the quotation is subject to Rule 15c2–11, and that the total amount of individual brokers and dealers trading on these systems reasonably estimates the number of brokers and dealers that may be subject to PRA burdens in satisfying Rule 15c2–11's requirements. *See* 2020 Release, 85 FR 68174 n.564.

[144] *See supra* note 141.

[145] Currently, FINRA is the only existing RNSA.

[146] As of September 30, 2025, there were 77 broker and dealer subscribers to OTC Link ATS. The Commission believes that this number reasonably estimates the number of broker-dealers that may rely on a QIDQS's publicly available determination pursuant to paragraph (a)(1)(ii), because OTC Link ATS is the only QIDQS making such determinations and that would be subject to PRA burdens in preserving corresponding records.

[147] *See supra* note 143.

[148] *See supra* note 25.

publicly available determinations pursuant to paragraph (a)(3) would continue to incur PRA burdens in gathering and preserving applicable documentation concerning equity securities. Finally, any QIDQS or RNSA that makes a publicly available determination pursuant to paragraph (a)(3) would continue to incur PRA burdens in establishing, maintaining, and enforcing reasonably designed written policies and procedures concerning equity securities.

The following table summarizes the PRA burdens estimated in this Part V.F, all of which are estimated to have associated recordkeeping burdens. Any changes, including increases, in the below PRA burden estimates, when compared to the 2020 or 2023 PRA analyses,[149] are the result of changes to participation and activity in the OTC equity market, the use of updated and supplemented OTC equity market data, or changes to the underlying calculation methodology, and are not a result of the proposed amendments.

PRA Summary Table 1—Estimated Burdens

Information collections	Type of burden	Number of respondents	Total annual industry burden (hours/year)
IC1: 17 CFR 240.15c2–11(a)(1)(i), (d)(1)(i)(A), (a)(2) and (d)(1)(i)(B) (broker or dealer and QIDQS information gathering and review requirements; corresponding record preservation requirements).	Recordkeeping	13	1,558
IC2: 17 CFR 240.15c2–11(f)(2)(ii)(B), (f)(3)(i)(C), (d)(2)(i), (d)(2)(ii) (determining currentness of publicly available paragraph (b) information; corresponding record preservation requirements).	Recordkeeping	198	67,310
IC3: 17 CFR 240.15c2–11(f)(2), (d)(2)(ii) (determining availability of the unsolicited quotation exception and corresponding record preservation requirements).	Recordkeeping	196	1,007,683
IC4: 17 CFR 240.15c2–11(f)(3)(i)(A), (d)(2)(i), (d)(2)(ii) (determining the frequency of a priced bid or offer quotation and corresponding record preservation requirements).	Recordkeeping	198	327,124
IC5: 17 CFR 240.15c2–11(f)(3)(i)(B)(1), (d)(2)(i), (d)(2)(ii) (determining trading suspension status for availability of the piggyback exceptions and corresponding record preservation requirements).	Recordkeeping	198	40
IC6: 17 CFR 240.15c2–11(f)(3)(i)(B)(2), (d)(2)(i), (d)(2)(ii) (determining shell company status for availability of the piggyback exceptions and corresponding record preservation requirements).	Recordkeeping	198	35,555
IC7: 17 CFR 240.15c2–11(f)(5)(i), (d)(2)(i), (d)(2)(ii) (determining availability of the ADTV and asset test exception and corresponding record preservation requirements)—ADTV Test.	Recordkeeping	198	6,542
IC8: 17 CFR 240.15c2–11(f)(5)(ii), (d)(2)(i), (d)(2)(ii) (determining availability of the ADTV and asset test exception and corresponding record preservation requirements)—Asset Test.	Recordkeeping	198	1,558
IC9: 17 CFR 240.15c2–11(d)(1)(ii) (record preservation requirements for brokers and dealers relying on publicly available determinations described in paragraph (a)(2)(iv)).	Recordkeeping	77	144
IC10: 17 CFR 240.15c2–11(d)(2)(ii) (record preservation requirements for brokers and dealers relying on publicly available determinations described in paragraph (a)(3)).	Recordkeeping	196	323,819
IC11: 17 CFR 240.15c2–11(a)(3) (QIDQS or RNSA written policies and procedures for making publicly available determinations).	Recordkeeping	1	10
Total for All Information Collections			1,771,343

1. Burden Estimates Related to Rule 15c2–11(a)(1)(i), (a)(2), (d)(1)(i)(A), and (d)(1)(i)(B)—Broker or Dealer or QIDQS Information Gathering and Review Requirements and Corresponding Record Preservation Requirements

Under the proposed amendments, any broker or dealer that publishes a quotation for an equity security in a quotation medium pursuant to paragraph (a)(1)(i), or any QIDQS that undertakes to satisfy Rule 15c2–11's information gathering and review requirements pursuant to paragraph (a)(2), would continue to be required to gather and review specified information regarding that equity security.[150] Based on information provided by FINRA in 2024, 12 non-QIDQS brokers and dealers submitted a total of 154 Form 211 filings to initiate (or resume) a quoted market in an equity security, while one QIDQS submitted 112 Form 211 filings after making publicly available determinations that it had undertaken to satisfy Rule 15c2–11's information gathering and review requirements.[151]

Consistent with prior estimates,[152] the Commission estimates that, for purposes of satisfying Rule 15c2–11(a)(1)(i) and (a)(2)'s information gathering and review requirements for an equity security, it would take approximately

[149] *See supra* notes 138 and 139.

[150] *See* 17 CFR 240.15c2–11(a)(1)(i), (a)(2).

[151] Based on data from FINRA, in 2024, Form 211 filings were submitted pursuant to FINRA Rule 6432(b) for 266 equity securities, with corresponding information reviews conducted by using the following paragraph (b) information: 3 paragraph (b)(1), 0 paragraph (b)(2), 73 paragraph (b)(3), 163 paragraph (b)(4), and 27 paragraph (b)(5)(i).

[152] *See* 2023 PRA Extension. *See also* 2020 Release, 85 FR 68175.

three hours to gather, review,[153] and preserve the information specified in paragraph (b)(1), paragraph (b)(2), or paragraph (b)(3), which generally is available on the Commission's Electronic Data Gathering, Analysis, and Retrieval (''EDGAR'') system, along with any applicable supplemental information.[154] The Commission estimates that it would take approximately seven hours to gather, review, and preserve the information specified in paragraph (b)(4) or paragraph (b)(5)(i),[155] which generally is not available on the EDGAR system, along with any applicable supplemental information.[156] The difference in these PRA burden estimates is intended to take account of any additional time a broker, dealer, or QIDQS may require in gathering the information required in paragraphs (b)(4) and (b)(5) from sources outside the EDGAR system. The Commission, therefore, estimates that, for the 12 brokers or dealers and one QIDQS, the total annual PRA burden resulting from Rule 15c2–11(a)'s information gathering and review requirements and corresponding record preservation requirements[157] would be 1,558 hours,[158] or approximately 120 hours per respondent.[159]

2. Burden Estimates Related to Rule 15c2–11's Exceptions and Corresponding Record Preservation Requirements

The PRA burden estimates below, in this Part V.F.2, include estimates for preserving corresponding records for determining that the conditions of Rule 15c2–11(f)'s exceptions are met.[160]

Rule 15c2–11(f)(2)(ii)(B), (f)(3)(i)(C), (d)(2)(i), (d)(2)(ii)—Determining Currentness of Publicly Available Paragraph (b) Information and Corresponding Record Preservation Requirements

Certain of Rule 15c2–11's exceptions—the unsolicited quotation exception in paragraph (f)(2)(ii)(B) and the piggyback exception in paragraph (f)(3)(i)(C)—are conditioned, in part, upon the currentness of publicly available paragraph (b) information. The Commission estimates that there are 19,341 unique issuers of quoted OTC equity securities for which respondents would continue to be required to gather, review, and preserve documentation to establish that paragraph (b) information is current and publicly available.[161] Of those issuers, respondents would gather, review, and preserve documentation specified in paragraph (b)(1) for 5,091 issuers, in paragraph (b)(2) for 304 issuers, in paragraph (b)(3) for 352 issuers, in paragraph (b)(4) for 9,693 issuers; and in paragraph (b)(5)(i) for 3,901 issuers.[162]

The Commission estimates that, for purposes of determining the currentness of publicly available paragraph (b) information concerning an equity security, it would take respondents approximately one minute to create documentation to establish that paragraph (b) information is current and publicly available.[163] Respondents would gather, review, and preserve such documentation no more frequently than once for information specified in paragraph (b)(1) or paragraph (b)(2), quarterly for information specified in paragraph (b)(3), and no more frequently than annually for information specified in paragraph (b)(4) and paragraph (b)(5)(i).[164] The Commission estimates that for the 196 brokers or dealers, one QIDQS, and one RNSA who would determine the currentness of publicly available paragraph (b) information for purposes of Rule 15c2–11(f)'s exceptions, as well as comply with Rule 15c2–11's corresponding record preservation requirements,[165] the annual PRA burden per respondent would be approximately 340 hours,[166] or approximately 67,310 total annual industry burden hours.[167]

Rule 15c2–11(f)(2), (d)(2)(ii)—Determining Availability of the Unsolicited Quotation Exception and Corresponding Record Preservation Requirements

Under the proposed amendments, the conditional exception in paragraph (f)(2) would continue to apply to brokers' or dealers' quotations that represent a customer's unsolicited order for an equity security. This exception would continue to be unavailable for unsolicited orders submitted on behalf of an insider or affiliate of the issuer of an equity security, unless the applicable paragraph (b) information were current

[153] The information gathering and review requirements under paragraphs (b)(1), (b)(2) or (b)(3) are dependent upon the issuer's regulatory status, including whether the issuer (1) filed a registration statement under the Securities of Act of 1933 (a ''prospectus issuer''), (2) filed an offering statement under Regulation A (a ''Reg. A issuer''), or (3) is subject to the periodic reporting requirements of the Exchange Act, Regulation A or Regulation Crowdfunding, or is the issuer of a security covered by section 12(g)(2)(G) of the Exchange Act (a ''reporting issuer''). *See* 2020 Release, 85 FR 68129.

[154] This preliminary estimate is consistent with the Commission's previous burden estimate of three hours to gather, review, and preserve the applicable documents and information specified in paragraph (b)(1), (b)(2), or (b)(3). The Commission does not believe that the amendments to the supplemental information in paragraph (c) affects the information gathering and review requirement itself because the amendments do not change the scope of securities for which a trading suspension must be reviewed and are not expected to have an impact on the overall time burden related to the information gathering and review requirement. *See* 2023 PRA Extension. *See also* 2020 Release, 85 FR 68175 n.575.

[155] The information gathering and review requirements under paragraphs (b)(4) and (b)(5) are dependent upon whether the issuer is a foreign private issuer that is exempt from registration under Exchange Act section 12(g) pursuant to Rule 12g3–2(b) (an ''exempt foreign private issuer'') or does not fall within any of the categories described in paragraphs (b)(1) through (b)(4) and is generally not subject to similar statute- or rule-based disclosure and reporting requirements under the Federal securities laws (a ''catch-all issuer''). *See* 2020 Release, 85 FR 68129.

[156] This preliminary estimate is consistent with the Commission's previous burden estimate of seven hours to gather, review, and preserve the applicable documents and information specified in paragraph (b)(4) or (b)(5)(i).

[157] *See* 17 CFR 240.15c2–11(d)(1)(i)(A), (d)(1)(i)(B) (describing the relevant recordkeeping requirements).

[158] ((76 Form 211 filings concerning information specified in paragraphs (b)(1), (b)(2), and (b)(3)) × 3 hours) + ((190 Form 211 filings concerning information specified in paragraphs (b)(4) and (b)(5)(i)) × 7 hours) = 1,558 hours.

[159] 1,558 hours/(12 brokers and dealers that submitted a Form 211 to FINRA in 2024 + one QIDQS that submitted a Form 211 to FINRA in 2024) = 119.85 hours per respondent.

[160] As discussed above, in Part II, the proposed amendments would not change any of the rule's requirements or conditions as they apply to quotations for equity securities. The Commission therefore does not expect that any broker, dealer, QIDQS, or RNSA would incur an initial PRA burden under the proposed amendments.

[161] The estimated number of unique issuers of quoted OTC equity securities is based on data compiled by the Commission's Division of Economic and Risk Analysis as of Dec. 11, 2025.

[162] *See supra* note 161.

[163] *See* 2023 PRA Extension. *See also* 2020 Release, 85 FR 68178–79.

[164] The Commission estimates that, once a respondent has gathered, reviewed, and preserved the applicable paragraph (b) information concerning an equity security, the respondent would not need to do so again, during this timeframe, for the same equity security. For example, a respondent that determines, for purposes of satisfying the conditions of paragraph (f)(2)(ii)(B), that the paragraph (b) information concerning an equity security is current and publicly available would not again, during the applicable timeframe, need to determine, for purposes of satisfying the conditions of paragraph (f)(3)(i)(C), that the same paragraph (b) information is current and publicly available.

[165] *See* 17 CFR 240.15c2–11(d)(2)(i), (d)(2)(ii) (describing the relevant recordkeeping requirements).

[166] ((5,091 issuers for which information is specified in paragraph (b)(1) × 1 minute × 1 response per year) + (304 issuers for which information is specified in paragraph (b)(2) × 1 minute × 1 response per year) + (352 issuers for which information is specified in paragraph (b)(3) × 1 minute × 4 responses per year) + (9,693 issuers for which information is specified in paragraph (b)(4) × 1 minute × 1 responses per year) + 3,901 issuers for which information is specified in paragraph (b)(5)(i) × 1 minute × 1 response per year))/60 minutes per hour = 339.95 hours.

[167] 339.95 hours × (196 brokers and dealers + one QIDQS + one RNSA) = 67,310.10 hours.

and publicly available.[168] To submit an unsolicited quotation for an equity security in reliance on this exception, brokers and dealers would continue to be able to rely upon a written representation from the customer's broker that such customer is not a company insider or affiliate of the issuer if certain conditions are met.[169] According to data from OTC Markets Group Inc., there were 11,073,440 quotations published in reliance on the unsolicited quotation exception in 2024. According to data from Global OTC, there were 49,387,514 unsolicited quotations published in 2024.[170] The Commission therefore estimates that, annually, 60,460,954 quotations would be submitted in reliance on the unsolicited quotation exception and would require brokers and dealers to gather, review, and preserve [171] documentation demonstrating that the quotation does not represent an insider's or affiliate's unsolicited order. The Commission is including all unsolicited customer quotations in its estimate and estimates that the number would remain consistent on an annual basis for the purpose of this analysis.

Additionally, the Commission estimates that brokers and dealers would spend approximately one minute in gathering, reviewing, and preserving such documents and information.[172] The Commission estimates that, annually, 196 brokers and dealers, would spend an industry total of approximately 1,007,683 hours in determining whether the unsolicited quotation exception is available and in complying with its corresponding record preservation requirement,[173] or approximately 5,141 hours per broker or dealer.[174]

Rule 15c2–11(f)(3)(i)(A), (d)(2)(i), (d)(2)(ii)—Determining Frequency of a Priced Quotation for Availability of the Piggyback Exception and Corresponding Record Preservation Requirements

Under the proposed amendments, paragraph (f)(3)(i)(A) of Rule 15c2–11 would continue to require that, in order for a broker or dealer to rely on the rule's piggyback exception, there be no more than four business days in succession without a bid or offer priced quotation. To comply with this requirement, brokers and dealers relying on the piggyback exception, and each QIDQS or RNSA that makes publicly available determinations regarding the availability of the piggyback exception, must preserve documents and information regarding this frequency of priced bid or offer quotation requirement. Consistent with prior estimates, the Commission estimates that respondents would make determinations regarding the frequency of quotation requirement once per trading day and take approximately one second to create a record regarding the frequency of a priced bid or offer quotation, pursuant to paragraph (f)(3)(i) of the rule.[175] The Commission estimates that 198 respondents [176] would each have an annual burden of approximately 1,652 hours per year,[177] for an industrywide annual burden of approximately 327,124 hours per year.[178]

Rule 15c2–11(f)(3)(i)(B)(1), (d)(2)(i), (d)(2)(ii)—Determining Trading Suspension Status for Availability of the Piggyback Exception and Corresponding Record Preservation Requirements

Under the proposed amendments, paragraph (f)(3)(i)(B)(1) of Rule 15c2–11 would continue to limit the ability of a broker, dealer, QIDQS, or RNSA to rely on the piggyback exception with respect to a security that is the subject of a trading suspension order issued by the Commission pursuant to section 12(k) of the Exchange Act until 60 calendar days after the expiration of such order. The Commission estimates that respondents would create records only for securities that have been the subject of a trading suspension issued by the Commission pursuant to section 12(k). In 2025, the Commission issued trading suspensions for twelve securities. Consistent with prior estimates, the Commission estimates that it would take respondents one minute to create a record regarding whether a security has been subject to a trading suspension.[179] Therefore, the Commission estimates that 198 respondents [180] would spend a total of approximately 40 hours [181] per year complying with this recordkeeping requirement, resulting in an annual burden of approximately .2 hours per respondent.[182]

Rule 15c2–11(f)(3)(i)(B)(2), (d)(2)(i), (d)(2)(ii)—Determining Shell Company Status for Availability of the Piggyback Exception and Corresponding Record Preservation Requirements

Under the proposed amendments, paragraph (f)(3)(i)(B)(2) of Rule 15c2–11 would continue to eliminate eligibility for the piggyback exception for quotations for securities of shell companies that are published or submitted 18 months following the publication or submission of the initial priced quotation for such issuer's security in an IDQS. Consistent with prior estimates, the Commission estimates that how often respondents would determine whether the issuer of an equity security is a shell company, as required by paragraph (f)(3)(i)(B)(*2*) of the piggyback exception, depends on how frequently the applicable paragraph (b) information is filed (in the EDGAR system) or made current and publicly available. The Commission estimates that each respondent would continue to spend, on average, one minute per issuer in making a shell company determination and preserving applicable documentation.[183] Accordingly, the Commission estimates that each respondent would spend approximately 180 hours, annually, in determining whether an equity security's issuer is a shell company,[184] or approximately 35,555 hours across all respondents.[185]

[168] *See* 17 CFR 240.15c2–11(f)(2)(ii)(B).

[169] *See* 17 CFR 240.15c2–11(f)(2)(iii)(A).

[170] *See supra* note 143.

[171] *See* 17 CFR 240.15c2–11(d)(2)(ii) (describing the relevant recordkeeping requirements).

[172] This preliminary estimate is consistent with the Commission's previous burden estimate of one minute to gather, review, and preserve the required documents and records. *See* 2023 PRA Extension. *See also* 2020 Release, 85 FR 68179.

[173] (60,460,954 quotations × 1 minute)/60 minutes = 1,007,682.57 hours. Any change in this estimate from prior Rule 15c2–11 PRA burden estimates is due to changes in certain market metrics over time and/or changes in data collection methods, and not from the proposed amendments.

[174] 1,007,682.57 hours/196 brokers and dealers = 5,141.24 hours per broker or dealer.

[175] *See* 2023 PRA Extension. *See also* 2020 Release, 85 FR 68180.

[176] 196 brokers and dealers + 1 QIDQS + 1 RNSA= 198 respondents.

[177] 1/3600 (one second) × 252 (trading days per year) × 23,602 (total quoted OTC securities as of Dec. 11, 2025) = 1,652.14 hours per respondent.

[178] 198 respondents × 1,652.14 hours = 327,123.72 hours.

[179] *See* 2023 PRA Extension. *See also* 2020 Release, 85 FR 68181.

[180] 196 broker and dealers + 1 QIDQS + 1 RNSA = 198 respondents.

[181] 198 respondents × (1/60 hour) × 12 securities = 39.6 hours.

[182] 39.6 hours/198 respondents = .2 hours.

[183] *See* 17 CFR 240.15c2–11(d)(2)(i), (d)(2)(ii) (describing the relevant recordkeeping requirements). This preliminary estimate is consistent with the Commission's previous burden estimate of one minute per determination. *See* 2023 PRA Extension. *See also* 2020 Release, 85 FR 68180.

[184] ((2,503 issuers for which information is specified in paragraph (b)(1), paragraph (b)(2), paragraph (b)(3), or paragraph (b)(4) × 1 minute × 4 responses per year) + (654 issuers for which information is specified in paragraph (b)(5)(i) × 1 minute × 1 responses per year))/60 minutes = 179.57 hours.

[185] 179.57 hours × (196 brokers and dealers + one QIDQS + one RNSA) = 35,554.86 hours. Any change in this estimate from prior Rule 15c2–11 PRA burden estimates is due to changes in certain market metrics over time and/or changes in data collection methods, and not from the proposed amendments.

Rule 15c2–11(f)(5)(i), (d)(2)(i), (d)(2)(ii)—Determining Availability of the ADTV and Asset Test Exception and Corresponding Record Preservation Requirements—ADTV Test

Under the proposed amendments, paragraph (f)(5) of Rule 15c2–11 would continue to except securities with (i) a worldwide average daily trading volume value of at least $100,000 reported during the 60 calendar days immediately before the publication of the quotation of such security (''ADTV Test'') and (ii) the issuer of such security has at least $50 million in total assets and $10 million in shareholders' equity as reflected in the issuer's publicly available audited balance sheet issued within six months after the end of its most recent fiscal year (''Asset Test''). The Commission estimates that there are approximately 472 securities that meet the paragraph (f)(5) ADTV and Asset tests.[186] The Commission estimates that, through an automated process needing minimal direct human intervention, it would take approximately one second for a respondent to gather, review, and preserve documents and information that demonstrate that the requirements of the ADTV Test have been met,[187] and that each respondent would do this 252 times a year (*i.e.,* each trading day).[188] Accordingly, each respondent would spend approximately 33 hours [189] in determining whether the ADTV Test is met, or approximately 6,542 hours across all respondents.[190]

Rule 15c2–11(f)(5)(ii), (d)(2)(i), (d)(2)(ii)—Determining Availability of the ADTV and Asset Test Exception and Corresponding Record Preservation Requirements—Asset Test

As stated above, the Commission estimates that there are approximately 472 securities that meet the paragraph (f)(5) ADTV and Asset Tests.[191] Consistent with prior estimates, the Commission estimates it would take one minute to create documentation supporting respondents' reliance on the Asset Test prong of the exception and that a respondent would do this once annually per issuer.[192] Accordingly, each respondent would spend approximately 8 hours [193] on this information collection annually, for an annual industrywide burden of approximately 1,558 hours per year.[194]

Under the proposed amendments to Rule 15c2–11, paragraph (f)(7) would continue to provide an exception for any broker's or dealer's quotation that is published pursuant to a QIDQS's or an RNSA's publicly available determination that an exception in paragraph (f)(1), paragraph (f)(3)(i), or paragraph (f)(5) is available with respect to an equity security. As discussed above, in this Part V.F.2, any respondent that determines whether the conditions of the exception in paragraph (f)(3)(i) or paragraph (f)(5) are met would continue to incur PRA burdens in compiling documents to reach that determination and in preserving corresponding records.[195] Accordingly, any QIDQS or RNSA that makes a publicly available determination that the exception in paragraph (f)(3)(i) or paragraph (f)(5) is available for an equity security would incur PRA burdens consistent with the discussion above, in this Part V.F.2. The PRA burdens that would be incurred by brokers and dealers in publishing quotations for equity securities in reliance on any such publicly available determination concerning an equity security are discussed below, in Part V.F.3.

3. Burden Estimates Related to Other Record Preservation Requirements

Under the proposed amendments, Rule 15c2–11's record preservation requirements would continue to apply to records concerning brokers' or dealers' quotations for equity securities and any QIDQS's or RNSA's publicly available determinations (made pursuant to paragraph (a)(2)(iv) or paragraph (a)(3)) regarding equity securities. The estimates discussed herein address PRA burden estimates not already discussed above, in Parts V.F.1 and V.F.2. These estimates are for PRA burdens incurred by brokers or dealers in preserving records related to their (1) initiation of a quoted market in an equity security based on a QIDQS's publicly available determination that it satisfied Rule 15c2–11's information gathering and review requirements pursuant to paragraph (a)(1)(ii) and (2) publication or submission of quotations pursuant to paragraph (a)(3) for equity securities in reliance on a QIDQS's or an RNSA's publicly available determination described in paragraph (f)(2)(iii)(B), paragraph (f)(3)(ii)(A), or paragraph (f)(7).[196]

Rule 15c2–11(d)(1)(ii)—Record Preservation Requirements for Brokers and Dealers Relying on Publicly Available Determinations Described in Paragraph (a)(2)(iv)

Under the proposed amendments to Rule 15c2–11, any broker or dealer that initiates (or resumes) a quoted market in an equity security in reliance on a QIDQS's publicly available determination regarding its satisfaction of Rule 15c2–11's information gathering and review requirements pursuant to paragraph (a)(1)(ii) would continue to be required under paragraph (d)(1)(ii) to preserve records of the name of the QIDQS that made the publicly available determination. Because the information required to satisfy this requirement must be publicly available, the Commission estimates that each broker or dealer publishing an initial quotation in reliance on a QIDQS's publicly available determination made pursuant to paragraph (a)(2)(iv) would incur a PRA burden by spending approximately one minute in creating each record [197]

[186] *See* 2023 PRA Extension. *See also* 2020 Release, 85 FR 68181, 68190 n.684. The Commission estimates that approximately 472 (2%) of quoted OTC securities would be eligible for the ADTV and assets exception. 23,602 total quoted OTC securities as of Dec. 11, 2025 × 2% = 472 securities eligible for the ADTV value and asset test exception.

[187] This preliminary estimate differs from the Commission's previous burden estimate of one minute per record. *See* 2023 PRA Extension. *See also* 2020 Release, 85 FR 68181. This decrease in estimated burden per response is explained by the increased automation and accessibility of global trade volume data for OTC securities and is not a product of the proposed amendments.

[188] Respondents would likely make such determination as often as each trading day on which a quotation for an equity security could be published (or 252 times per year) because the test would require that the ADTV value be calculated for a specified period immediately preceding the publication of a quotation of the equity security. *See* 17 CFR 240.15c2–11(f)(5)(i).

[189] (252 trading days per year × 472 equity securities × 1 second)/3,600 seconds = 33.04 hours.

[190] 33.04 hours × (196 brokers and dealers + one QIDQS + one RNSA) = 6,541.92 hours.

[191] *See* 2020 Release, 85 FR 68181, 68190 n.684. The Commission estimates that approximately 472 (two percent) of quoted OTC securities would be eligible for the ADTV and assets exception. 23,602 total quoted OTC securities as of Dec. 11, 2025 × 2 percent = 472 securities eligible for the ADTV value and asset test exception (rounded to the nearest whole number).

[192] *See* 2023 PRA Extension. *See also* 2020 Release, 85 FR 68181.

[193] 472 securities × 1 minute/60 minutes = 7.87 hours.

[194] 7.87 hours × 198 respondents = 1,558.26 hours.

[195] *See* 17 CFR 240.15c2–11(d)(2)(i), (d)(2)(ii) (describing the applicable recordkeeping requirements).

[196] As discussed above, in Part II, the proposed amendments would not change any of the rule's requirements or conditions as they apply to quotations for equity securities. The Commission therefore does not expect that any broker, dealer, QIDQS, or RNSA would incur an initial PRA burden under the proposed amendments.

[197] This preliminary estimate is consistent with the Commission's previous burden estimate of one minute per record. *See* 2023 PRA Extension. *See also* 2020 Release, 85 FR 68182.

(or 1.87 hours annually per broker and dealer).[198] The Commission estimates that the aggregate annual PRA burden related to this information collection would be approximately 144 hours across 77 brokers and dealers.[199]

Rule 15c2–11(d)(2)(ii)—Record Preservation Requirements for Brokers and Dealers Relying on Publicly Available Determinations Described in Paragraph (a)(3)

Under the proposed amendments to Rule 15c2–11, any broker or dealer that relies on a QIDQS's or an RNSA's publicly available determination described in paragraph (f)(2)(iii)(B), paragraph (f)(3)(ii)(A), or paragraph (f)(7) to quote an equity security would continue to be required to preserve the name of the QIDQS or RNSA that made the determination. Any broker or dealer that relies on a publicly available determination pursuant to paragraph (f)(7) to quote an equity security would also continue to be required to preserve a record of the exception provided in paragraph (f)(1), paragraph (f)(3)(i), or paragraph (f)(5) for which the publicly available determination was made. The Commission estimates that brokers and dealers would compile, through an automated process needing minimal direct human intervention, if any, records required by paragraph (d)(2)(ii) each trading day, spending approximately one second per record. This preliminary estimate is consistent with the Commission's previous burden estimate of one second per record.[200] The 196 brokers and dealer respondents therefore would have an estimated aggregate annual information collection burden of approximately 323,819 hours,[201] or approximately 1,652 hours per respondent.[202]

4. Burden Estimates Related to Rule 15c2–11(a)(3)—QIDQS or RNSA Written Policies and Procedures for Making Publicly Available Determinations

Under the proposed amendments to Rule 15c2–11, any QIDQS or RNSA that makes a publicly available determination pursuant to paragraph (a)(3) of Rule 15c2–11 would continue to be required to update its written policies and procedures to address equity securities as defined in Rule 3a11–1.[203] The Commission has preliminarily estimated, for the purposes of this release, that its previous annual burden estimate of 10 hours per respondent to review and update these written policies and procedures continues to be reasonable and takes account of any updates that would be needed to address the proposed amendments.[204]

Based on available data that was submitted to FINRA pursuant to Supplementary Material .02 to FINRA Rule 6432, in 2024, one QIDQS made publicly available determinations pursuant to paragraph (a)(3) of Rule 15c2–11, while the one RNSA has not made any publicly available determinations pursuant to paragraph (a)(3) of Rule 15c2–11. The Commission therefore estimates that the total annual PRA burden of the information collection associated with satisfying paragraph (a)(3)'s requirements for making publicly available determinations would be 10 hours.[205]

G. Collection of Information Would Be Mandatory

Under the proposed amendments to Rule 15c2–11, the information collections for the information gathering and review requirements pursuant to paragraph (a)(1) and record preservation requirements pursuant to paragraph (d) would continue to be mandatory if a broker or dealer publishes a quotation for an equity security, or if a QIDQS makes a publicly available determination pursuant to paragraph (a)(2)(iv). Additionally, the information collections involving documentation supporting the conditions of an exception would continue to be mandatory if a broker or dealer publishes any quotation for an equity security in reliance on an exception in paragraph (f) of Rule 15c2–11 or if a QIDQS or RNSA makes a publicly available determination pursuant to paragraph (a)(3).

H. Confidentiality of Responses to Collection of Information

The Commission typically would not receive confidential information as a result of these information collections. To the extent that the Commission receives, through its examination and oversight program, through an investigation, or by some other means, records or disclosures that are not publicly available, from any respondent supporting, as applicable, its satisfaction of the information gathering and review requirements, reliance on an exception or a publicly available determination, or making of a publicly available determination, such information would be kept confidential, subject to the provisions of applicable law.

I. Retention Period for Record Preservation Requirement

Under the proposed amendments to paragraph (d)(1) of Rule 15c2–11, any broker or dealer that initiates (or resumes) a quoted market in an equity security, or any QIDQS that undertakes to satisfy Rule 15c2–11's information gathering and review requirements concerning an equity security, would continue to be required to preserve the applicable documents and information, for a period of not less than three years, the first two years in an easily accessible place. Under paragraph (d)(2) of Rule 15c2–11, any broker or dealer publishing or submitting any quotation for an equity security, or any QIDQS or RNSA making a publicly available determination pursuant to proposed paragraphs (f)(2)(iii)(B), (f)(3)(ii)(A), or (f)(7) of Rule 15c2–11, would continue to be required to preserve the applicable documents and information, for a period of not less than three years, the first two years in an easily accessible place.[206]

J. Request for Comment

Pursuant to 44 U.S.C. 3506(c)(2)(B), the Commission solicits comments to (1) evaluate whether the proposed collections of information are necessary for the proper performance of the functions of the Commission, including whether the information would have practical utility; (2) evaluate the accuracy of the Commission's estimate

[198] 112 equity securities for which a QIDQS filed a Form 211 pursuant to FINRA Rule 6432(b) in 2024 × 1 minute/60 minutes = 1.87 hours.

[199] 112 equity securities for which a QIDQS filed a Form 211 pursuant to FINRA Rule 6432(b) in 2024 ×1 minute × 77 brokers and dealers that may rely on a QIDQS's publicly available determination)/60 minutes = 143.73 hours. Any change in this estimate from prior Rule 15c2–11 PRA burden estimates is due to changes in certain market metrics over time and/or changes in data collection methods, and not from the proposed amendments.

[200] *See* 2023 PRA Extension. *See also* 2020 Release, 85 FR 68183.

[201] (196 brokers and dealers) × (1/3600 hour (one second)) × (252 trading days per year) × (23,602 unique OTC securities with at least one published quotation) = 323,819.44 hours. Any change in this estimate from prior Rule 15c2–11 PRA burden estimates is due to changes in certain market metrics over time and/or changes in data collection methods, and not from the proposed amendments.

[202] 323,819.44 hours/196 brokers and dealers = 1,652.14 hours.

[203] *See supra* note 82.

[204] *See* 2023 PRA Extension. *See also* 2020 Release, 85 FR 68182.

[205] One QIDQS × 10 hours = 10 hours. As discussed above, in Part II, the proposed amendments would not change any of the rule's requirements or conditions as they apply to quotations for equity securities. The Commission therefore does not expect that the QIDQS would incur an initial PRA burden under the proposed amendments.

[206] The proposed amendments would revise Rule 15c2–11 to refer to only ''equity securities,'' as defined in Rule 3a11–1, but would not otherwise change the existing retention periods required under existing Rule 15c2–11(d)(1) and (d)(2).

of the burden of the proposed collections of information; (3) determine whether there are ways to enhance the quality, utility, and clarity of the information to be collected; and (4) determine whether there are ways to minimize the burden of the collections of information on those who are to respond, including through the use of automated collection techniques or other forms of information technology.

Q19. Do the Commission's estimates in Part V.D accurately capture the number of respondents who would be subject to PRA burdens under Rule 15c2–11 if it is amended to refer to only equity securities, as defined in Rule 3a11–1? Please explain.

Q20. Do the Commission's estimates in Part V.F accurately estimate the number of PRA burden hours for respondents under Rule 15c2–11 if it is amended to refer to only equity securities, as defined in Rule 3a11–1? Are any PRA burden estimates too low or too high? Please explain.

Q21. How would Rule 15c2–11 compliance tools or data products be updated to address the proposed amendments? If the section 3(a)(11) definition of ''equity securities'' were instead referenced, how would these tools or products be updated? Would having to update these tools or products increase or decrease the PRA burden estimates included in Part V.F? Would reliance on these updated tools increase or decrease the PRA burden estimates included in Part V.F? Please explain.

Q22. Are there any additional costs or burdens that respondents would incur under the proposed amendments? Please explain.

Q23. The Commission recognizes that some respondents may choose to utilize third-party vendors for purposes of complying with Rule 15c2–11's information gathering and review requirements or making certain determinations, such as whether paragraph (b) information is current and publicly available or whether certain rule exceptions are available, rather than conduct these activities themselves. The PRA burden estimates included in this release are based on respondents gathering applicable documents and information to conduct these activities, internally, without the use of third-party vendors, because the Commission lacks information from which to form a more precise estimate of the proportion of respondents who would use third-party vendors. The Commission welcomes comments on this approach, including the likelihood, burdens, and costs of using third-party vendors for these purposes.

Persons submitting comments on the collection of information requirements should direct them to the Office of Management and Budget, Attention: Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Washington, DC 20503, and should also send a copy of their comments to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090, with reference to File Number S7–2026–08. Requests for materials submitted to OMB by the Commission with regard to this collection of information should be in writing, with reference to File Number S7–2026–08 and be submitted to the Securities and Exchange Commission, Office of FOIA/PA Services, 100 F Street NE, Washington, DC 20549–2736. As OMB is required to make a decision concerning the collection of information between 30 and 60 days after publication, a comment to OMB is best assured of having its full effect if OMB receives it within 30 days of publication.

VI. Present Values and Annualized Values of Monetized Benefits and Costs

In addition to discussing the benefits, costs, and reasonable alternatives in the Economic Analysis in Part IV, consistent with the requirements of Executive Order 12866, and estimating burdens under the PRA in Section V, the Commission reports estimated total monetized benefits and costs for all affected entities in two ways specified in OMB Circular A–4.[207] These additional analyses include only benefits and costs that are monetized in the Economic Analysis and thus do not encompass all of the proposed amendments' benefits and costs. The two presentations are intended to address the fact that the various benefits and costs of the proposed amendments would not accrue at the same point in time; rather, benefits and costs that accrue sooner are generally more valuable than those that occur later in time.[208]

We report below (1) the present values of expected benefits and costs that are monetized in our economic analysis over a 10-year time horizon, starting in 2026, as well as (2) the annualized values over the same time horizon that are derived from the present values. This 10-year time horizon represents the period over which the principal benefits and costs that are monetized in the Economic Analysis are expected to accrue.[209] The present values and annualized values account for the timing of benefits and costs through discounting, which is a procedure that accounts for the time value of money.[210]

Table 1 reports the discounted present values of monetized benefits and costs, combining one-time and recurring monetized benefits and costs, for all affected entities. This analysis uses annual real discount rates of 3 percent and 7 percent over a 10-year time horizon, starting in 2026.[211] As discussed above, the Commission does not estimate any monetized benefits or costs because the Commission is unable to quantify the expected effects because it lacks data necessary to fully quantify effects for securities that are not equity securities as defined in Rule 3a11–1.

[207] *See* Exec. Order No. 12866 (Sept. 30, 1993), 58 FR 51735, 51741 (Oct. 4, 1993) (requiring agencies to provide an analysis of benefits, costs, and regulatory alternatives to OIRA for significant regulatory actions); OMB, Circular A–4, at 31–34, 45 (Sept. 17, 2003) (providing guidance to agencies regarding compliance with Executive Order 12866). *See also* Exec. Order No. 14215 (Feb. 18, 2025), 90 FR 10447, 10448 (Feb. 24, 2025) (requiring independent agencies to comply with Exec. Order No. 12866). In addition, Executive Order 14192 requires agencies to provide their best approximation of the total costs or savings associated with each new regulation or repealed regulation consistent with the analyses required by Executive Order 12866. *See* Exec. Order No. 14192 (Jan. 31, 2025), 90 FR 9065, 9066 (Feb. 6, 2025). Although Circular A–4 applies to only significant regulatory actions under section 3(f) of Executive Order 12866 and OIRA has determined this rulemaking is not significant, we are providing these additional analyses in this release to promote transparency and comparability of aggregated monetized benefits and costs across our rulemakings. *See supra* Part IV.

[208] *See* OMB, Circular A–4, at 32.

[209] *See id.* at 31 (stating that ''[t]he ending point should be far enough in the future to encompass all the significant benefits and costs likely to result from the rule''). For the purposes of this analysis, we assume the effective date of the proposed amendments, as well as the start year for the analysis's 10-year time horizon, is the present year.

[210] *See id.* at 32 (''The Rationale for Discounting'') & 45 (''Treatment of Benefits and Costs over Time''). *See also* OIRA, Regulatory Impact Analysis: A Primer, at 11 (Aug. 15, 2011), *available at https://www.reginfo.gov/public/jsp/Utilities/circular-a-4_regulatory-impact-analysis-a-primer.pdf* (''To provide an accurate assessment of benefits and costs that occur at different points in time or over different time horizons, an agency should use discounting. Agencies should provide benefit and cost estimates using both 3 percent and 7 percent annual discount rates expressed as a present value as well as annualized.''); Harvey S. Rosen & Ted Gayer, Public Finance 151 (8th ed. 2008) (defining present value as ''the value today of a given amount of money to be paid or received in the future'').

[211] This approach is consistent with OMB Circular A–4. *See* Circular A–4, at 31–34 (stating that, ''[f]or regulatory analysis, [agencies] should provide estimates of net benefits using both 3 percent and 7 percent'' discount rates and discussing why those rates are reasonable default rates). Also, we use a mid-year discount rate. *See OMB, Circular* A–94, at 21–22 (Oct. 19, 1992) (stating that, ''When costs and benefits occur in a steady stream, applying mid-year discount factors is more appropriate.'').

TABLE 1—PRESENT DISCOUNTED VALUE OF MONETIZED BENEFITS AND COSTS OVER 10 YEARS FROM 2026 TO 2035

[2025 Dollars] [a]

Estimated effects	3% Real discount rate	7% Real discount rate
Benefits	Not monetized	Not monetized.
Costs	Not monetized	Not monetized.

Notes:
[a] This Table includes only benefits and costs that are monetized. As discussed in Economic Analysis, in Part IV, there are other benefits and costs that the Commission is not able to monetize.

Table 2 reports annualized monetized benefits and costs using real discount rates of 3 percent and 7 percent over a 10-year horizon.[212] The lump sum present values of monetized benefits and costs reported in Table 1 are converted in Table 2 into a constant stream of annualized benefits and costs over a 10-year time horizon, starting in 2026.[213] Annualized benefits and costs may differ from the recurring monetized annual benefits and costs discussed earlier in this economic analysis because they incorporate the timing of benefits and costs, through discounting, and combine one-time and recurring benefits and costs.[214]

TABLE 2—ANNUALIZED MONETIZED BENEFITS AND COSTS OVER 10 YEARS FROM 2026 TO 2035

[2025 Dollars] [a]

Estimated effects	3% Real discount rate	7% Real discount rate
Benefits	Not monetized	Not monetized.
Costs	Not monetized	Not monetized.

Notes:
[a] This Table includes only benefits and costs that are monetized. As discussed in the Economic Analysis in Part IV, there are other benefits and costs that the Commission is not able to monetize.

In sum, Tables 1 and 2 report in two alternative ways expected total benefits and costs, across all affected entities, which are monetized in our Economic Analysis in Part IV, using real discount rates of 3 percent and 7 percent over a 10-year time horizon.

[212] This approach is consistent with the recommended treatment of benefits and costs over time in Circular A–4. *See id.* at 45 (''You should present annualized benefits and costs using real discount rates of 3 and 7 percent'').

[213] For each discount rate, the annualized monetized benefits (costs, respectively) in Table 2 represent the constant annual stream of benefits (costs, respectively) whose present value over the 10-year horizon equates the corresponding present value in Table 1.

[214] The annualized benefits and costs present these values over the 10-year time horizon, starting in present year, even if recurring annual benefits and costs would actually start to be incurred at a later date due to compliance periods.

VII. Regulatory Flexibility Act Certification

The Regulatory Flexibility Act of 1980 (''RFA'') requires the Commission, when issuing a rulemaking proposal, to prepare and make available for public comment an initial regulatory flexibility analysis (''IRFA'') that describes the impact of the proposed rule on small entities,[215] unless the Commission certifies that the rule, if adopted, would not have a significant economic impact on a substantial number of small entities.[216] Pursuant to 5 U.S.C. 605(b), the Commission hereby certifies that the proposed amendments to Rule 15c2–11 would not, if adopted, have a significant economic impact on a substantial number of small entities.

Small entities include broker-dealers with total capital (net worth plus subordinated liabilities) of less than $500,000 on the date in the prior fiscal year as of which its audited financial statements were prepared pursuant to Rule 17a–5(d) under the Exchange Act,[217] or, if not required to file such statements, a broker-dealer who had total capital (net worth plus subordinated liabilities) of less than $500,000 on the last day of the preceding fiscal year (or in the time it has been in business, if shorter), and is not affiliated with any person (other than a natural person) who is not a small business or small organization.[218] A small business or small organization, for purposes of ''issuers'' or ''person'' other than an investment company, is defined as a person who, on the last day of its most recent fiscal year, had total assets of $5 million or less.[219]

The proposed amendments to Rule 15c2–11 impact brokers and dealers that publish or submit quotations for securities in a quotation medium. Based on a review of available data involving those broker and dealers, the Commission does not believe that any of them are small entities because they either exceed $500,000 in total capital or are affiliated with a person that is not a small entity as defined in Rule 0–10. It is possible that in the future a small entity may become impacted by the rule and the proposed amendments. Based on experience with broker-dealers that participate in this market, however, the Commission preliminarily believes that this scenario will be unlikely because firms that enter the market are likely to exceed $500,000 in total capital or be affiliated with a person that is not a small entity.

The Commission encourages written comments on the certification. The Commission solicits comment as to whether the proposed rule could have an effect on small entities that has not been considered. The Commission asks that commenters describe the nature of any impact on small entities and provide empirical data to support the extent of the impact.

[215] 5 U.S.C. 603(a).

[216] 5 U.S.C. 605(b).

[217] *See* 17 CFR 240.17a–5(d).

[218] *See* 17 CFR 240.0–10(c).

[219] 17 CFR 242.0–10(a).

VIII. Congressional Review Act

For purposes of Subtitle E of the Small Business Regulatory Enforcement Fairness Act of 1996 (also known as the Congressional Review Act),[220] the Commission must seek OMB's determination as to whether a final regulation constitutes a ''major'' rule. Under the Congressional Review Act, a rule is considered ''major'' where, if adopted, it results in or is likely to result in:

- An annual effect on the economy of $100 million or more;
- A major increase in costs or prices for consumers or individual industries; or
- Significant adverse effects on competition, investment, or innovation.[221]

To help inform OMB's determination as to whether any final rule that results from the proposal would be a ''major rule'', the Commission requests comment and data on:

- The potential effect on the U.S. economy on an annual basis;
- Any potential increase in costs or prices for consumers or individual industries; and
- Any potential effect on competition, investment, or innovation.

Commenters are requested to provide empirical data and other factual support for their views to the extent possible.

IX. Other Matters

The Office of Management and Budget has determined that this action is not a significant regulatory action as defined in Executive Order 12866, as amended, and therefore it was not subject to Executive Order 12866 review.

Statutory Authority

The rule amendments contained in this release are being proposed under the authority set forth in sections 3, 10(b), 15(c), 15(h), 17(a), 23(a), and 36 of the Securities Exchange Act of 1934 [15 U.S.C. 78c, 78j(b), 78*o*(c), 78o(g), 78q(a), 78w(a), and 78mm].

[220] *See* 5 U.S.C. chapter 8.

[221] See 5 U.S.C. 804(2) defining ''major rule.''

List of Subjects in 17 CFR Part 240

Brokers; Fraud; Reporting and recordkeeping requirements; Securities.

Text of Rule Amendments

For the reasons set forth in the preamble, the Commission is proposing to amend title 17, chapter II of the Code of Federal Regulations as follows:

PART 240—GENERAL RULES AND REGULATIONS, SECURITIES EXCHANGE ACT OF 1934

■ 1. The authority citation for part 240 continues to read as follows:

Authority: 15 U.S.C. 77c, 77d, 77g, 77j, 77s, 77z–2, 77z–3, 77eee, 77ggg, 77nnn, 77sss, 77ttt, 78c, 78c–3, 78c–5, 78d, 78e, 78f, 78g, 78i, 78j, 78j–1, 78j–4, 78k, 78k–1, 78*l,* 78m, 78n, 78n–1, 78*o,* 78*o*–4, 78*o*–10, 78p, 78q, 78q–1, 78s, 78u–5, 78w, 78x, 78dd, 78*ll,* 78mm, 80a–20, 80a–23, 80a–29, 80a–37, 80b–3, 80b–4, 80b–11, 1681w(a)(1), 6801–6809, 6825, 7201 *et seq.,* and 8302; 7 U.S.C. 2(c)(2)(E); 12 U.S.C. 5221(e)(3); 18 U.S.C. 1350; and Pub. L. 111–203, 939A, 124 Stat. 1376 (2010); and Pub. L. 112–106, sec. 503 and 602, 126 Stat. 326 (2012), unless otherwise noted.

* * * * *

Section 240.15c2–11 also issued under 15 U.S.C. 78j(b), 78*o*(c), 78q(a), and 78w(a).

* * * * *

■ 1. Amend § 240.15c2–11 by revising paragraphs (a)(1), (b)(3)(v), (b)(4), (b)(5)(i)(D), (b)(5)(i)(E), (b)(5)(i)(F), (b)(5)(i)(P), (b)(5)(ii), (c), (d)(1)(i)(A), (d)(1)(i)(B), (d)(2)(ii), (e)(5), (f)(1), (f)(3)(i)(A), (f)(3)(i)(B), (f)(3)(i)(B)(*2*), (f)(3)(i)(C), (f)(3)(ii), (f)(4), (f)(5)(i), (f)(5)(ii), (f)(6) and (f)(7) to read as follows:

§ 240.15c2–11 Publication or submission of quotations without specified information.

(a) * * *

(1) *Brokers or dealers.* A broker or dealer to publish any quotation for an equity security as defined in § 240.3a11–1 of this chapter or, directly or indirectly, to submit any such quotation for publication, in any quotation medium, unless:

* * * * *

(b)(3) * * *

(v) An annual statement referred to in section 12(g)(2)(G)(i) of the Act (in the case of an issuer of an equity security that falls within the provisions of section 12(g)(2)(G) of the Act); or

(4) A copy of the information that, since the first day of its most recently completed fiscal year, the issuer has published as required to establish the exemption from registration under section 12(g) of the Act pursuant to § 240.12g3–2(b) of this chapter, which the broker or dealer must make available upon the request of a person expressing an interest in a proposed transaction in the issuer's equity security with the broker or dealer, such as by providing the requesting person with appropriate instructions regarding how to obtain the information electronically; or

(b)(5)(i) * * *

(D) The title, class, and ticker symbol (if assigned) of the equity security;

(E) The par or stated value of the equity security;

(F) The number of shares or total amount of the equity securities outstanding as of the end of the issuer's most recent fiscal year;

* * * * *

(P) Whether the quotation is being submitted or published, directly or indirectly, by or on behalf of the issuer or a company insider and, if so, the name of such person and the basis for any exemption under the Federal securities laws for any sales of such equity securities on behalf of such person.

(ii) The broker or dealer must make the documents and information specified in paragraph (b)(5)(i) of this section available upon the request of a person expressing an interest in a proposed transaction in the issuer's equity security with the broker or dealer, such as by providing the requesting person with appropriate instructions regarding how to obtain such publicly available documents and information electronically. If such information is made available to others upon request pursuant to this paragraph, such delivery, unless otherwise represented, shall not constitute a representation by such broker or dealer that such information is accurate but shall constitute a representation by such broker or dealer that the information is current in relation to the day the quotation is submitted, the broker or dealer has a reasonable basis under the circumstances for believing the information is accurate in all material respects, and the information was obtained from sources that the broker or dealer has a reasonable basis under the circumstances for believing are reliable. The documents and information specified in paragraph (b)(5) of this section must be reviewed where paragraphs (b)(1) through (4) of this section do not apply to such issuer. For purposes of compliance with paragraph (a)(1)(i)(B) or (a)(2)(ii) of this section, the documents and information specified in paragraph (b)(5) of this section must be reviewed for an issuer for which the documents and information specified in paragraph (b)(1), (2), (3), or (4) of this section regarding such issuer are not current.

(c) *Supplemental information.* With respect to any equity security the quotation of which is within the provisions of this section, the broker or dealer submitting or publishing such quotation, or any qualified interdealer quotation system that makes known to others the quotation of a broker or dealer pursuant to paragraph (a)(2) of this section, shall have in its records the following documents and information:

* * * * *

(d) * * *

(1)(i) * * *

(A) Any broker or dealer that publishes or submits a quotation pursuant to paragraph (a)(1) of this section for an equity security; or

(B) Any qualified interdealer quotation system that makes known to others the quotation of a broker or dealer pursuant to paragraph (a)(2) of this section for an equity security;

* * * * *

(d) * * *

(2) * * *

(ii) Any broker or dealer that publishes or submits a quotation pursuant to paragraph (f) of this section; *Provided, however,* That any broker or dealer that relies on a publicly available determination described in paragraph (f)(2)(iii)(B) or (f)(3)(ii)(A) of this section shall preserve only a record of the name of the qualified interdealer quotation system or registered national securities association that determined whether the documents and information specified in paragraph (b) of this section are current and publicly available in addition to the documents and information that demonstrate that the other requirements of the exception provided in paragraph (f)(2) or (3), respectively, are met; and that any broker or dealer that relies on a publicly available determination described in paragraph (f)(7) of this section shall preserve only a record of the exception provided in paragraph (f)(1), (f)(3)(i), or (f)(5) for which the publicly available determination is made and the name of the qualified interdealer quotation system or registered national securities association that determined that the requirements of that exception are met.

* * * * *

(e) * * *

(5) *Publicly available* shall mean available on EDGAR; on the website of a state or Federal agency, a qualified interdealer quotation system, a registered national securities association, an issuer, or a registered broker or dealer; or through an

electronic information delivery system that is generally available to the public in the primary trading market of a foreign private issuer as defined in § 240.3b–4 of this chapter; *Provided, however,* that *publicly available* shall mean where access is not restricted by user name, password, fees, or other restraints.

* * * * *

(f) * * *

(1) The publication or submission of a quotation for an equity security that is admitted to trading on a national securities exchange and that is traded on such an exchange on the same day as, or on the business day next preceding, the day the quotation is published or submitted.

* * * * *

(3)(i)(A) The publication or submission, in an interdealer quotation system that specifically identifies as such unsolicited customer indications of interest of the kind described in paragraph (f)(2) of this section, of a quotation for an equity security that has been the subject of a bid or offer quotation (exclusive of any identified customer interests) in such a system at a specified price, with no more than four business days in succession without such a quotation;

(B) Provided, however, that this paragraph (f)(3) shall not apply to a quotation that is published or submitted by a broker or dealer for the equity security of an issuer that:

* * * * *

(*2*) Such broker or dealer, or any qualified interdealer quotation system or registered national securities association, has a reasonable basis under the circumstances for believing is a shell company, unless such quotation is published or submitted within the 18 months following the initial quotation for such issuer's equity security that is the subject of a bid or offer quotation in an interdealer quotation system at a specified price;

(C) Provided further, that this paragraph (f)(3) shall apply to the publication or submission of a quotation for an equity security of an issuer only if the documents and information regarding such issuer that are specified in:

* * * * *

(ii) If the documents and information specified in paragraph (b) of this section (excluding paragraphs (b)(5)(i)(N) through (P)) regarding an issuer are no longer current and publicly available, timely filed, or filed within 180 calendar days, as specified in paragraph (f)(3)(i)(C) of this section, a broker or dealer may continue to publish or submit a quotation for such issuer's equity security in an interdealer quotation system during the time frame specified in paragraph (f)(3)(ii)(C) if:

* * * * *

(4) [Reserved]

* * * * *

(5) * * *

(i) An equity security with a worldwide average daily trading volume value of at least $100,000 reported during the 60 calendar days immediately before the publication of the quotation of such equity security; and

(ii) The issuer of such equity security has at least $50 million in total assets and $10 million in shareholders' equity as reflected in the issuer's publicly available audited balance sheet issued within six months after the end of its most recent fiscal year.

(6) The publication or submission of a quotation for an equity security by a broker or dealer that is named as an underwriter in a registration statement for an offering of that class of equity security referenced in paragraph (b)(1) of this section or in an offering statement for an offering of that class of equity security referenced in paragraph (b)(2) of this section; *Provided, however,* that this paragraph (f)(6) shall apply only to the publication or submission of a quotation for such equity security within the time frames specified in paragraph (b)(1) or (2) of this section.

(7) The publication or submission of a quotation by a broker or dealer that relies on a publicly available determination by a qualified interdealer quotation system or registered national securities association that the requirements of an exception provided in paragraph (f)(1), (f)(3)(i), or (f)(5) of this section are met; *Provided, however,* that any qualified interdealer quotation system or registered national securities association that makes a publicly available determination that the requirements of the exception provided in paragraph (f)(3)(i) of this section are met must subsequently make a publicly available determination under paragraph (f)(3)(ii)(A) of this section, as applicable.

* * * * *

By the Commission.

Dated: March 16, 2026.

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–05401 Filed 3–18–26; 8:45 am]

BILLING CODE 8011–01–P

POSTAL SERVICE

39 CFR Part 111

Priority Mail Express and Priority Mail Open and Distribute Parcel Mailings Discontinued

AGENCY: Postal Service.

ACTION: Proposed rule.

SUMMARY: The Postal Service is proposing to amend *Mailing Standards of the United States Postal Service,* Domestic Mail Manual (DMM®) in various sections to discontinue the mailing of parcels with Priority Mail Express® and Priority Mail® Open and Distribute service.

DATES: Submit comments on or before April 20, 2026.

ADDRESSES: Mail or deliver written comments to the manager, Product Classification, U.S. Postal Service, 475 L'Enfant Plaza SW, Room 4446, Washington, DC 20260–5015. If sending comments by email, include the name and address of the commenter and send to *PCFederalRegister@usps.gov,* with a subject line of ''Open and Distribute Parcels Discontinued''. Faxed comments are not accepted.

You may inspect and photocopy all written comments, by appointment only, at USPS Headquarters Library, 475 L'Enfant Plaza SW, 11th Floor North, Washington, DC 20260. These records are available for review on Monday through Friday, 9 a.m.–4 p.m., by calling 202–268–2906.

FOR FURTHER INFORMATION CONTACT: Catherine Knox at (202) 268–5636 or Garry Rodriguez at (202) 268–7281.

SUPPLEMENTARY INFORMATION: All submitted comments and attachments are part of the public record and subject to disclosure. Do not enclose any material in your comments that you consider to be confidential or inappropriate for public disclosure.

Currently, mailers using Priority Mail Express and Priority Mail Open and Distribute service to mail parcels are limited to 5-digit sacks.

The Postal Service is proposing to discontinue the mailing of parcels using Priority Mail Express and Priority Mail Open and Distribute as a published service. Priority Mail Express and Priority Mail Open and Distribute service will continue to provide an option for mailers who want to expedite letter or flat mailings to destination postal facilities

As an alternative, the mailing of parcels using Priority Mail Express and Priority Mail Open and Distribute service will be made available to mailers

through a negotiated service agreement (NSA).

The Postal Service is proposing to implement this change effective July 12, 2026.

Although exempt from the notice and comment requirements of the Administrative Procedure Act (5 U.S.C. 553(b), (c)) regarding proposed rulemaking by 39 U.S.C. 410(a), the Postal Service invites public comment on the proposed revisions to *Mailing Standards of the United States Postal Service,* Domestic Mail Manual (DMM), incorporated by reference in the Code of Federal Regulations.

We will publish an appropriate amendment to 39 CFR part 111 to reflect these changes.

List of Subjects in 39 CFR Part 111

Administrative practice and procedure, Postal Service.

Accordingly, the Postal Service proposes the following changes to *Mailing Standards of the United States Postal Service,* Domestic Mail Manual (DMM), incorporated by reference in the Code of Federal Regulations (see 39 CFR 111.1):

PART 111—[AMENDED]

■ 1. The authority citation for 39 CFR part 111 continues to read as follows:

Authority: 5 U.S.C. 552(a); 13 U.S.C. 301–307; 18 U.S.C. 1692–1737; 39 U.S.C. 101, 401–404, 414, 416, 3001–3018, 3201–3220, 3401–3406, 3621, 3622, 3626, 3629, 3631–3633, 3641, 3681–3685, and 5001.

■ 2. Revise the *Mailing Standards of the United States Postal Service,* Domestic Mail Manual (DMM) as follows:

Mailing Standards of the United States Postal Service, Domestic Mail Manual (DMM)

* * * * *

200 Commercial Letters, Cards, Flats, and Parcels

* * * * *

204 Barcode Standards

* * * * *

3.0 Standards for Barcoded Tray Labels, Sack Labels, and Container Labels

* * * * *

3.2.4 3-Digit Content Identifier Numbers

* * * * *

Exhibit 3.2.4 3-Digit Content Identifier Numbers

CLASS AND MAILING CIN HUMAN-READABLE CONTENT LINE

* * * * *

Priority Mail Open and Distribute

* * * * *

[Delete the ''Parcels, all classes'' line item under the ''Priority Mail Open and Distribute'' section.]

[Delete the ''All other Classes, Parcels'' section in its entirety.]

* * * * *

240 Commercial Mail USPS Marketing Mail

* * * * *

245 Mail Preparation

* * * * *

12.0 Preparing Customized MarketMail

* * * * *

12.6 Containerizing and Labeling

Prepare and label containers as follows:

* * * * *

[Revise the text of item b to read as follows:]

b. Priority Mail Express and Priority Mail Open and Distribute shipments must be prepared in USPS-provided Priority Mail Express or Priority Mail containers (envelopes or boxes) or in mailer-supplied containers, labeled under 705.18.5.

* * * * *

250 Commercial Mail Parcel Select

253 Prices and Eligibility

* * * * *

4.0 Price Eligibility for Parcel Select

4.1 Destination Entry Price Eligibility

* * * * *

4.1.2 Basic Standards

For Parcel Select destination entry, pieces must meet the applicable standards in 255.4.0 and the following criteria:

* * * * *

[Revise the text of item d to read as follows:]

d. Pieces must be deposited at a destination SCF, or destination delivery unit, as applicable for the price claimed.

* * * * *

256 Enter and Deposit

* * * * *

2.0 Deposit

* * * * *

2.5 Mail Separation and Presentation of Destination Entry Mailings

[Revise the first sentence of 2.5 to read as follows:]

Destination entry mail must be presented and verified under a PVDS system (705.17.0), presented for acceptance at a BMEU located at a destination postal facility; or presented for acceptance at an origin DMU or BMEU. * * *

* * * * *

700 Special Standards

* * * * *

705 Advanced Preparation and Special Postage Payment Systems

* * * * *

18.0 Priority Mail Express Open and Distribute and Priority Mail Open and Distribute

18.1 Prices and Fees

18.1.1 Basis of Price

The basis of price for Priority Mail Express and Priority Mail Open and Distribute is as follows:

* * * * *

[Revise the text of item b to read as follows:]

b. Priority Mail commercial tray box postage is based on the tray box and zone. Do not apply Priority Mail dimensional weight pricing or Periodicals container prices to the external container. The maximum weight for each container is 70 pounds.

[Delete item c in its entirety.]

18.1.2 Zone Prices

[Revise the text of 18.1.2 to read as follows:]

For Priority Mail Express Open and Distribute postage, compute zone prices from the accepting Post Office to the destination facility for the container (not the destination Post Office for the enclosed mail).

* * * * *

18.1.5 Payment Method

Postage payment methods are as follows:

* * * * *

[Revise the second sentence of item b to read as follows:]

b. * * * Priority Mail Express postage must be affixed to the Open and Distribute tray box or part of the address label.

[Revise the second sentence of item c to read as follows:]

c. * * * Priority Mail postage must be affixed to the Open and Distribute tray box or part of the address label.

18.1.6 Postage Statement for Enclosed Mail

The following apply:

[Revise the text of item a to read as follows:]

a. The mailer must provide the correct postage statement for the enclosed mail.

b. If the enclosed mail is zone-priced, the mailer must provide one of the following:

[Revise the text of items b1 and b2 to read as follows:]

1. Documentation that details the pieces and postage, by zone for each Priority Mail Express Open and Distribute shipment destination; or

2. A separate postage statement for each Priority Mail Express Open and Distribute shipment destination.

* * * * *

[Revise the text of item d to read as follows:]

d. A postage statement is not required for the Priority Mail Express or Priority Mail portion of the Open and Distribute shipment.

* * * * *

18.2 Basic Standards

18.2.1 Description of Priority Mail Express Open and Distribute and Priority Mail Open and Distribute

[Revise the first sentence of 18.2.1 to read as follows:]

Priority Mail Express Open and Distribute and Priority Mail Open and Distribute provide alternatives for mailers who want to expedite mailings of letter-size or flat-size pieces of other classes of mail to destination postal facilities, including as a means of eligibility for destination entry prices for the applicable classes and shapes of mail. * * *

18.2.2 Content Standards

* * * Additional standards for the enclosed mail are as follows:

[Revise the text of item a to read as follows:]

a. Mail enclosed in a Priority Mail Express Open-and-Distribute container may only add the extra services described in 18.3.2. Mail enclosed in a Priority Mail Open-and-Distribute container may only add the extra services described in 18.4.2.

* * * * *

18.3 Additional Standards for Priority Mail Express Open and Distribute

* * * * *

18.3.2 Extra Services

[Revise the introductory text of 18.3.2 to read as follows:]

No extra services are available for Priority Mail Express Open and Distribute containers. Only the following extra services may be added for the enclosed mail:

* * * * *

[Revise the text of item b to read as follows:]

b. Priority Mail letters and flats may be sent with Certified Mail service.

[Delete items c and d in their entirety.]

18.4 Additional Standards for Priority Mail Open and Distribute

* * * * *

18.4.2 Extra Services

[Revise the last sentence in the introductory text of 18.4.2 to read as follows:]

* * * First-Class Mail pieces may be sent with Certified Mail service.

[Delete items a, b, and c, in their entirety.]

18.5 Preparation

18.5.1 Containers for Expedited Transport

Acceptable containers for expedited transport are as follows:

[Revise the text of items a and b to read as follows:]

a. A Priority Mail Express Open and Distribute shipment must be contained in a USPS-provided Priority Mail Express Open and Distribute tray box (Tags are not required for tray boxes; only the 4x6 address label should be applied), except as provided in 18.5.1c and 18.5.1d. Blue Label 257S or blue Label 257S–EVS (USPS Ship) may be affixed to containers used for Priority Mail Express Open and Distribute shipments prepared under 18.5.1c or 18.5.1d destined to a DDU or DS&DC.

b. A Priority Mail Open and Distribute shipment must be contained in a USPS-provided Priority Mail Open and Distribute tray box (Tags are not required for tray boxes, only the 4x6 address label should be applied), except as provided in 18.5.1c and 18.5.1d. Pink Label 190S or pink Label 190S–EVS (USPS Ship) may be affixed to containers used for Priority Mail Open and Distribute shipments prepared under 18.5.1c or 18.5.1d destined to a DDU or DS&DC.

* * * * *

[Revise the text of item d to read as follows:]

d. Customized *MarketMail* (CMM) pieces may be contained in USPS-provided Priority Mail Express or Priority Mail envelopes and boxes or in any properly labeled acceptable container supplied by the mailer.

[Revise the heading and introductory text of 18.5.2 to read as follows:]

18.5.2 Priority Mail Express and Priority Mail Tray Labels

Labels for Priority Mail Express Open and Distribute trays and similar containers must be barcoded and meet the requirements in 204.3.0. Tray boxes, other containers used for Priority Mail Open and Distribute shipments must bear a barcoded tray label that includes the appropriate CIN code that best describes the class and processing category of the contents of the shipment. When no specific CIN code accurately describes all of these elements, the ''165'' generic code must be used. It is recommended that all PMEOD and PMOD shipments bear Intelligent Mail tray barcodes prepared under 204.3.3. Although mailers may affix tray labels on either end of a tray box (or similar container), to the right of the hand-hold cutout, the recommended placement is on the end of the tray box nearest to the EMOD or PMOD address label. All lines of information must be completely visible when inserted into the label holder. Label trays as follows:

a. Line 1 (destination line) provides information on the destination entry office where the enclosed mail is to be distributed.

* * * * *

[Revise the text of item a2 to read as follows:]

2. For SCF/LPC/RPDC distribution, use the destination in L005, Column B for letters or L016 for flats.

[Delete items a3 through a5 in their entirety.]

* * * * *

[Delete 18.5.3 and 18.5.4 in their entirety and renumber 18.5.5 through 18.5.13 as 18.5.3 through 18.5.11.]

* * * * *

18.5.4 Address Labels

[Revise the text of renumbered 18.5.4 to read as follows:]

USPS-provided containers and envelopes and mailer-supplied containers used for Priority Mail Express Open and Distribute or Priority Mail Open and Distribute must bear an address label that states ''OPEN AND DISTRIBUTE AT:'' followed by the facility name. Find the facility name and other information for addressing the labels, according to the type of facility, in 18.5.6 and 18.5.7.

* * * * *

18.5.5 Address Label Service Barcode Requirement

[Revise the text of renumbered 18.5.5 to read as follows:]

An electronic service barcode must include an Intelligent Mail package barcode (IMpb) and Intelligent Mail matrix barcode (IMmb) symbology for Priority Mail Express Open and Distribute, and the IMpb and IMmb symbology for Priority Mail Open and Distribute in the address label. Mailers must prepare address labels using the formats in 18.5.6 and 18.5.7. Priority Mail Express Open and Distribute IMpb

and IMmb labels must include service-type code ''723.'' For Priority Mail Open and Distribute, the IMpb and IMmb must include service-type code ''123.'' The human-readable text ''USPS SCAN ON ARRIVAL'' must appear above the IMpb barcode. c service barcode must include an Intelligent Mail package barcode (IMpb) symbology for Priority Mail Express Open and Distribute, and the IMpb symbology for Priority Mail Open and Distribute in the address label. Mailers must prepare address labels using the formats in 18.5.6 and 18.5.7. Priority Mail Express Open and Distribute IMpb labels must include service type code ''723.'' For Priority Mail Open and Distribute, the IMpb must include service type code ''123.'' The human-readable text ''USPS SCAN ON ARRIVAL'' must appear above the barcode. USPS certification is required from the National Customer Support Center (NCSC) for each printer used to print barcoded open and distribute address labels, except for barcodes created using USPS webtools. NCSC contact information, formatting specifications for barcodes and electronic files, and certification are included in Publication 199, available on PostalPro at *postalpro.usps.com.* Mailers may use the following options available to create a label with a service barcode for Priority Mail Express Open and Distribute and Priority Mail Open and Distribute address labels:

* * * * *

[Revise the text of item b to read as follows:]

b. Register and integrate USPS API platform, for Priority Mail Open and Distribute using their own developers.

* * * * *

[Revise the heading and text of renumbered 18.5.7 to read as follows:]

18.5.7 SCF/LPC/RPDC Address Labels

For the SCF/LPC/RPDC address label:

a. Use ''SCF/LPC/RPDC'' followed by the facility name, state, and National Air and Surface System (NASS) Code in the ''Drop Entry Point View'' file on the USPS FAST website, *https://fast.usps.com.* (Click on ''Reports,'' then ''Mail Direction Search,'' and then ''Drop Entry Point View'' in the drop-down menu of ''Report View.'')

b. Directly below the SCF/LPC/RPDC facility name, specify the class and processing category of the enclosed mail.

c. See Exhibit Exhibit 18.5.7 for an example of an SCF address label.

[Revise the heading of renumbered Exhibit 18.5.7 to read as follows:]

Exhibit 18.5.7 SCF/LPC/RPDC Address Label

* * * * *

[Revise the SCF Delivery Address on the label to read as follows:]

SCF Dulles VA 201

* * * * *

[Delete renumbered 18.5.8 through 18.5.10 and renumber 18.5.11 as 18.5.8.

* * * * *

18.5.8 Markings on Enclosed Mail

[Revise the last sentence of renumbered 18.5.8 to read as follows:]

* * * When an optional marking is used, the type size of the required price marking (see 202 for letters and flats) must be at least 8 points.

18.6 Enter and Deposit

* * * * *

[Delete 18.6.3 in its entirety.]

* * * * *

Jeffrey Boblick,

Attorney, Ethics and Legal Compliance.

[FR Doc. 2026–05405 Filed 3–18–26; 8:45 am]

BILLING CODE P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 63

[EPA–HQ–OAR–2025–0207; FRL–11626–01–OAR]

RIN 2060–AW22

National Emission Standards for Marine Tank Vessel Loading Operations: Technology Review

Correction

In proposed rule document 2026–04304, appearing on pages 10559 through 10577 in the issue of Wednesday, March 4, 2026, make the following correction:

On page 10559, in the third column, in the thirtieth line ''March 8, 2026'' should read ''March 9, 2026''.

On page 10560, in the first column, in the twenty-second line ''March 18, 2026'' should read ''March 19, 2026''.

On page 10560, in the first column, in the twenty-fourth line from the bottom ''March 15, 2026'' should read ''March 16, 2026''.

On page 10560, in the second column, in the twenty-fourth and twenty-fifth lines ''March 10, 2026'' should read ''March 11, 2026''.

[FR Doc. C1–2026–04304 Filed 3–18–26; 8:45 am]

BILLING CODE 0099–10–P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 147

[EPA–HQ–OW–2025–2829; FRL 12995–01–OW]

Colorado Underground Injection Control Program; Class VI Primacy

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule; notification of public hearing.

SUMMARY: The U.S. Environmental Protection Agency (EPA or Agency) has received a complete Underground Injection Control (UIC) primacy application from the State of Colorado, requesting primary enforcement responsibility (primacy) for Class VI injection wells under the Safe Drinking Water Act (SDWA) section 1422. The EPA's approval of the State's UIC program primacy application would allow Colorado's Energy and Carbon Management Commission (ECMC) to issue and enforce compliance with UIC Class VI permits for injection wells used for geologic carbon sequestration. In this action, the EPA proposes to approve Colorado's application to implement the UIC program for Class VI injection wells located within the State, except those on Indian lands for which the EPA retains primacy. The EPA has determined that Colorado's UIC Class VI program meets federal requirements for primacy under SDWA section 1422 and the applicable implementing regulations in 40 CFR parts 144, 145, and 146.

DATES: Comments must be received on or before May 4, 2026.

Public hearing: The EPA will hold one virtual public hearing during the comment period. Please refer to the **SUPPLEMENTARY INFORMATION** section for additional information on the public hearing.

ADDRESSES: You may send comments, identified by Docket ID No. EPA–HQ–OW–2025–2829, by any of the following methods:

- *Federal eRulemaking Portal: https://www.regulations.gov/* (our preferred method). Follow the online instructions for submitting comments.
- *Mail:* U.S. Environmental Protection Agency, EPA Docket Center, Water Docket, Mail Code 28221T, 1200 Pennsylvania Avenue NW, Washington, DC 20460.
- *Hand Delivery or Courier:* EPA Docket Center, WJC West Building, Room 3334, 1301 Constitution Avenue NW, Washington, DC 20004. The Docket Center's hours of operations are 8:30

a.m. to 4:30 p.m., Monday through Friday (except Federal Holidays).

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

FOR FURTHER INFORMATION CONTACT: Mary Hastings Puckett, Drinking Water Infrastructure Development Division, Office of Ground Water and Drinking Water (4606M), Environmental Protection Agency, 1200 Pennsylvania Ave. NW, Washington, DC 20460; telephone number: (202) 564–1525; or VelRey Lozano, UIC Program (8WD–SDU) U.S. Environmental Protection Agency, 1595 Wynkoop Street, Denver, Colorado 80202–8917; telephone number: (303) 312–6128. Both can be reached by emailing *UICprimacy@epa.gov.*

SUPPLEMENTARY INFORMATION:

Table of Contents

I. Public Participation

A. Written Comments

Submit your comments, identified by Docket ID No. EPA–HQ–OW–2025–2829, at *https://www.regulations.gov* (our preferred method), or the other methods identified in the **ADDRESSES** section. Once submitted, comments cannot be edited or removed from the docket. The EPA may publish any comment received to its public docket. Do not submit to the EPA's docket at *https://www.regulations.gov* any information you consider to be Confidential Business Information (CBI), Proprietary Business Information (PBI), or other information whose disclosure is restricted by statute. If you wish to submit CBI, contact VelRey Lozano using the contact information available in the **FOR FURTHER INFORMATION CONTACT** section. Multimedia submissions (audio, video, etc.) must be accompanied by a written comment. The written comment is considered the official comment and should include discussion of all points you wish to make. The EPA will generally not consider comments or comment contents located outside of the primary submission (*i.e.,* on the web, cloud, or other file sharing system). Please visit *https://www.epa.gov/dockets/commenting-epa-dockets* for additional submission methods; the full EPA public comment policy; information about CBI, PBI, or multimedia submissions; and general guidance on making effective comments.

B. Participation in Public Hearing

The EPA will hold one virtual public hearing during the public comment period. To register to speak at the virtual hearing, please use the online registration form available at *https://epa.gov/uic/co-primacy* or contact us by email at *UICprimacy@epa.gov.* One week prior to the public hearing, the EPA will post a general agenda for the hearing that will list pre-registered speakers in approximate order at: *https://epa.gov/uic/co-primacy.* Please refer to *https://epa.gov/uic/co-primacy* for additional updates, including the date and time, related to this public hearing.

The EPA will make every effort to follow the schedule as closely as possible on the day of the hearing; however, please plan for the hearings to run either ahead of schedule or behind schedule. Each commenter will have three minutes to provide oral testimony. The EPA encourages commenters to provide the EPA with a copy of their oral testimony electronically by emailing it to *UICprimacy@epa.gov.* The EPA also recommends submitting the text of your oral comments as written comments to the rulemaking docket, identified in the **ADDRESSES** section of this proposed rule. The EPA will make every effort to accommodate all speakers who register, although preferences on speaking times may not be able to be fulfilled.

The EPA may ask clarifying questions during the oral presentations but will not respond to the presentations at that time. Written statements and supporting information submitted during the comment period will be considered with the same weight as oral comments and supporting information presented at the public hearing.

Updates on the virtual hearing logistics will be posted online at *https://epa.gov/uic/co-primacy.* Please contact VelRey Lozano using the contact information available in the **FOR FURTHER INFORMATION CONTACT** section or email *UICprimacy@epa.gov* with any questions about the virtual hearing. The EPA does not intend to publish a document in the **Federal Register** announcing updates related to the public hearing. If you require the services of an interpreter or special accommodations such as audio description, please pre-register for the hearing at *https://epa.gov/uic/co-primacy* and describe your needs at least one week prior to the public hearing date. The EPA may not be able to arrange accommodations without advance notice.

II. Introduction

A. UIC Program and Primary Enforcement Authority (Primacy)

The Safe Drinking Water Act (SDWA) protects public health by regulating the nation's public drinking water supply, including both surface and groundwater sources. SDWA requires the EPA to develop minimum requirements for effective State and Tribal UIC programs to prevent underground injection of fluids (such as water, wastewater, brines from oil and gas production, and carbon dioxide) from endangering underground sources of drinking water (USDWs). In general, USDWs are aquifers or parts of aquifers that supply a public water

system or contain enough groundwater to supply a public water system. See 40 CFR 144.3 (defining USDW).

The EPA's UIC program regulates various aspects of an injection well project, including technical aspects throughout the life of the project from site characterization, construction, operation, testing and monitoring, and site closure, as well as permitting, site inspections, and reporting to ensure well owners and operators comply with UIC permits and regulations.

SDWA section 1421 directs the EPA to establish requirements that States, territories, and federally recognized Tribes (hereafter referred to as applicants) must meet to be granted primacy for implementing a UIC program, including a Class VI program. 42 U.S.C. 300h. An applicant seeking primacy under SDWA section 1422 for a Class VI program must demonstrate to the EPA that the applicant's Class VI program meets the Federal requirements for protecting USDWs promulgated by the EPA pursuant to SDWA section 1421. 42 U.S.C. 300h–300h–1. An applicant must demonstrate, among other things, that it has jurisdiction over underground injection and that it possesses the administrative, civil, and criminal enforcement authorities required by the EPA's implementing regulations. See 40 CFR part 145, subpart B. After the EPA approves UIC primacy for a State, the State's UIC program may be revised with the EPA's approval. See 40 CFR 145.32.

The EPA comprehensively evaluates each primacy application in accordance with SDWA section 1422 to determine whether the State has satisfactorily demonstrated that it has adopted and will implement a UIC program that meets applicable regulatory requirements.

B. Class VI Wells Under the UIC Program

Class VI wells are used to inject carbon dioxide into deep rock formations for the purpose of long-term underground storage, also known as geologic sequestration. Class VI injection wells are regulated under a SDWA permitting framework that protects USDWs.

The UIC Class VI program provides multiple safeguards that work together to protect USDWs. Owners or operators that wish to inject carbon dioxide underground for the purpose of geologic sequestration must obtain a Class VI permit for each well while demonstrating that their proposed injection well and injection activities will meet all regulatory requirements throughout the life of the project. The UIC Class VI program requires applicants to meet technical, financial, and managerial requirements to obtain a Class VI permit, including:

- Site characterization to ensure the geology in the project area will contain the carbon dioxide within the zone where it is authorized to be injected.
- Modeling to delineate the predicted area influenced by injection activities through the lifetime of the project.
- Evaluation of the delineated area to ensure all potential pathways for fluid movement have been identified and addressed through corrective action.
- Well construction requirements that ensure the Class VI injection well will not leak carbon dioxide.
- Testing and monitoring throughout the life of the project, including after carbon dioxide injection has ended. Requirements include, for example, testing to ensure physical integrity of the well, monitoring for seismic activity near the injection site, monitoring of injection pressure and flow, chemical analysis of the carbon dioxide stream that is being injected, and monitoring the extent of the injected carbon dioxide plume and the surrounding area (*e.g.,* ground water) to ensure the carbon dioxide is contained as predicted.
- Operating requirements (for example, injection pressure limitations) to ensure the injection activity will not endanger USDWs.
- Financial assurance mechanisms sufficient to cover the costs for all phases of the geologic sequestration project including the post-injection site care period and until site closure has been approved by the permitting authority.
- Emergency and remedial response plans to protect USDWs.
- Reporting of all testing and monitoring results to the permitting authority to ensure the well is operating in compliance with all permit requirements.

The permitting authority ensures that these protective requirements are included in each Class VI permit. A draft of each Class VI permit is made available to the public for comment before the decision is made whether to issue a final permit.

C. Colorado UIC Program

The State of Colorado received primacy for Class II injection wells under SDWA section 1425 on April 2, 1984 (49 FR 13040). On October 7, 2025, Colorado applied to the EPA under SDWA section 1422 for primacy for Class VI injection wells located within the State, except those located on Indian lands for which the EPA retains primacy.

III. Legal Authorities

This regulation is proposed under the authority of SDWA sections 1422 and 1450, 42 U.S.C. 300h–1 and 300j–9.

SDWA section 1421 requires the EPA Administrator to promulgate Federal requirements for effective State UIC programs to prevent underground injection activities that endanger USDWs. 42 U.S.C. 300h. SDWA section 1422 requires States seeking primacy to demonstrate to the EPA that the State has adopted (after notice and public hearing) and will implement a UIC program which meets the requirements that EPA promulgated under section 1421.

For States and Tribes seeking EPA primacy approval for UIC programs under SDWA section 1422, the EPA has promulgated regulations setting forth the applicable procedures and substantive requirements. The regulations in 40 CFR part 144 outline general program requirements that each State must meet to obtain primacy. The regulations in 40 CFR part 145 specify the procedures the EPA follows when considering applications for primacy, applications for program revisions, and withdrawing State programs, and outlines the elements and provisions that a State must include in its application for primacy. The regulations in 40 CFR part 145 also include requirements for State UIC permitting procedures (by reference to certain provisions of 40 CFR parts 124 and 144), compliance evaluation programs, and enforcement authority, as well as requirements for sharing information between the EPA and the State. The regulations in 40 CFR part 146 contain the technical criteria and standards applicable to each well class, including Class VI wells.

IV. Colorado's Application for UIC Class VI Primacy

A. Background

On October 7, 2025, Colorado submitted to the EPA a complete application for primary enforcement responsibility for Class VI wells, except those on Indian lands, under the authority of SDWA section 1422. Colorado's UIC primacy application includes a description of the State's proposed UIC Class VI program, copies of all applicable rules and forms, an Attorney General's statement of legal authority, a summary of Colorado's public participation activities, and a Memorandum of Agreement (MOA) between Colorado and the EPA's Region 8 office. The EPA reviewed the application for completeness and

performed a technical evaluation of the application materials.

B. Public Participation Activities Conducted by Colorado

a. UIC Program Development Stakeholder Engagement

Before the EPA can approve a State's application for Class VI permitting and primary enforcement authority, or ''primacy,'' the State must have the proper statutory and regulatory authority to administer a UIC Class VI program in accordance with the SDWA and applicable regulations. 42 U.S.C. 300h–1(b)(1)(A)(i); 40 CFR part 145, subpart B. Thus, prior to submitting a Class VI primacy application for the EPA's approval, Colorado needed to expand ECMC's regulatory authority to include direct air capture facilities and geologic storage operations. ECMC conducted a comprehensive state rulemaking process that included extensive stakeholder outreach and engagement. The goal of the outreach efforts was to inform stakeholders about ECMC's rule development process and to explain and present drafts of the State rules. Transparency and engagement were central in the outreach process. ECMC hosted a series of hybrid, virtual, and in-person outreach engagements across the State, reaching the general public, the regulated community, and the Tribes located in Colorado. ECMC also presented on Class VI primacy at a public hearing, led a carbon management tour for communities near a potential development, and held seven general stakeholder meetings and several targeted stakeholder meetings. On July 1, 2023, state law SB23–016 became effective and expanded ECMC's authority to include regulation of direct air capture facilities and geologic storage operations in Colorado.

b. State Rulemaking

Once the State expanded ECMC's authority, ECMC held a series of virtual stakeholder engagements and rulemaking hearings from June to December 2024, to develop regulations for Class VI injection wells. The engagements provided opportunities for public input and informed the development of Colorado's Class VI rules. Following ten Class VI rulemaking and primacy hearings, ECMC finalized the rules for a UIC Class VI program on December 16, 2024.

c. Proposal To Request UIC Program Primacy

As part of a UIC Class VI primacy application, a State must satisfactorily show that it has adopted Class VI program requirements after reasonable notice and public hearings. 42 U.S.C. 300h–1(b)(1)(A)(i); 40 CFR 145.31(a), (b). In February 2025, ECMC published notices of public hearings in seven Colorado newspapers, on its website, and via email distribution to stakeholders. The public notice provided the hearing schedule and identified specific issues for which ECMC sought public input. ECMC received public input during the hearings on the State's intent to request UIC Class VI primacy from the EPA and whether ECMC has the resources to manage a UIC Class VI program in a safe and effective manner as required by SDWA section 1422 and the UIC regulations. During the 30-day comment period, ECMC received one oral comment. The commenter expressed general concerns regarding carbon capture and storage, referencing the Archer-Daniels-Midland (ADM) project, an existing Class VI project outside Colorado, and legislation regarding the 45Q tax credit. ECMC summarized and addressed the input in the responsiveness summary; the comment did not necessitate any changes to the State's proposed primacy application.

Documentation of Colorado's public participation activities, including comments received by the public and ECMC's responses, can be found in the EPA's Docket ID No. EPA–HQ–OW–2025–2829.

C. Summary of the EPA's Comprehensive Evaluation

The EPA evaluates primacy applications in accordance with SDWA section 1422 to determine whether an applicant has satisfactorily demonstrated that it has adopted and will implement, after reasonable notice and public hearings, a UIC program that meets the requirements of 40 CFR parts 144, 145, and 146. The EPA conducted a comprehensive technical and legal evaluation of Colorado's primacy application to determine whether the State's proposed UIC Class VI program—including statutes and regulations, program description, Attorney General statement, and MOA—meets the requirements of SDWA section 1422 and EPA regulations. Upon review, the EPA determined that Colorado's primacy application demonstrates that the State has adopted and will implement a UIC Class VI program that meets the requirements of 40 CFR parts 144, 145, and 146.

The EPA evaluated Colorado's UIC Class VI program description for consistency with 40 CFR 145.23, which specifies all the information that must be included as part of the program description. The EPA's evaluation of the UIC Class VI program description included reviewing the scope, coverage, processes, and organizational structure of the proposed Class VI program. The EPA evaluated Colorado's permitting, administrative, and judicial review procedures relevant to Class VI permits, as well as the State's permit application, reporting, and manifest forms for Class VI permits. The EPA also reviewed the State's UIC compliance evaluation program and enforcement authorities and the State's demonstration that its UIC Class VI program will have adequate in-house staff or access to contractor support for technical areas including site characterization, modeling, well construction and testing, financial responsibility, and regulatory and risk analysis.

The EPA evaluated Colorado's Class VI related Attorney General's statement for consistency with 40 CFR 145.24. In an Attorney General's statement, the State's top legal officer affirms that applicable State law (*e.g.,* statutes, regulations, and judicial decisions) provides adequate authority to administer the UIC Class VI program as described in the program description and consistent with the EPA's regulatory requirements for UIC programs.

The EPA determined that the Class VI MOA meets the Federal requirements at 40 CFR 145.25 for primacy MOAs. The MOA is the central agreement that establishes the provisions and arrangements between the State and the EPA concerning the administration and enforcement of the State UIC Class VI program. The EPA's evaluation of the Class VI MOA included ensuring that the MOA contained the appropriate provisions pertaining to coordination, permitting, compliance monitoring, enforcement, and EPA oversight. For example, the Class VI MOA addendum specifies that the ECMC and the EPA agree to maintain a high level of cooperation and coordination to assure successful and effective administration of the UIC Class VI program.

Colorado has demonstrated that it meets all UIC permit requirements found in 40 CFR 145.11 for Class VI permits. Colorado's UIC Class VI permitting provisions and technical criteria and standards meet the Federal requirements in 40 CFR parts 124 and 144 through 146. The State has incorporated necessary procedures, pursuant to 40 CFR 145.12, to support a robust UIC Class VI compliance evaluation program. Additionally, Colorado has the necessary civil, administrative, and criminal enforcement authorities pursuant to 40

CFR 145.13. Colorado's UIC Class VI regulations regarding permitting, inspection, operation, monitoring, reporting, and recordkeeping meet Federal requirements found in 40 CFR parts 145 and 146.

As a result of this comprehensive review, the EPA is proposing to approve Colorado's UIC program primacy application. The EPA has determined that the application meets all applicable requirements for Class VI primacy approval under SDWA section 1422 and the State has demonstrated that it is prepared to implement a UIC program in a manner consistent with the SDWA and all applicable UIC regulations.

V. The EPA's Proposed Action

A. Incorporation by Reference

The EPA is proposing to approve the State of Colorado's UIC program primacy application for Class VI injection wells in the State, except for those located on Indian lands for which the EPA retains primacy. If finalized, this action would amend 40 CFR 147.301 and incorporate by reference Colorado's EPA-approved statutes and implementing regulations that contains standards, requirements, and procedures applicable to UIC Class VI well owners or operators within the State. Any provisions incorporated by reference, as well as all permit conditions issued pursuant to such provisions, are enforceable by the EPA pursuant to SDWA section 1423 and 40 CFR 147.1(e).

The EPA compiled the applicable Colorado statutes and regulations proposed to be incorporated by reference into 40 CFR 147.301 in a document titled ''Colorado SDWA § 1422 Underground Injection Control Program Class VI Statutes and Regulations,'' dated December 4, 2025. This compilation is publicly available at *https://www.regulations.gov* in the EPA's Docket No. EPA–HQ–OW–2025–2829 for this proposed rulemaking. The EPA also proposes to codify a table in 40 CFR 147.301 listing the EPA-approved Colorado Statutes and Regulations for Class VI wells that the EPA would incorporate by reference.

B. EPA Oversight

Upon approval, the EPA would oversee Colorado's administration of its Class VI UIC program. The EPA will require quarterly reports on instances of permittee non-compliance and annual UIC performance reports pursuant to 40 CFR 144.8. The MOA between the EPA Region 8 and ECMC specifies that the EPA will oversee the State's administration of the UIC Class VI program on a continuing basis to assure that such administration is consistent with the program MOA, the SDWA and implementing regulations, UIC grant agreements, and other applicable requirements.

VI. Statutory and Executive Orders Reviews

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

A. Executive Order 12866: Regulatory Planning and Review and Executive Order 14094: Modernizing Regulatory Review

This action is exempt from review under Executive Order 12866 because the Office of Management and Budget (OMB) has exempted, as a category, the approval of State UIC programs.

B. Executive Order 14192: Unleashing Prosperity Through Deregulation

Executive Order 14192 does not apply because actions that approve State UIC programs are exempted from review under Executive Order 12866.

C. Paperwork Reduction Act (PRA)

This action will not impose an information collection burden under the PRA. OMB has previously approved the information collection activities contained in the existing regulations and has assigned OMB control number 2040–0042. Reporting or recordkeeping requirements will be based on Colorado's UIC Class VI Regulations, and the State of Colorado is not subject to the PRA.

D. Regulatory Flexibility Act (RFA)

I certify that this action will not have a significant economic impact on a substantial number of small entities under the RFA. This action will not impose any burdens on small entities as this action transfers regulatory authority from the EPA to a State program with substantially the same requirements.

E. Unfunded Mandates Reform Act (UMRA)

This action does not contain an unfunded mandate as described in UMRA, 2 U.S.C. 1531–1538, and does not significantly or uniquely affect small governments. The action imposes no enforceable duty on any State, local, or Tribal governments or the private sector. The EPA's proposed approval of Colorado's Class VI program will not constitute a Federal mandate because there is no requirement that a state establish UIC regulatory programs and because the program is a State, rather than a Federal program.

F. Executive Order 13132: Federalism

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

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

This action does not have Tribal implications as specified in Executive Order 13175. This action contains no Federal mandates for Tribal governments and does not impose any enforceable duties on Tribal governments. Thus, Executive Order 13175 does not apply to this proposed action.

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

The EPA interprets Executive Order 13045 as applying only to those regulatory actions that concern environmental health or safety risks that the EPA has reason to believe may disproportionately affect children, per the definition of ''covered regulatory action'' in section 2–202 of the Executive Order. This action is not subject to Executive Order 13045 because it approves a State program.

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

This action is not subject to Executive Order 13211, because it is not a significant regulatory action under Executive Order 12866.

J. National Technology Transfer and Advancement Act (NTTAA)

This rulemaking does not involve technical standards.

VII. References

Attorney General's Statement ''Attorney General's Statement to Accompany Colorado's Underground Injection Control Program Class VI Primacy Application'', signed by the Attorney General of Colorado on May 27, 2025.

Class VI Underground Injection Control Program Description ''Colorado Class VI Underground Injection Control 1422 Program Description'', Colorado Energy and Carbon Management Commission, October 7, 2025.

Letter from the Governor of Colorado to the Regional Administrator, EPA Region 8, signed on April 2, 2025.

The Memorandum of Agreement Between the Colorado Energy and Carbon Management Commission and The United States Environmental Protection Agency Region 8 for the UIC Class VI Program signed by the EPA Regional Administrator on October 8, 2025.

State of Colorado Energy and Carbon Management Commission of Colorado Department of Natural Resources UIC Class VI Primacy Application, ''Relevant State Statutes and Regulations'', October 7, 2025.

State of Colorado Energy and Carbon Management Commission of the Colorado Department of Natural Resources UIC Class VI Primacy Application, ''Public Participation Documentation'', October 7, 2025.

U.S. Environmental Protection Agency. Proposed ''Colorado SDWA § 1422 Underground Injection Control Program Statutes and Regulations for Well Class VI to be Incorporated by Reference.'' December 4, 2025. Office of Water.

List of Subjects in 40 CFR Part 147

Environmental protection, Incorporation by reference, Indian lands, Intergovernmental relations, Reporting and recordkeeping requirements, Water supply.

Lee Zeldin,

Administrator.

For the reasons set forth in the preamble, the EPA proposes to amend 40 CFR part 147 as follows:

PART 147—STATE, TRIBAL, AND EPA-ADMINISTERED UNDERGROUND INJECTION CONTROL PROGRAMS

■ 1. The authority citation for part 147 continues to read as follows:

Authority: 42 U.S.C. 300f *et seq.;* and 42 U.S.C. 6901 *et seq.*

■ 2. Redesignate § 147.301 through § 147.305 to § 147.302 through § 147.306

■ 3. Add § 147.301 to read as follows:

§ 147.301 State-administered program—Class VI Wells

The UIC program for Class VI wells in the State of Colorado, except for those wells on Indian lands, is the program administered by the Colorado Energy and Carbon Management Commission approved by EPA pursuant to section 1422 of the Safe Drinking Water Act (SDWA). The UIC Program for Class VI wells in the State of Colorado, except those located on Indian lands, is the program administered by the Colorado Energy and Carbon Management Commission, approved by the EPA pursuant to section 1422 of the SDWA. The effective date of this program is [DATE 30 DAYS AFTER DATE OF PUBLICATION OF THE FINAL RULE IN **FEDERAL REGISTER**]. The UIC program for Class VI wells in the State of Colorado, except those located on Indian lands, consists of the following elements, as submitted to EPA in the State's program application.

(a) *Incorporation by reference.* The requirements set forth in the State statutes and regulations cited in this paragraph are hereby incorporated by reference and made part of the applicable UIC program under SDWA for the State of Colorado. This incorporation by reference was approved by the Director of the Federal Register in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. Copies may be obtained at the State of Colorado Energy and Carbon Management Commission, 1120 Lincoln Street. Suite 801, Denver, Colorado 80203. Copies of the State of Colorado's provisions that are incorporated by reference may be inspected at the U.S. Environmental Protection Agency, Water Docket, EPA Docket Center (EPA/DC), EPA WJC West, Room 3334, 1301 Constitution Ave. NW, Washington, DC 20004, or Region 8, U.S. Environmental Protection Agency, 1595 Wynkoop Street, Denver, Colorado 80202–1129. If you wish to obtain this material from the EPA Docket Center, call (202) 566–2426. Copies of this material also may be inspected 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.*

* * * * *

(1) Colorado SDWA Sec. 1422 Underground Injection Control Program Statutes and Regulations for Well Class VI to be Incorporated by Reference.

TABLE 1 TO PARAGRAPH (a)

State citation	Title/subject	State finalization date	EPA approval date
C.R.S. 24–4–101 through 24–4–109.	Colorado Administrative Procedure Act.	December 16, 2024	[DATE OF PUBLICATION OF THE FINAL RULE IN **FEDERAL REGISTER**].
C.R.S. 34–60–101 through 34–60–143.	Oil and Gas Conservation Act	December 16, 2024	[DATE OF PUBLICATION OF THE FINAL RULE IN **FEDERAL REGISTER**].
2 CCR 404–1, series 100, 200, 500, 600, 900, 1400.	Department of Natural Resources Energy and Carbon Management Commission Rules of Practice and Procedure.	December 16, 2024	[DATE OF PUBLICATION OF THE FINAL RULE IN **FEDERAL REGISTER**].

(b) *Memorandum of Agreement.* The Memorandum of Agreement Between Colorado Energy and Carbon Management Commission and The United States Environmental Protection Agency Region VIII for the UIC Class VI Program, signed by the EPA Regional Administrator October 8, 2025.

(c) *Governor's Letter.* Letter from the Governor of Colorado to the Regional Administrator, EPA Region VIII, signed on April 2, 2025.

(d) *Statement of Legal Authority.* Attorney General's Statement to Accompany Colorado's Underground Injection Control Program Class VI Primacy Application'', signed by the Attorney General of Colorado on May 27, 2025.

(e) *Program Description.* The Program Description, ''Colorado Class VI Underground Injection Control Program (1422) Description''.

[FR Doc. 2026–05453 Filed 3–18–26; 8:45 am]

BILLING CODE 6560–50–P

Notices

Federal Register
Vol. 91, No. 53
Thursday, March 19, 2026

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 AGRICULTURE

Food and Nutrition Service

Agency Information Collection Activities: Renewing Burden Number 0584–0293

AGENCY: Food and Nutrition Service (FNS), USDA.

ACTION: Notice.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, this notice invites the public and other public agencies to comment on this proposed information collection. This is a revision to a currently approved collection to prevent a lapse in OMB approval of data collection. This collection allows for Food Distribution Programs, such as the National School Lunch Program (NSLP), the Food Distribution Program on Indian Reservations (FDPIR), the Commodity Supplemental Food Program (CSFP), and The Emergency Food Assistance Program (TEFAP), to run effectively.

DATES: Written comments must be received on or before May 18, 2026.

ADDRESSES: The Food and Nutrition Service, USDA, invites interested persons to submit written comment.

- *Preferred Method:* Federal eRulemaking Portal. Go to *http://www.regulations.gov* and follow the online instructions for submitting comments electronically.
- *Mail:* Send comments to Gregory Walton, Food and Nutrition Service, 1320 Braddock Place, 3rd Floor, Alexandria, Virginia 22314.

All responses to this notice will be summarized and included in the request for Office of Management and Budget (OMB) approval. All comments will be a matter of public record.

FOR FURTHER INFORMATION CONTACT: Requests for additional information or copies of this information collection should be directed to Gregory Walton by phone at (703) 305–2854 or via email at *Gregory.Walton@usda.gov.*

SUPPLEMENTARY INFORMATION: The information reported and the records kept for purposes of review under 7 CFR parts 240, 247, 250, 251, 253, and 254 are used by State and recipient agencies, Indian Tribal Organizations (ITOs), and FNS regional and national offices for the purpose of administering USDA Food Distribution Programs. The programs assist American farmers and people who are food insecure by purchasing commodities and delivering them to State agencies and ITOs that, in turn, distribute them to organizations for use in providing food assistance to those in need. The information collected allows State agencies and ITOs to administer programs that align with their local preferences and gives FNS National and Regional offices the ability to ensure programs are complying with program regulations and policies.

Comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions that were used; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on those who are to respond, including use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology. This ICR will renew the previous collections associated with 0584–0293 and implement the two revised and seven new collections associated with the Food Distribution Programs: Improving Access and Parity final rule (89 FR 87228).

Supplementary Information

Title: Food Distribution Burden Table.

Form Numbers: FNS 7, 52, 53, 57, 152, 153, 155, 667, 929 (new), 930 (new), and SF–425.

OMB Number: 0584–0293.

Expiration Date: August 31, 2026.

Abstract: The Food Distribution Programs of the United States Department of Agriculture (USDA) assist American farmers and needy people by purchasing and delivering food to State agencies and ITOs that, in turn, distribute them to organizations that assist those in need. Effective administration of Food Distribution Programs is dependent on the collection and submission of information from State and local agencies, ITOs, and private-for-profit companies to FNS. This information includes, for example, the number of households served in the programs; the quantities of foods ordered and where the food is to be delivered; verification of the receipt of a food order; and the amounts of USDA Foods in inventory. FNS employs this information collection activity to obtain the data necessary to make those calculations. This is a revision of the information collection under the burden number 0584–0293.

Regulations at 7 CFR 240 establish procedures for State distributing agencies which receive cash in lieu of USDA Foods, including the manner of disbursement and requirements for accountability for funds. Although the reporting burden for these forms is captured in a separate information activity collection (OMB #0584–0055), the recordkeeping burden of these collections is included in this revision and renewal.

Regulations at 7 CFR 247 provide instructions on the administration of the Commodity Supplemental Food Program (CSFP). Information collections in this section include applications to receive benefits, USDA Foods inventory management, use of administrative funding, and agreements between State agencies operating the program and FNS. These information collections ensure that the eligible individuals are able to access the program, that foods are distributed in a safe and effective manner, and that Federal funds are used appropriately.

Regulations at 7 CFR 250 govern the use of USDA Foods in child nutrition programs, household food distribution programs, disasters, and situations of distress. Information collection activities authorized by this section are necessary so that the Department can distribute USDA Foods as needed to State distributing agencies and, in turn, that State distributing agencies provide USDA Foods and associated funding to recipient agencies in accordance with Federal statutory and regulatory requirements.

Regulations at 7 CFR 251 establish requirements and procedures for administration of The Emergency Food Assistance Program (TEFAP). Information collections authorized by this section include agreements between State agencies and FNS, plans for statewide distribution of USDA Foods, State plan amendments to implement Farm to Food Bank project grants, and records of participation in the distribution of USDA Foods for home consumption. These information collections provide FNS with an understanding of how USDA Foods are distributed through the program.

Regulations at 7 CFR 253 govern the Food Distribution Program on Indian Reservations (FDPIR). Information collections authorized by this section include plans of program operation, plans for monitoring and oversight of program operation by Tribal organizations, management of administrative funds, and reports of damaged or out of condition USDA Foods. These information collections allow FNS to understand how USDA Foods will be distributed by administering organizations, how Federal funds are used to support program operations, and ensure that USDA Foods are distributed in a safe and effective manner.

Regulations at 7 CFR part 254 establish requirements and procedures for the operation of FDPIR for households in Oklahoma. Information collections authorized by this section are identical to those of 7 CFR 253.

The Food Distribution Programs: Improving Access and Parity Final Rule (89 FR 87228) revised two and created seven new collections for CSFP, USDA Foods in Disasters and Situations of Distress, TEFAP, and FDPIR. For more information, please see The Food Distribution Programs: Improving Access and Parity Final Rule (89 FR 87228).

There are other forms which are used to report information that are associated with this collection that are approved under other FNS information collections or in other agency information collections. The burden associated with these forms is approved under these collections and is not included in the total burden for this collection. These forms include FNS–44 Report of Child and Adult Care Food Program, FNS–10 Report of School Operations, FNS–191 CSFP Racial/Ethnic Group Participation, FNS–292A Report of Commodity Distribution for Disaster Relief, and FNS–292B Disaster Supplemental Nutrition Assistance Program Benefit Issuance (OMB# 0584–0594 Food Programs Reporting System (FPRS), expiration date 9/30/2026) and FNS–74 Federal-State Agreement (OMB# 0584–0067 7 CFR part 235—State Administrative Expense (SAE) Funds, expiration date 1/31/2026). In addition to these Agency-developed forms, FNS also uses OMB Standard Forms SF–269 Financial Status Report (Long), SF–269A Financial Status Report (Short), SF–424 Application for Federal Assistance, and SF–1034 in the commodity programs.

Affected Public: Respondent groups include: (1) Individuals and households; (2) businesses or other for-profit entities; (3) not for-profit organizations; and (4) State, local, and Tribal governments.

Estimated Number of Respondents: The total estimated number of respondents is 815,362. This includes 78,014 respondents from State, Local, and Tribal Governments, 10,329 from private for-profit business and companies, 3,819 nonprofits, and 723,200 households and individuals.

Estimated Number of Responses per Respondent: The total estimated average number of responses is 4.96.

Estimated Time per Response: The average response time is 0.22 hours (13.2 minutes) per response.

Estimated Total Annual Burden on Respondents: 884,482.86. See table below for estimated total annual burden for each type of respondent.

REPORTING

Affected public	Est. number of respondents	Number of responses per respondent	Total annual responses	Est. total hours per response	Est. total burden
State, Local, and Tribal Governments	26,403	1,709.01	233,283.24	231.51	60,415.75
Private For Profit	3,443	202.45	861,681.33	0.03	26,093.88
Private Not for Profit	740	1.00	740.00	0.76	564.50
Individual	723,200.00	1.97	1,425,700.00	0.25	361,600.00
Total Burden Estimates	753,786.00	3.34	2,521,404.57	0.18	448,674.13

RECORD KEEPING

Affected public	Est. number of respondents	Number of responses per respondent	Total annual responses	Est. total hours per response	Est. total burden
State, Local, and Tribal Governments	51,611.00	9.14	471,682.46	0.08	35,514.72
Private For Profit	6,886	150.22	1,034,429.00	0.06	62,671.72
Private Not for Profit	3,079	4.15	12,782.00	52.63	337,622.29
Individual	0	0.00	0.00	0.00	0.00
Total Burden Estimates	61,576.00	24.67	1,518,893.46	0.29	435,808.73

Patrick A. Penn,

Deputy Under Secretary, Food, Nutrition and Consumer Services.

[FR Doc. 2026–05442 Filed 3–18–26; 8:45 am]

BILLING CODE 3410–30–P

DEPARTMENT OF AGRICULTURE

Forest Service

Information Collection: Grazing Permit Administration Forms

AGENCY: Forest Service.

ACTION: Notice.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, the Forest Service (Agency) is seeking comments from all interested individuals and organizations on the

renewal of a currently approved information collection, Grazing Permit Administration Forms and the new information collection Grazing Agreement form.

DATES: Comments must be received in writing on or before May 18, 2026 to be assured of consideration.

ADDRESSES: Commenters are encouraged to submit comments by email, if possible. You may submit comments by any of the following methods:

- *Email: SM.FS.RngMgmtWO@usda.gov.*
- *Mail:* USDA Forest Service, Director, Natural Resources, Attention: Gilbert Jackson, 1400 Independence Ave. SW, Mailstop Code: 1103, Washington, DC 20250–1103.
- *Hand Delivery/Courier:* Forest Service, USDA, 1400 Independence Avenue SW, Washington, DC 20250.

Comments submitted in response to this notice may be made available to the public through relevant websites and upon request. For this reason, please do not include in your comments information of a confidential nature, such as sensitive personal information or proprietary information. If you send an email comment, your email address will be automatically captured and included as part of the comment that is placed in the public docket and made available for public viewing. Please note that comments containing any routine notice about the confidentiality of the communication will be treated as public comments that may be made available to the public notwithstanding the inclusion of the routine notice.

The public may request that an electronic copy of the supporting documents for the information collection and/or any comments received be sent via return email. Requests should be emailed to *SM.FS.RngMgmtWO@usda.gov.* The information collection request is posted online at *https://www.regulations.gov/.*

FOR FURTHER INFORMATION CONTACT: Kaylene Monson, National Range Data Steward at *mary.monson@usda.gov* or by phone at 406–217–1358.

SUPPLEMENTARY INFORMATION:

Title: Grazing Permit Administration Forms including new Grazing Agreement Form.

OMB Number: 0596–0003.

Expiration Date of Approval: June 30, 2026.

Type of Review: New information collection for the Grazing Agreement form and Extension with no Revision of currently approved information collection forms.

Abstract: This information collection extension is necessary to continue allowing proper administration of livestock grazing programs on National Forest System (NFS) lands and sustaining relationships with grazing associations/districts. Domestic livestock grazing occurs on approximately 93 million acres of NFS lands. Grazing on NFS lands is subject to authorization and administrative oversight by the Forest Service. The information collected by the Forest Service is the minimum required for issuance and administration of grazing permits, including fee collections, as authorized by the Title III of the Bankhead-Jones Farm Tenant Act (BJFTA) of 1937 (7 U.S.C. 1010, 1011, 1012), the Granger-Thye Act of 1950 (16 U.S.C. 580h and 580l), the Federal Land Policy and Management Act of 1976, as amended (43 U.S.C. 1751–2 *et seq.*) and United States Department of Agriculture regulations at 36 CFR 213 and 222, subparts A–C. Similar information is not available from any other source. The seven forms being renewed have not been updated; there has been no change in the intent, amount, or type of information collected from the public. The Grazing Agreement is a new form.

Forest Service officials currently use the following forms to collect the information necessary to administer this program.

FS–2200–001; Refund, Credit, or Transfer Application collects the following information:

- Name and mailing address;
- Permit number;
- National forest or grassland and ranger district;
- Purpose of application: Credit on next year's fees, refund of overpaid fees, or transfer of credit to another account;
- The allotment, kind of livestock and number;
- Period rangeland not used; From and To dates;
- Reason for less use than permitted; and
- Signature of Permittee.

Information collected on this form enables the Forest Service to evaluate a grazing permittee's request for refund, credit, or transfer of the unused portion of the preceding season's grazing fees paid to the Forest Service for the occupancy of the National Forest System lands by permitted livestock.

Affected Public: Individuals and Businesses.

Estimated Annual Burden per Response: 10 minutes.

Estimated Annual Number of Respondents: 50.

Estimated Annual Number of Responses per Respondent: 1.

Estimated Total Annual Burden on Respondents: 8 hours.

FS–2200–002; Application for Temporary Grazing or Livestock Use Permit collects following information:

- the Name and address of applicant;
- Livestock number, kind, and class;
- Period of use;
- Grazing allotment; and
- Signature of Applicant.

Information collected on this form enables the Forest Service to determine whether individuals qualify for a temporary grazing or livestock use permit, which authorizes grazing on certain NFS lands for a period not to exceed one year. The Forest Service uses the information on this form to determine whether the applicant is likely to comply with grazing permit terms and conditions.

Affected Public: Individuals and Businesses.

Estimated Annual Burden per Response: 15 minutes.

Estimated Annual Number of Respondents: 75.

Estimated Annual Number of Responses per Respondent: 1.

Estimated Total Annual Burden on Respondents: 18.75 hours.

FS–2200–012; Waiver of Term Grazing Permit enables the Forest Service to terminate an individual's grazing privileges on certain NFS lands based upon that individual's sale or transfer of base property, permitted livestock, or both to another individual who desires to acquire a new grazing permit. The waiver enables the Forest Service to cancel the grazing permit held by the individual who sold or transferred the base property, permitted livestock, or both; and to identify the individual who acquired the base property, permitted livestock, or both as the preferred applicant for a new grazing permit.

- Name and address of permittee;
- Permit number;
- Date Permit Issued;
- Livestock number and livestock class;
- Period of use;
- Allotment;
- National Forest or Grassland and Ranger District;
- Date of Sale;
- Name and address of Purchaser;
- Livestock Number and Class OR Base Property Description;
- Signature of Permittee; and
- Signature of Purchaser.

Affected Public: Individuals and Businesses.

Estimated Annual Burden per Response: 15 minutes.

Estimated Annual Number of Respondents: 75.

Estimated Annual Number of Responses per Respondent: 1.

Estimated Total Annual Burden on Respondents: 18.75 hours.

FS–2200–013; Escrow Waiver of Term Grazing Permit Privileges collects information on loans made to permittees. The Forest Service uses the information to record the name and address of a permittee's lender, the amount of the loan, and the due date for repayment. The information assists Agency officials in determining whether to hold in escrow, on behalf of the lender, all the privileges associated with the grazing permit except the privilege to graze. The Forest Service uses the collected information to (1) notify the lender of important issues associated with the administration of the grazing permit and (2) facilitate the transfer of a grazing permit to the lender if the permittee defaults on the loan.

- Name and address of permittee;
- Permit number;
- Date Permit Issued;
- Livestock number and livestock class;
- National Forest or Grassland and Ranger District;
- Financial Institution Name and address;
- Livestock Number and Class OR Base Property Description;
- Amount of loan and payable date; and
- Signature of Permittee.

Affected Public: Individuals and Businesses.

Estimated Annual Burden per Response: 15 minutes.

Estimated Annual Number of Respondents: 45.

Estimated Annual Number of Responses per Respondent: 1.

Estimated Total Annual Burden on Respondents: 11.25 hours.

FS–2200–016; Application for Term Grazing Permit collects the following information:

- Name and address of applicant;
- Livestock Number, Kind and Class;
- Period of use;
- Grazing allotment; and
- Signature of applicant.

The information collected on this form enables the Forest Service to evaluate an applicant's eligibility and qualification to hold a term grazing permit authorizing the use of National Forest System lands for livestock grazing purposes, to determine the applicant's ability to comply with grazing permit terms and conditions, and to notify the applicant in writing of matters associated with the administration of permitted grazing including, but not limited to, bills for the fees associated with the permitted grazing.

Affected Public: Individuals and Businesses.

Estimated Annual Burden per Response: 15 minutes.

Estimated Annual Number of Respondents: 650.

Estimated Annual Number of Responses per Respondent: 1.

Estimated Total Annual Burden on Respondents: 162.5 hours.

FS–2200–017; Application for Term Private Land Grazing Permit collects the following information:

- Name and address of applicant;
- Livestock Number, Kind and Class;
- Period of use;
- Grazing allotment; and
- Signature of applicant.

The information collected on this form enables the Forest Service to evaluate an applicant's eligibility and qualification to hold a term private land-grazing permit, which authorizes the use of National Forest System lands and private lands owned or controlled by the applicant for livestock grazing purposes. The information also enables the Forest Service to determine the applicant's ability to comply with grazing permit terms and conditions, and to notify the applicant in writing of matters associated with the administration of permitted grazing.

Affected Public: Individuals and Businesses.

Estimated Annual Burden per Response: 15 minutes.

Estimated Annual Number of Respondents: 50.

Estimated Annual Number of Responses per Respondent: 1.

Estimated Total Annual Burden on Respondents: 12.5 hours.

FS–2200–025; Ownership Statement by Corporation, Partnership, or Other Legal Entity collects the following information:

- Name of corporation, partnership, or other legal entity;
- The name, title, signing authority, mailing address, shares owned, or percent of ownership of each stockholder, partner, or member of the entity; and
- Signature of applicant.

The information on this form enables the Forest Service to evaluate whether a corporation, partnership, or other legal entity is eligible and qualified to hold a term grazing permit authorizing grazing on certain National Forest System lands, whether the entity is authorized to conduct business in the state in which the National Forest System lands to be grazed are located, and which shareholders, partners, or members are authorized to sign official documents on behalf of the legal entity.

Affected Public: Individuals and Businesses.

Estimated Annual Burden per Response: 10 minutes.

Estimated Annual Number of Respondents: 325.

Estimated Annual Number of Responses per Respondent: 1.

Estimated Total Annual Burden on Respondents: 52 hours.

FS–2200–XXXX; Grazing Agreement: The Forest Service and grazing associations/districts have been working together since the Secretary of Agriculture assigned many of the Land Utilization Project lands to the Forest Service for management under provisions of the BJFTA in 1954 (designated as ''National Grasslands'' in 1960). The purpose of cooperating with grazing associations/districts is to facilitate sound land conservation practices across all lands covered by a grazing agreement and encourage cooperation across boundaries to sustain working and natural landscapes. In doing so, grazing associations take on certain administrative responsibilities that would otherwise be borne by the Forest Service if it were directly administering the grazing permits of the grazing association members and bring valuable expertise and resources to foster responsible livestock grazing and rangeland management across boundaries.

A grazing agreement is a type of term grazing permit (see 36 CFR 222.3(c)(1)) that assigns responsibility to grazing associations or grazing districts, established under State law and recognized by the Forest Service, to administer livestock grazing by their members on NFS lands and on any other intermingled land ownerships identified in the grazing agreement. To ensure a durable instrument is available for authorizing Grazing Associations to use NFS lands for livestock grazing purposes, the Agency is creating an official grazing agreement form. Creation of an official grazing agreement form is also intended to ensure grazing associations/districts, and the Agency have access to a form that is:

- Consistent to provide transparency and predictability in clauses and requirements,
- Clear and concise to minimize the time needed and burden required to complete the form while improving the efficiency and effectiveness of Government programs,
- Durable for use by ensuring the form meets all statutory and regulatory requirements,
- Provides uniform data for the implementation of the Agency grazing program.

FS–2200–XXX; Grazing Agreement collects the following information:

- Name of Grazing Association;
- National Grassland or National Forest;
- Number of permitted head months;

- Grazing Allotments; and
- Signature of Grazing Association President

Information collected on this form enables the Forest Service to document the relationship between the Agency and the respective grazing association, the level and areas (grazing allotments) of authorized livestock grazing use, and related responsibilities assigned to a respective grazing association for managing their members livestock grazing use and completion of authorized land use practices/rangeland improvements.

Affected Public: Individuals, Families, or Businesses (especially those owning and operating ranches/farms and participating as a member of a grazing association/district).

Estimate of Burden per Response: 1 hour to complete the form.

Estimated Annual Number of Respondents: 5.

Estimated Annual Number of Responses per Respondent: 1.

Estimated Total Annual Burden on Respondents: 5 hours.

Total Estimate of Annual Burden: 2.57 Minutes.

Total Type of Respondents: Individuals and Businesses.

Total Estimated Annual Number of Respondents: 1,275.

Total Estimated Annual Number of Responses per Respondents: 1.

Total Estimated Total Annual Burden on Respondents: 288.75 hours.

Comment Is Invited

Comment is invited on (1) whether this collection of information is necessary for the stated purposes and the proper performance of the functions of the Agency, including whether the information will have practical or scientific utility; (2) the accuracy of the Agency's estimate of the burden of the collection of information, including the validity of the methodology and assumptions used; (3) ways to enhance the quality, utility, and clarity of the information to be collected; and (4) ways to minimize the burden of the collection of information on respondents, including the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

All comments received in response to this notice, including names and addresses when provided, will be a matter of public record. Comments will be summarized and included in the submission request for Office of Management and Budget approval.

Lisa Northrop,

Associate Deputy Chief State, Private, and Tribal Forestry, National Forest System.

[FR Doc. 2026–05326 Filed 3–18–26; 8:45 am]

BILLING CODE 3411–15–P

DEPARTMENT OF AGRICULTURE

Forest Service

National Urban and Community Forestry Advisory Council

AGENCY: Forest Service, Agriculture (USDA).

ACTION: Notice of meeting.

SUMMARY: The National Urban and Community Forestry Advisory Council (Council) will hold a public meeting according to the details shown below. The Council is authorized under the Cooperative Forestry Assistance Act and operates in compliance with the Federal Advisory Committee Act. The Council is responsible for developing a ten-year action plan, evaluating the implementation of that plan annually, and developing criteria and submitting recommendations for the forestry challenge cost-share grant program.

DATES: A virtual meeting will be held on April 10, 2026, from 11 a.m. to 3 p.m., Eastern Daylight Time.

Written and Oral Comments: Anyone wishing to provide in-person or virtual oral comments must pre-register by 11:59 p.m. Eastern Daylight Time on April 2, 2026. Written public comments will be accepted by 11:59 p.m. Eastern Daylight Time on April 2, 2026. Comments submitted after this date will be provided by the Forest Service to the Council, but Council members may not have adequate time to consider those comments prior to the meeting.

All National Urban and Community Forestry Advisory Council meetings are subject to cancellation. For status of the meeting prior to attendance, please contact the person listed under **FOR FURTHER INFORMATION CONTACT**.

ADDRESSES: This meeting will be held virtually via telephone and video conference. Members of the public may participate in the meeting by joining via videoconference at Microsoft Teams: *https://teams.microsoft.com/meet/27732464730278?p=dSlyanv5eyjVDIj7Wg,* Meeting ID: 277 324 647 302 78, Passcode: Qm6n7Eu6; or Dial in by phone +1 202–650–0123, United States, Washington; Phone conference ID: 520152909#. Council information and meeting details can be found at the following website, *https://www.fs.usda.gov/managing-land/urban-forests/ucf,* or by contacting the person listed under **FOR FURTHER INFORMATION CONTACT**.

Written Comments: Written comments must be sent by email to *nancy.stremple@usda.gov* or via mail to Nancy Stremple, 201 14th Street SW, Sidney Yates Building 3SC–01B, Washington, DC 20024. The Forest Service strongly prefers comments to be submitted electronically.

Oral Comments: Persons or organizations wishing to make oral comments must pre-register by 11:59 Eastern Daylight Time, April 2, 2026, and speakers can only register for one speaking slot. Oral comments must be sent by email to *nancy.stremple@usda.gov* or via mail to Nancy Stremple, 201 14th Street SW, Sidney Yates Building 3SC–01B, Washington, DC 20024.

FOR FURTHER INFORMATION CONTACT: Nancy Stremple, Designated Federal Officer, by email at *nancy.stremple@usda.gov* (recommended) or by phone at (202) 205–7829. Individuals who are deaf, hard of hearing, or have a speech disability may call 711 to reach the Telecommunications Relay Service then provide the phone number of the person named as a point of contact for further information.

SUPPLEMENTARY INFORMATION: The purpose of the meeting is to:

1. Introduce the National Urban and Community Forestry Council members and guests;
2. Update on the Forest Service's Urban and Community Forestry Program;
3. Update on the national ten-year action plan (2027–2037);
4. Discuss status of the Council nominations;
5. Discuss status of the national grant program;
6. Listen to public input;
7. Hear about partner activities;
8. Identify other items and;
9. Discuss next meeting and close meeting.

The purpose of the Council is to develop a national urban and community forestry ten-year action plan in accordance with section 9(g)(3)(A–F) of the Cooperative Forestry Assistance Act (the Act), evaluate and report annually on the implementation of that plan to the Secretary, and develop criteria, and submit recommendations with respect to, the Forest Service's National Urban and Community Forestry Challenge Cost-share Grant Program as required by section (9)(f)(1–2) of the Act.

Please contact the person listed under **FOR FURTHER INFORMATION CONTACT**, by

or before the deadline, for all questions related to the meeting. All comments, including names and addresses when provided, are placed in the record and are available for public inspection and copying. The public may inspect comments received upon request.

Meeting Accommodations: If you are a person requiring reasonable accommodation, please make a request in advance for sign language interpreting, assistive listening devices, or other reasonable accommodation. For access to proceedings, please contact the person listed in the section titled **FOR FURTHER INFORMATION CONTACT**. All reasonable accommodation requests are managed on a case-by-case basis.

Equal opportunity practices, in accordance with U.S. Department of Agriculture (USDA) policies, will be followed in all membership appointments to the Council.

In accordance with Federal civil rights law and USDA civil rights regulations and policies, the USDA, its Agencies, offices, employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Dated: March 17, 2026.

Cikena Reid,

USDA Committee Management Officer.

[FR Doc. 2026–05416 Filed 3–18–26; 8:45 am]

BILLING CODE 3411–15–P

DEPARTMENT OF AGRICULTURE

Rural Housing Service

[Docket No. RHS–25–SFH–0200]

Single Family Housing Section 502 Guaranteed Loan Program Lender Interactive Test Environment (LITE) Delegated Authority Pilot Program

AGENCY: Rural Housing Service, USDA.

ACTION: Notice.

SUMMARY: The Rural Housing Service (RHS), a division of the Rural Development Agency within the United States Department of Agriculture (USDA), is implementing the Lender Interactive Test Environment (LITE) Delegated Authority Pilot Program for the Section 502 Single Family Housing Guaranteed Loan Program (SFHGLP). The purpose of this pilot program is to test a change in the SFHGLP loan approval process by replacing the Agency's pre-closing loan approval requirement with the delegation of loan approval authority to eligible lenders, consistent with the Delegated Authority final rule (**Federal Register** Docket Number RHS–21–SFH–0017). This pilot program is authorized under 42 U.S.C. 1476(b). This notice provides detailed information about the pilot program, including eligibility criteria, application process, operational procedures, monitoring, and oversight mechanisms.

DATES: The effective date of the pilot program is September 1, 2026. The pilot program will continue for two years, ending September 28, 2028.

FOR FURTHER INFORMATION CONTACT: Sara Thieleke, Deputy Director, Policy, Analysis, and Communications Branch, Single Family Housing Guaranteed Loan Division, Rural Development, U.S. Department of Agriculture, Email: *sara.thieleke@usda.gov;* Phone: (314) 457–5242.

SUPPLEMENTARY INFORMATION:

Authority

Title V, Section 502 of the Housing Act of 1949, as amended; 42 U.S.C. 1472; 42 U.S.C. 1476(b).

Acronyms

CFR Code of Federal Regulations
GUS Guaranteed Underwriting System
LITE Lender Interactive Test Environment
RHS Rural Housing Service
§ Section
SFHGLP Single Family Housing Guaranteed Loan Program
USDA U.S. Department of Agriculture

Background

The Section 502 Guaranteed Loan Program, regulated by 7 CFR part 3555, offers a 90% loan note guarantee to approved lenders to assist low- and moderate-income households in purchasing adequate, modest, safe, and sanitary dwellings as their primary residence in eligible rural areas. The SFHGLP provides opportunities for applicants lacking sufficient resources to acquire, build, rehabilitate, improve, or relocate a dwelling in a rural area.

To streamline the SFHGLP, the RHS has been working on incorporating a delegated authority process for eligible lenders through a final rule (''Delegated Authority'') (**Federal Register** Docket Number RHS–21–SFH–0017). While the necessary technology advancements needed for full implementation of Delegated Authority are in process, RHS has established the LITE Delegated Authority Pilot Program to phase in and test Delegated Authority in a controlled environment. The pilot will permit participating LITE Delegated Lenders to approve loans and obtain Loan Note Guarantees with limited Agency involvement. The objective of this pilot is to test the implementation of Delegated Authority by streamlining and expediting loan approvals, similar to the efficiencies seen in the Federal Housing Administration and the Department of Veterans Affairs programs, thereby leveraging the expertise of private-sector lenders to balance growing demand and limited federal resources.

This notice outlines the new LITE Delegated Authority Pilot Program under the Section 502 SFHGLP.

Eligibility Requirements

Lenders interested in participating must notify the Agency at *LITEPilot@usda.gov.* To qualify for the pilot program, lenders must demonstrate above-average loan performance based on delinquencies, loss claims, and default rates over the past two years when compared to the SFHGLP portfolio; have originated at least 10 SFHGLP loans in the last 12 months; and be current on all lender certifications, fees, and loan requirements. Lenders must have a satisfactory compliance record, with no failed Corrective Action Reviews or Reduced Sample Reviews for the past 24 months. The Agency will review qualifications for the pilot program as lenders submit notifications. The number of lenders approved for LITE Delegated Lender status will be contingent on the progress of the Agency's system modifications, budgetary constraints, portfolio performance, and availability of resources required to perform lender oversight and monitoring. Selection criteria will include lender performance metrics and the number of volunteer lenders.

Operational Procedures

Approved lenders and their agents operating under the LITE Delegated program must continue to utilize the Agency's automated loan underwriting and closing systems for all supported loan submissions. When manual submissions are necessary due to Guaranteed Underwriting System (GUS) limitations, lenders must follow the Manual Submission Job Aid procedures which can be located on the USDA LINC Training and Resource Library located at *https://www.rd.usda.gov/resources/usda-linc-training-resource-library/loan-origination.* All aspects of loan origination, processing, closing,

and servicing must strictly comply with published regulations and handbook guidelines. For LITE Delegated Lenders, the organization will perform the pre-closing loan approval process and manage post-closing issuance of the Loan Note Guarantee with minimal Agency oversight. These lenders have the delegated authority to approve loans either through the Agency's automated underwriting system, or by manually underwriting a file not supported by GUS. Processing times vary by submission type. GUS submissions will be completed within 2 business hours, while manual submissions will follow standard processing timeframes.

After closing, LITE Delegated Authority submissions qualify for a streamlined closing process. LITE Delegated Lenders will use the Lender Loan Closing system to enter basic loan closing information and authorize electronic payment of the upfront Guarantee Fee and USDA Technology Fee via the *Pay.gov* system. Documentation uploads are only required if specifically requested by the Agency. The Agency will issue the Loan Note Guarantee within two business days of receipt, retrievable from the Agency's Lender Loan Closing system. The Loan Note Guarantee is backed by the full faith and credit of the United States as per § 3555.108. Consequently, the LITE Delegated Lender is responsible for ensuring that both the applicant and the property meet the eligibility requirements and certification for the loan guarantee under subparts C, D, and E of 7 CFR part 3555, as well as the environmental requirements in § 3555.5.

Variance From Procedures (for LITE Delegated Lenders)

The Agency is modifying the procedures for LITE Delegated Lenders as follows:

Environmental Reviews: SFHGLP loans are generally considered categorical exclusions under 7 CFR 1b. If there is an extraordinary circumstance, the LITE Delegated Lender must notify the Agency to decide the appropriate course of action.

Appraisal Reviews: Agency administrative appraisal reviews under § 3555.107(d)(4) are inapplicable to loans approved via LITE delegated authority. LITE Delegated Lenders are responsible for ensuring that appraisal reports meet all requirements under § 3555.107(d).

Application Priority Processing: The requirements under § 3555.107(a) for prioritizing applications do not apply to LITE Delegated Lenders as adequate budget authority exists.

Conflict of Interest: When a conflict of interest is disclosed by either the borrower or a Rural Development employee, as described in § 3555.8, the LITE Delegated Lender is required to document the disclosure in the permanent loan file. However, since Delegated Lenders will process pre-closing and post-closing activities with limited Agency assistance, reassignment of the application as described in § 3555.8(d) is not required.

Pilot Program Evaluation and Oversight

The LITE Delegated Authority Pilot Program will be tested in a controlled environment. Any technological shortcomings encountered during the pilot program will be addressed through a workaround process provided to participating lenders. The program's effectiveness will be evaluated through comprehensive file reviews. Participating lenders will be required to submit fully documented, post-closing, loan submissions for evaluation. Initially, the Agency will review the first 5 to 15 loan files submitted by participating lenders, depending on loan volume. Additionally, 2% of files originated each month, per lender, will be reviewed utilizing the existing compliance review process. Should any concerns regarding regulatory or statutory non-compliance be identified during these reviews, participating lenders will be given 90 days from the date of notification by the Agency to make the necessary corrections. Failure to address these issues within the stipulated timeframe will result in the lender's removal from the pilot program. Furthermore, SFHGLP Senior Leadership retains the right to withdraw approval and participation in the program for any lender found to be engaging in misconduct. If a lender violates program guidelines or fails to meet eligibility standards, the Agency may issue cease and desist letters to halt improper actions. Additionally, all loans are subject to future indemnification per § 3555.108(d).

The requirements for LITE Delegated Lender status include meeting the general eligibility criteria in § 3555.51, having participated in the SFHGLP for at least two years, and maintaining above-average performance standards in delinquency, default, and loss claim rates. Eligibility is reassessed every two years, requiring lenders to be registered in SAM, complete mandatory recertification training, and respond within the timeframe specified in the agency notification provided to the Lender. Guarantee fees must be paid electronically at loan closing. LITE Delegated Lenders are required to continuously maintain these standards and are subject to regular assessments. To maintain eligibility, lenders must enter into a User Agreement to receive automated notifications and ensure compliance with § 3555.107. The Agency reserves the right to adjust, modify, or cancel the pilot program based on budget, performance, and integrity considerations.

In the event that modifications are made to the performance metrics for new LITE Delegated Lenders, existing LITE Delegated Lenders will retain their status, and the Agency will provide a reasonable timeframe to meet the new performance metrics to continue retaining LITE Delegated Lender status. Any modifications made to the performance metrics for LITE Delegated Lenders will be publicly announced through a notice in the **Federal Register**. The Agency will conduct lender approvals at a limited pace to foster smooth implementation of the LITE Delegated Authority Pilot Program. The rollout will be phased in to allow the Agency some control over the number of loans guaranteed by LITE Delegated Lenders throughout the pilot program. The Agency will evaluate the performance and efficacy of the process and make any necessary adjustments. The Agency will continue to phase in new lenders as the process is refined. The number of lenders approved for LITE Delegated Lender status will be contingent on the progress of the Agency's systems modifications, budgetary constraints, portfolio performance, and availability of resources required to perform lender oversight and monitoring.

The Agency has the right to suspend or terminate any lender's delegated status for reasons including, but not limited to, approving loans that do not meet Agency loan program guidelines; providing data to the Agency's automated underwriting system that is not supported by documentation retained by the lender; maintaining a portfolio that does not meet the established delinquency, loss claim, and default rate performance metrics; and an inability to meet the criteria described in § 3555.51, ''Lender eligibility.'' Adverse decisions made by the Agency may be appealed to the USDA National Appeals Division in accordance with 7 CFR 3555.4.

The Agency is implementing ongoing monitoring and oversight for LITE Delegated Lenders from two perspectives: Monitoring Performance and Lender Oversight.

Monitoring Performance: Loan-level data is collected from lenders each month through the Electronic Status

Reporting system. This data is compiled, reviewed, and monitored by the Agency every month to determine portfolio performance as well as risks and trends in delinquency, default, and loss claim rates. This loan level data will be collected and analyzed to provide the Agency with information regarding their performance.

Lender Oversight Reviews/Examinations: The Agency's Quality Assurance and Lender Oversight Division will establish a regular process specifically for LITE Delegated Lenders to ensure adherence to Agency loan program requirements in 7 CFR part 3555 and ongoing eligibility for the program. This process involves reviewing and examining multiple aspects of mortgage origination and servicing, based on a representative sample of loans, financial requirements, and portfolio performance.

Lender Oversight reviews will be conducted on lenders within the first 12 months of participation in the LITE Delegated Authority Pilot Program. Lenders will be notified of the current process, and the oversight review will be consistent with established procedures.

Participating lenders will be required to submit fully documented loan submissions for evaluation. Lenders must provide comprehensive and complete documentation for each loan they originate under the program. The documentation must include all necessary information to support the loan application and ensure it meets the program's eligibility criteria.

The Agency may request a fully documented case file at any time from the lender for review if additional loan documentation is determined necessary for risk management. An ineligible loan may result in future indemnification and/or loss claim payment reduction/denial.

A report will be provided, with findings and observations recorded and communicated back to the lender or servicer, along with any suggestions for improvement. If necessary, the lender will have the opportunity to implement a Corrective Action Plan to address any deficiencies and will receive guidance, be provided with training, and given the opportunity to improve their performance. Recurring findings identified through the Lender Oversight process may result in additional reviews and examinations and may adversely affect a lender's LITE Delegated Lender status.

Paperwork Reduction Act

In accordance with the Paperwork Reduction Act of 1995, the information collection requirements associated with the programs, as covered in this notice, have been approved by the Office of Management and Budget (OMB) under OMB Control Number 0575–0179. The regulatory waivers for this pilot program contain no new reporting or recordkeeping burdens.

National Environmental Policy Act

All recipients under this notice are subject to the requirements of 7 CFR part 1b.

Federal Funding Accountability and Transparency Act

All applicants, in accordance with 2 CFR part 25, must be registered in SAM and have a UEI number as stated in Section D.3 of this notice. All recipients of Federal financial assistance are required to report information about first-tier sub-awards and executive total compensation in accordance with 2 CFR part 170.

Civil Rights Act

All awards of Federal financial assistance made under this NOFO are subject to applicable civil rights laws, which may include Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, Title VIII of the Civil Rights Act of 1968, Title IX of the Education Amendments Act of 1973, and the Equal Credit Opportunity Act of 1974.

Equal Opportunity for Religious Organizations

a. Faith-based organizations may apply for this award on the same basis as any other organization, as set forth at, and subject to the protections and requirements of, this part and any applicable constitutional and statutory requirements, including 42 U.S.C. 2000bb *et seq.* USDA will not, in the selection of recipients, discriminate for or against an organization on the basis of the organization's religious character, motives, or affiliation, or lack thereof, or on the basis of conduct that would not be considered grounds to favor or disfavor a similarly situated secular organization.

b. A faith-based organization that participates in this program will retain its independence from the Government and may continue to carry out its mission consistent with religious freedom and conscience protections in Federal law. Religious accommodations may also be sought under many of these religious freedom and conscience protection laws.

c. A faith-based organization may not use direct Federal financial assistance from USDA to support or engage in any explicitly religious activities except when consistent with the Establishment Clause of the First Amendment and any other applicable requirements. An organization receiving Federal financial assistance also may not, in providing services funded by USDA, or in their outreach activities related to such services, discriminate against a program beneficiary or prospective program beneficiary on the basis of religion, a religious belief, a refusal to hold a religious belief, or a refusal to attend or participate in a religious practice.

Non-Discrimination Statement

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (*e.g.,* Braille, large print, audiotape, American Sign Language, etc.) should contact the State or local Agency that administers the program or contact USDA through the Telecommunications Relay Service at 711 (voice and TTY). Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD–3027, found online at *https://www.usda.gov/about-usda/general-information/staff-offices/office-assistant-secretary-civil-rights/how-file-proram-discrimination-complaint* and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632–9992. Submit your completed form or letter to USDA by:

(1) Mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, Washington, DC 20250–9410; or

(2) *Fax:* (833) 256–1665 or (202) 690–7442; or

(3) *Email:Program.Intake@usda.gov.*

USDA is an equal opportunity provider, employer, and lender.

George Kelly,

Administrator, Rural Housing Service.

[FR Doc. 2026–05394 Filed 3–18–26; 8:45 am]

BILLING CODE 3410–XV–P

DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

[B–31–2026]

Foreign-Trade Zone 183; Application for Subzone; Dongjin Semichem Texas, Inc.; Killeen, Texas

An application has been submitted to the Foreign-Trade Zones (FTZ) Board by the Foreign Trade Zone of Central Texas, Inc., grantee of FTZ 183, requesting subzone status for the facility of Dongjin Semichem Texas, Inc., located in Killeen, Texas. The application was submitted pursuant to the provisions of the Foreign-Trade Zones Act, as amended (19 U.S.C. 81a–81u), and the regulations of the FTZ Board (15 CFR part 400). It was formally docketed on March 17, 2026.

The proposed subzone (41.86 acres) is located at 705 Rickey Carlisle Circle, Killeen, Texas. No authorization for production activity has been requested at this time.

In accordance with the FTZ Board's regulations, Camille Evans of the FTZ Staff is designated examiner to review the application and make recommendations to the FTZ Board.

Public comment is invited from interested parties. Submissions shall be addressed to the FTZ Board's Executive Secretary and sent to: *ftz@trade.gov.* The closing period for their receipt is April 28, 2026. Rebuttal comments in response to material submitted during the foregoing period may be submitted through May 13, 2026.

A copy of the application will be available for public inspection in the ''Online FTZ Information Section'' section of the FTZ Board's website, which is accessible via *www.trade.gov/ftz.*

For further information, contact Camille Evans at *Camille.Evans@trade.gov.*

Dated: March 17, 2026.

Elizabeth Whiteman,

Executive Secretary.

[FR Doc. 2026–05438 Filed 3–18–26; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–082, C–570–083]

Certain Steel Wheels From the People's Republic of China: Initiation of Circumvention Inquiries on the Antidumping and Countervailing Duty Orders

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: In response to a request from Accuride Corporation (Accuride) and Maxion Wheels USA LLC (Maxion) (domestic interested parties), the U.S. Department of Commerce (Commerce) is initiating a country-wide circumvention inquiry to determine whether imports of certain steel wheels from the Socialist Republic of Vietnam (Vietnam) are circumventing the antidumping duty (AD) and countervailing duties (CVD) orders on certain steel wheels from the People's Republic of China (China).

DATES: Applicable March 19, 2026.

FOR FURTHER INFORMATION CONTACT: Thomas Cloyd, AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–1246.

SUPPLEMENTARY INFORMATION:

Background

On January 14, 2026, pursuant to section 781(b) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.226(i), Accuride and Maxion (domestic interested parties) filed a circumvention inquiry request alleging that certain steel wheels finished in Vietnam, using hot-rolled steel (HRS) produced in China, and subsequently exported from Vietnam to the United States are circumventing the AD and CVD *Orders* on certain steel wheels from China [1] and, accordingly, should be included within the scope of the *Orders.*[2] On January 26, 2026, NCC Vietnam Company, Ltd. (NCC Vietnam) submitted adequacy comments alleging the legal requirements to initiate a circumvention inquiry have not been met.[3] On February 2, 2026, domestic interested parties submitted rebuttal comments.[4] On February 9, 2026, we issued a supplemental questionnaire to domestic interested parties to clarify the period of inquiry and period of comparison.[5] The domestic interested parties responded on February 12, 2026.[6]

Scope of the Orders

The merchandise subject to the *Orders* is certain on-the-road steel wheels, discs, and rims for tubeless tires, with a nominal rim diameter of 22.5 inches and 24.5 inches, regardless of width. Imports of the subject merchandise are currently classified under the following Harmonized Tariff Schedule of the United States (HTSUS) subheadings: 8708.70.4530, 8708.70.4560, 8708.70.6030, 8708.70.6060, and 8716.90.5059. Merchandise meeting the scope description may also enter under the following HTSUS subheadings: 4011.20.1015, 4011.20.5020, and 8708.99.4850. While HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the *Orders* is dispositive. For a full description of the scope of the *Orders, see* the Initiation Checklist.[7]

Merchandise Subject to the Circumvention Inquiry

The circumvention inquiry covers certain steel wheels finished in Vietnam using HRS produced in China and subsequently exported from Vietnam to the United States.

Initiation of Circumvention Inquiry

Section 351.226(d) of Commerce's regulations states that if Commerce determines that a request for a circumvention inquiry satisfies the requirements of 19 CFR 351.226(c), then Commerce ''will accept the request and initiate a circumvention inquiry.'' Section 351.226(c)(1) of Commerce's regulations, in turn, requires that each request for a circumvention inquiry allege ''that the elements necessary for a circumvention determination under section 781 of the Act exist'' and be ''accompanied by information

[1] *See Certain Steel Wheels from the People's Republic of China: Antidumping and Countervailing Duty Orders,* 84 FR 24098 (May 24, 2019) (*Orders*).

[2] *See* Domestic Interested Parties' Letter, ''Request for Circumvention Ruling (Vietnam)'' dated January 14, 2026 (Circumvention Inquiry Request).

[3] *See* NCC Vietnam's Letter, ''Comments on Accuride and Maxion Circumvention Inquiry Request,'' dated January 26, 2026.

[4] *See* Domestic Interested Parties' Letter, ''Response to Comments on the Adequacy of the Request for a Circumvention Inquiry,'' dated February 2, 2026.

[5] *See* Commerce's Letter, ''Request for Circumvention Inquiry (Vietnam) Supplemental Questionnaire'' dated February 9, 2026.

[6] *See* Domestic Interested Parties' Letter, ''Response to Supplemental Questionnaire'' dated February 12, 2026

[7] *See* Checklist, ''Vietnam Assembly Circumvention Initiation Checklist,'' dated concurrently with, and hereby adopted by, this notice (Initiation Checklist).

reasonably available to the interested party supporting these allegations.'' Domestic interested parties allege circumvention pursuant to section 781(b) of the Act (merchandise completed or assembled in other foreign countries).

Section 781(b)(1) of the Act provides that Commerce may find circumvention of an order when merchandise of the same class or kind subject to the order is completed or assembled in a foreign country other than the country to which the order applies. In conducting a circumvention inquiry, under section 781(b)(1) of the Act, Commerce relies on the following criteria: (A) merchandise imported into the United States is of the same class or kind as any merchandise produced in a foreign country that is the subject of an AD or CVD order; (B) before importation into the United States, such imported merchandise is completed or assembled in another foreign country from merchandise which is subject to the order or is produced in the foreign country that is subject to the order; (C) the process of assembly or completion in the foreign country referred to in section (B) is minor or insignificant; (D) the value of the merchandise produced in the foreign country to which the AD or CVD order applies is a significant portion of the total value of the merchandise exported to the United States; and (E) the administering authority determines that action is appropriate to prevent evasion of such order.

In determining whether the process of assembly or completion in a foreign country is minor or insignificant under section 781(b)(1)(C) of the Act, section 781(b)(2) of the Act directs Commerce to consider: (A) the level of investment in the foreign country; (B) the level of research and development in the foreign country; (C) the nature of the production process in the foreign country; (D) the extent of production facilities in the foreign country; and (E) whether or not the value of processing performed in the foreign country represents a small proportion of the value of the merchandise imported into the United States. However, no single factor, by itself, controls Commerce's determination of whether the process of assembly or completion in a foreign country is minor or insignificant.[8] Accordingly, it is Commerce's practice to evaluate each of these five factors as they exist in the foreign country, depending on the totality of the circumstances of the particular circumvention inquiry.[9]

In addition, section 781(b)(3) of the Act sets forth additional factors to consider in determining whether to include merchandise assembled or completed in a foreign country within the scope of an AD or CVD order. Specifically, Commerce shall take into account such factors as: (A) the pattern of trade, including sourcing patterns; (B) whether the manufacturer or exporter of the merchandise that was shipped to the foreign country is affiliated with the person who, in the foreign country, uses the merchandise to complete or assemble the merchandise which is subsequently imported into the United States; and (C) whether imports of the merchandise into the foreign country have increased after the initiation of the investigation that resulted in the issuance of such order.

Analysis

Based on our analysis of the domestic interested parties' circumvention inquiry request and supplemental questionnaire response, we determine that the Domestic Interested Parties have satisfied the criteria under 19 CFR 351.226(c), and thus, pursuant to 19 CFR 351.226(d)(1)(iii), we have accepted the request and are initiating the requested circumvention inquiry of the *Orders.* For a full discussion of the basis for our decision to initiate the requested circumvention inquiry, *see* the Initiation Checklist. The Initiation Checklist is available on ACCESS. ACCESS is available to registered users at *https://access.trade.gov.*

As explained in the Initiation Checklist, the information provided by Domestic Interested Parties warrants initiating this circumvention inquiry on a country-wide basis. Commerce has taken this approach in prior circumvention inquiries, where the facts warranted initiation on a country-wide basis.[10]

As such, Commerce intends to issue questionnaires to solicit information from producers and exporters in Vietnam concerning their shipments to the United States and the origin of hot-rolled steel manufactured in China and finished into ''steel wheels'' (*i.e.,* the merchandise subject to the *Orders*).

Respondent Selection

Commerce intends to base respondent selection on U.S. Customs and Border Protection (CBP) data. Commerce intends to place the CBP data on the record within five days of the publication of this initiation notice, which will be available on Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at *https://access.trade.gov.* Comments regarding the CBP data and respondent selection should be submitted within seven days after placement of the CBP data on the record of the inquiry.

Commerce intends to establish a schedule for questionnaire responses after respondent selection. A company's failure to completely respond to Commerce's requests for information may result in the application of partial or total facts available, pursuant to section 776(a) of the Act, which may include adverse inferences, pursuant to section 776(b) of the Act.

Suspension of Liquidation

Pursuant to 19 CFR 351.226(l)(1), Commerce intends to notify CBP of this initiation and direct CBP to continue the suspension of liquidation of entries of products subject to this circumvention inquiry that were already subject to the suspension of liquidation under the *Orders* and to apply the cash deposit rates that would be applicable if the products were determined to be covered by the scope of the *Orders.* Should Commerce issue affirmative preliminary or final circumvention determinations, Commerce will follow the suspension of liquidation rules under 19 CFR 351.226(l)(2)–(4). In the event that Commerce issues an affirmative preliminary or final circumvention determination that the products are circumventing the Orders, Commerce will instruct CBP to continue the

[8] *See* Statement of Administrative Action Accompanying the Uruguay Round Agreements Act, H.R. Doc. 103–316, Vol. 1 (1994), at 893.

[9] *See Uncovered Innerspring Units from the People's Republic of China: Final Affirmative Determination of Circumvention of the Antidumping Duty Order,* 83 FR 65626 (December 21, 2018), and accompanying Issues and Decision Memorandum at 4.

[10] *See, e.g., Hydrofluorocarbon Blends from the People's Republic of China: Initiation of Circumvention Inquiry on the Antidumping Duty Order,* 88 FR 74150 (October 30, 2023); *see also Hydrofluorocarbon Blends from the People's Republic of China: Initiation of Circumvention Inquiries on the Antidumping Duty Order,* 88 FR 43275 (July 7, 2023); *Certain Corrosion-Resistant Steel Products from the Republic of Korea and Taiwan: Initiation of Anti-Circumvention Inquiries on the Antidumping Duty and Countervailing Duty Orders,* 83 FR 37785 (August 2, 2018); *Carbon Steel Butt-Weld Pipe Fittings from the People's Republic of China: Initiation of Anti-Circumvention Inquiry on the Antidumping Duty Order,* 82 FR 40556, 40560 (August 25, 2017) (stating at initiation that Commerce would evaluate the extent to which a country-wide finding applicable to all exports might be warranted); and *Certain Corrosion-Resistant Steel Products from the People's Republic of China: Initiation of Anti-Circumvention Inquiries on the Antidumping Duty and Countervailing Duty Orders,* 81 FR 79454, 79458 (November 14, 2016) (stating at initiation that Commerce would evaluate the extent to which a country-wide finding applicable to all exports might be warranted).

suspension of liquidation of previously suspended entries and to apply the applicable cash deposit rate.

Commerce will also instruct CBP to begin the suspension of liquidation and application of cash deposits for any unliquidated entries not yet suspended, entered, or withdrawn from warehouse, for consumption, on or after the date of publication of the notice of initiation of the circumvention inquiries pursuant to paragraphs (l)(2)(ii) and (l)(3)(ii). In addition, pursuant to paragraphs (l)(2)(iii)(A) and (l)(3)(iii)(A), Commerce may instruct CBP to begin the suspension of liquidation and application of cash deposits for any unliquidated entries not yet suspended, entered, or withdrawn from warehouse, for consumption, prior to the date of initiation of the circumvention inquiries, but not for such entries prior to November 4, 2021, the effective date of these provisions in the *Final Rule.*[11] These rules will not affect CBP's authority to take any additional action with respect to the suspension of liquidation or related measures for these entries, as stated in 19 CFR 351.226(l)(5).

Notification to Interested Parties

In accordance with 19 CFR 351.226(d) and section 781(b) of the Act, Commerce determines that domestic interested parties' request for a circumvention inquiry satisfies the requirements of 19 CFR 351.226(c). Accordingly, Commerce is notifying all interested parties of the initiation of this circumvention inquiry to determine whether steel wheels finished in Vietnam using HRS produced in China, and subsequently exported from Vietnam to the United States, are circumventing the *Orders.* In addition, we have included a description of the products that are the subject to this inquiry and an explanation of Commerce's decision to initiate this inquiry as provided in the accompanying Initiation Checklist.[12] In accordance with 19 CFR 351.226(e)(1), Commerce intends to issue its preliminary circumvention determination no later than 150 days from the date of publication of the notice of initiation of this circumvention inquiry in the **Federal Register**. Furthermore, in accordance with section 781(f) of the Act and 19 CFR 351.226(e)(2), unless the circumvention inquiries are rescinded, in whole or in part, or the deadline for the final circumvention deadlines is extended, Commerce intends to issue its final determinations within 300 days from the date of publication of the notice of initiation of the circumvention inquiries in the **Federal Register**.

This notice is published in accordance with section 781(b) of the Act, and 19 CFR 351.226(d)(1)(iii).

Dated: March 16, 2026.

Christopher Abbott,

Deputy Assistant Secretary for Policy and Negotiations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance.

[FR Doc. 2026–05443 Filed 3–18–26; 8:45 am]

BILLING CODE 3510–DS–P

[11] *See Regulations to Improve Administration and Enforcement of Antidumping and Countervailing Duty Laws,* 86 FR 52300, 52345 (September 20, 2021) (*Final Rule*).

[12] *See* Initiation Checklist at 4, 6.

DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–104]

Alloy and Certain Carbon Steel Threaded Rod From the People's Republic of China: Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review; 2024–2025

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that alloy and certain carbon steel threaded rod (threaded rod) from the People's Republic of China (China) was sold in the United States at less than normal value during the period of review (POR) April 1, 2024, through March 31, 2025. Additionally, Commerce is rescinding this review with respect to two exporters that had no reviewable entries of subject merchandise during the POR. Interested parties are invited to comment on these preliminary results of review.

DATES: Applicable March 19, 2026.

FOR FURTHER INFORMATION CONTACT: Bryan Hansen, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–3683.

SUPPLEMENTARY INFORMATION:

Background

On April 9, 2020, Commerce published in the **Federal Register** the antidumping duty (AD) order on threaded rod from China.[1] On May 20, 2025, based on timely requests for review, in accordance with 19 CFR 351.221(c)(1)(i), we initiated an administrative review of the *Order* covering seven companies: Cooper & Turner (Ningbo) International Trading Co., Ltd. (Cooper); EC International (Nantong) Co., Ltd.; IFI & Morgan Ltd. (IFI); Ningbo Dingtuo Imp. & Exp. Co., Ltd. (Dingtuo); Ningbo Dongxin High-Strength Nut Co., Ltd. (Dongxin); Ningbo Jinding Fastening Piece Co., Ltd. (Jinding); and Zhejiang Junyue Standard Part Co., Ltd. (Junyue).[2]

On November 14, 2025, Commerce tolled all deadlines in administrative proceedings by 47 days due to the lapse in appropriations and Federal Government shutdown,[3] and, due to a backlog of documents that were electronically filed via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS) during the Federal Government shutdown, on November 24, 2025, Commerce tolled all deadlines in administrative proceedings by an additional 21 days.[4] On March 6, 2026, Commerce extended the time limit for these preliminary results, pursuant to section 751(a)(3)(A) of Tariff Act of 1930, as amended (the Act), and 19 CFR 351.213(h)(2).[5] Accordingly, the deadline for these preliminary results is now March 16, 2026.

For a complete description of events that occurred since the initiation of this review, *see* the Preliminary Decision Memorandum.[6] A list of the topics discussed in the Preliminary Decision Memorandum is attached as the appendix to this notice. The Preliminary Decision Memorandum is a public document and is made available to the public via ACCESS. ACCESS is available to registered users at *https://access.trade.gov.* In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at *https://access.trade.gov/public/FRNoticesListLayout.aspx.*

[1] *See Alloy and Certain Carbon Steel Threaded Rod from the People's Republic of China: Antidumping Duty Order,* 85 FR 19929 (April 9, 2020) (*Order*).

[2] *See Initiation of Antidumping and Countervailing Duty Administrative Reviews,* 90 FR 21459 (May 20, 2025).

[3] *See* Memorandum, ''Deadlines Affected by the Shutdown of the Federal Government,'' dated November 14, 2025.

[4] *See* Memorandum, ''Tolling of all Case Deadlines,'' dated November 24, 2025.

[5] *See* Memorandum, ''Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review,'' dated March 6, 2026.

[6] *See* Memorandum, ''Decision Memorandum for the Preliminary Results of the Antidumping Duty Administrative Review of Alloy and Certain Carbon Steel Threaded Rod from the People's Republic of China; 2024–2025,'' dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

Scope of the Order [7]

The merchandise covered by the *Order* is threaded rod from China. For a complete description of the scope of the order, *see* the Preliminary Decision Memorandum.

Partial Rescission of Administrative Review

Pursuant to 19 CFR 351.212(a), ''{g}enerally, the amount of duties to be assessed is determined in a review of the order covering a discrete period of time.'' Thus, normally, upon completion of an administrative review, suspended entries of subject merchandise are liquidated at the AD assessment rate calculated for the review period.[8] Therefore, in order to apply the final AD liability that was determined in an administrative review for a particular company, there must be at least one suspended entry of that company's subject merchandise that Commerce can instruct U.S. Customs and Border Protection (CBP) to liquidate at the AD assessment rate calculated for the review period. Pursuant to 19 CFR 351.213(d)(3), Commerce will rescind an administrative review if it concludes that, during the period covered by the review, there were no entries, exports, or sales of the subject merchandise, as the case may be.[9] Because the entry data that we obtained from CBP showed no suspended entries of subject merchandise from Cooper and IFI, and one of these companies reported that it did not have any exports of subject merchandise during the POR,[10] on August 19, 2025, we notified parties of our intent to rescind this administrative review with respect to those companies.[11] On August 22, 2025, a domestic producer of threaded rod, Dan-Loc Group LLC (Dan-Loc), commented on our intent to rescind this review with respect to those companies.[12] However, we find Dan-Loc's argument unpersuasive that there were reviewable entries from Cooper and IFI during the POR.[13] Therefore, in the absence of any reviewable entries of subject merchandise during the POR from Cooper and IFI, we are rescinding this administrative review with respect to these two companies, in accordance with 19 CFR 351.213(d)(3).

Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(B) of the Act. For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum.

Affiliation and Single Entity Treatment

Commerce preliminarily determines that Dingtuo and Jinding are a single entity (collectively, Jinding Single Entity). For details on our decision to treat Dingtuo and Jinding as a single entity, *see* Preliminary Decision Memorandum.[14]

Separate Rates

In the *Initiation Notice,* we informed parties that firms for which the review was initiated that wished to qualify for separate rate status must complete, as appropriate, either a separate rate application or separate rate certification.[15] We preliminarily determine that Dongxin, Junyue, and the Jinding Single Entity are eligible to receive a separate rate in this administrative review.[16]

Dumping Margin for Non-Selected Separate Rate Companies

The statute and Commerce's regulations do not address what dumping margin to apply to respondents not selected for individual examination when Commerce limits its examination in an administrative review pursuant to section 777A(c)(2) of the Act. Generally, Commerce looks to section 735(c)(5) of the Act, which provides instructions for calculating the all-others rate in an investigation, for guidance when calculating the dumping margin for non-selected respondents that are not individually examined in an administrative review. Section 735(c)(5)(A) of the Act states that the all-others rate should be calculated by weight-averaging the weighted-average dumping margins calculated for individually examined respondents, excluding dumping margins that are zero, *de minimis,* or based entirely on facts available. Because we calculated a preliminary dumping margin that is not zero, *de minimis,* or based entirely on facts available for the Jingding Single Entity, we assigned the non-selected separate rate recipients a dumping margin equal to the Jinding Single Entity's preliminary dumping margin consistent with our practice and section 735(c)(5)(A) of the Act.

China-Wide Entity

Commerce's policy regarding the conditional review of the China-wide entity applies to this administrative review.[17] Under this policy, the China-wide entity will not be under review unless a party specifically requests, or Commerce self-initiates, a review of the entity. Because no party requested a review of the China-wide entity, the China-wide entity is not under review, and the weighted-average dumping margin assigned to the China-wide entity (*i.e.,* 48.91 percent) [18] is not subject to change as a result of this administrative review.

Preliminary Results of the Review

As a result of our analysis, Commerce preliminarily determines the following weighted-average dumping margin exists for the POR:

Exporter	Weighted-average dumping margin (percent)
Ningbo Dingtuo Imp. & Exp. Co., Ltd;	
Ningbo Jinding Fastening Piece Co., Ltd [19]	0.74
Ningbo Dongxin High-Strength Nut Co., Ltd	0.74

[7] *See Order.*

[8] *See* 19 CFR 351.212(b)(1).

[9] *See, e.g., Dioctyl Terephthalate from the Republic of Korea: Rescission of Antidumping Administrative Review; 2021–2022,* 88 FR 24758 (April 24, 2023); *see also Certain Carbon and Alloy Steel Cut- to Length Plate from the Federal Republic of Germany: Recission of Antidumping Administrative Review;* 2020–2021, 88 FR 4157 (January 24, 2023).

[10] *See* IFI's Letter, ''No Sales Certification,'' dated June 3, 2025.

[11] *See* Memorandum, ''Intent to Rescind Review, In Part,'' dated August 19, 2025.

[12] *See* Dan-Loc's Letter, ''Comments Opposing Proposed Rescission of Administrative Review of Cooper & Turner (Ningbo) International and IFI & Morgan Ltd.,'' dated August 22, 2025.

[13] For details on our decision, *see* Preliminary Decision Memorandum at 4–5.

[14] *See also* Memorandum, ''Preliminary Collapsing Memorandum,'' dated concurrently with this notice.

[15] *See Initiation Notice,* 85 FR at 21460.

[16] *See* Preliminary Decision Memorandum at 9.

[17] *See Antidumping Proceedings: Announcement of Change in Department Practice for Respondent Selection in Antidumping Duty Proceedings and Conditional Review of the Nonmarket Economy Entity in NME Antidumping Duty Proceedings,* 78 FR 65963 (November 4, 2013).

[18] *See Order,* 85 FR at 19930, adjusted for export subsidies as outlined in *Alloy and Certain Carbon Steel Threaded Rod from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2021–2022,* 88 FR 18117, 18118 (March 27, 2023) (*Threaded Rod from China 2021–2022*).

Exporter	Weighted-average dumping margin (percent)
Zhejiang Junyue Standard Part Co., Ltd	0.74

[19] Commerce preliminarily determines that the Jinding Single Entity sold subject merchandise in the United States at prices below normal value. Further, because the Jinding Single Entity includes the two companies which were selected for individual examination in this administrative review, it is the only party for which an estimated weighted-average dumping margin has been calculated for these preliminary results.

Disclosure

Commerce intends to disclose its calculations and analysis performed in these preliminary results to interested parties within five days of public announcement, or if there is no public announcement, within five days of the publication of this notice.[20]

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance. Pursuant to 19 CFR 351.309(c)(1)(ii), interested parties may submit case briefs to Commerce no later than 21 days after the date of publication of this notice.[21] Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than five days after the date for filing case briefs.[22] Interested parties who submit case briefs or rebuttal briefs in this administrative review must submit: (1) a table of contents listing each issue; and (2) a table of authorities.[23]

As provided under 19 CFR 351.309(c)(2)(iii) and (d)(2)(iii), we request that interested parties provide at the beginning of their briefs a public, executive summary for each issue raised in their briefs.[24] Further, we request that interested parties limit their public executive summary of each issue to no more than 450 words, not including citations. We intend to use the public executive summaries as the basis of the comment summaries included in the issues and decision memorandum that will accompany the final results of this administrative review. We request that interested parties include footnotes for relevant citations in the public executive summary of each issue. Note that Commerce has amended certain of its requirements pertaining to the service of documents in 19 CFR 351.303(f).[25]

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, via ACCESS by 5:00 p.m. Eastern Time within 30 days after the date of publication of this notice in the **Federal Register**. Hearing requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants and whether any participant is a foreign national; and (3) a list of issues to be discussed. Oral presentations at the hearing will be limited to issues raised in the case and rebuttal briefs. If a request for a hearing is made, parties will be notified of the date, time, and location of the hearing..[26] Parties should confirm the date, time, and location of the hearing two days before the scheduled hearing date.

Assessment Rates

Upon completion of the final results of this administrative review, in accordance with section 751(a)(2)(A) of the Act, Commerce shall determine, and CBP shall assess, antidumping duties on all appropriate entries of subject merchandise covered by this review.[27] If the Jinding Single Entity's weighted-average dumping margin is not zero or *de minimis* (*i.e.,* less than 0.50 percent) in the final results of this review, Commerce intends to calculate an importer-specific assessment rate for antidumping duties based on the ratio of the total amount of dumping calculated for each importer's examined sales and the total entered value of those sales in accordance with 19 CFR 351.212(b)(1).[28] Where the Jinding Single Entity did not report entered value, we intend to calculate a per-unit importer or customer-specific assessment rate based on the ratio of the total amount of antidumping duties calculated for the examined sales to the total quantity of those sales.[29] We will instruct CBP to assess antidumping duties on all appropriate entries covered by this review when the importer-specific *ad valorem* assessment rate calculated in the final results of this review is not zero or *de minimis.* Where the Jinding Single Entity's *ad valorem* weighted-average dumping margin is zero or *de minimis,* or an importer-specific assessment rate is zero or *de minimis,*[30] we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties. For entries that were not reported in the U.S. sales data submitted by the Jinding Single Entity, but that entered under the case number of the Jinding Single Entity (*i.e.,* at the individually-examined exporter's cash deposit rate), Commerce will instruct CBP to liquidate such entries at the rate for the China-wide entity.

For the companies for which this review is rescinded with these preliminary results, we will instruct CBP to assess antidumping duties on all appropriate entries at rates equal to the cash deposit of antidumping duties required at the time of entry, or withdrawal from warehouse, for consumption, during the POR in accordance with 19 CFR 351.212(c)(1)(i). Commerce intends to issue these rescission instructions to CBP no earlier than 35 days after the date of publication of this notice in the **Federal Register**.

The final results of this administrative review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the final results of this review and for future deposits of estimated duties, where applicable.[31] For the individually calculated respondent and non-selected separate rate respondents under review, Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the **Federal Register**. If a timely summons is

[20] *See* 19 CFR 351.224(b).

[21] *See* 19 CFR 351.309.

[22] *See* 19 CFR 351.309(d); *see also Administrative Protective Order, Service, and Other Procedures in Antidumping and Countervailing Duty Proceedings,* 88 FR 67069, 67077 (September 29, 2023) (*APO and Service Final Rule*).

[23] *See* 19 CFR 351.309(c)(2) and (d)(2).

[24] We use the term ''issue'' here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

[25] *See APO and Service Final Rule.*

[26] *See* 19 CFR 351.212(d).

[27] *See* 19 CFR 351.212(b)(1).

[28] In these preliminary results, Commerce applied the assessment rate calculation method adopted in *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings: Final Modification,* 77 FR 8101 (February 14, 2012).

[29] *Id.*

[30] *See* 19 CFR 351.106(c)(2).

[31] *See* section 751 (a)(2)(C) of the Act.

filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.,* within 90 days of publication).

Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for shipments of the subject merchandise from China entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of review, as provided in section 751(a)(2)(C) of the Act: (1) for the individually calculated respondent and the non-selected separate rate respondents, the cash deposit rate will be equal to the weighted-average dumping margin established in the final results of this administrative review (except, if the *ad valorem* rate is *de minimis,* then the cash deposit will be zero); (2) for previously investigated or reviewed Chinese and non-Chinese exporters of subject merchandise not listed above that received a separate rate in a prior segment of this proceeding, the cash deposit rate will continue to be the existing exporter-specific rate; (3) for all Chinese exporters of subject merchandise that have not been found to be entitled to a separate rate, the cash deposit rate will be that for the China-wide entity, *i.e.,* 48.91 percent; [32] and (4) for all non-Chinese exporters of subject merchandise which have not received their own rate, the cash deposit rate will be the rate applicable to the Chinese exporter that supplied that non-Chinese exporter. These deposit requirements, when imposed, shall remain in effect until further notice.

Final Results of Review

Unless otherwise extended, we intend to issue the final results of this administrative review, which will include the results of our analysis of issues raised in the case and rebuttal briefs, within 120 days of the date of publication of this notice in the **Federal Register,** pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h)(1).

Notification to Importers

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping and/or countervailing duties prior to liquidation of the relevant entries during this POR. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping and/or countervailing duties occurred and the subsequent assessment of double antidumping duties, and/or an increase in the amount of antidumping duties by the amount of the countervailing duties.

Notification to Interested Parties

Commerce is issuing and publishing these preliminary results in accordance with sections 751(a)(1) and 777(i)(1) of the Act, 19 CFR 351.213(d)(4), and 19 CFR 351.221(b)(4).

Dated: March 16, 2026.

Christopher Abbott,

Deputy Assistant Secretary for Policy and Negotiations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

[FR Doc. 2026–05444 Filed 3–18–26; 8:45 am]

BILLING CODE 3510–DS–P

[32] *See Order,* 85 FR at 19930, adjusted for export subsidies as outlined in *Threaded Rod from China 2021–2022.*

DEPARTMENT OF COMMERCE

International Trade Administration

[C–533–870]

Certain New Pneumatic Off-the-Road Tires From India: Final Results of Countervailing Duty Administrative Review; 2023

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) determines that countervailable subsidies were provided to producers and/or exporters of certain new pneumatic off-the-road tires (OTR tires) from India, during the period of review (POR) January 1, 2023, through December 31, 2023.

DATES: Applicable March 19, 2026.

FOR FURTHER INFORMATION CONTACT: Sarah Keith, AD/CVD Operations, Office II, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–0264.

SUPPLEMENTARY INFORMATION:

Background

On July 11, 2025, Commerce published in the **Federal Register** the *Preliminary Results* of this administrative review and invited comments from interested parties.[1] On September 17, 2025, we extended the deadline for the final results of this review to no later than January 7, 2026.[2] Due to the lapse in appropriations and Federal Government shutdown, on November 14, 2025, Commerce tolled all deadlines in administrative proceedings by 47 days.[3] Additionally, due to a backlog of documents that were electronically filed via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS) during the Federal Government shutdown, on November 24, 2025, Commerce tolled all deadlines in administrative proceedings by an additional 21 days. Accordingly, the deadline for these final results is now March 16, 2026.

For a complete description of the events that occurred since the *Preliminary Results, see* the Issues and Decision Memorandum.[4] Commerce conducted this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act).

Scope of the Order [5]

The products covered by the *Order* are OTR tires from India. For a full description of the scope of the *Order, see* the Issues and Decision Memorandum.

[1] *See Certain New Pneumatic Off-the-Road Tires From India: Preliminary Results of Countervailing Duty Administrative Review; 2023,* 90 FR 30863 (July 11, 2025) (Preliminary Results), and accompanying Preliminary Decision Memorandum (PDM).

[2] *See* Memorandum, ''Extension of Deadline for Final Results of Countervailing Duty Administrative Review,'' dated September 17, 2025.

[3] *See* Memorandum, ''Deadlines Affected by the Shutdown of the Federal Government,'' dated November 14, 2025.

[4] *See* Memorandum, ''Issues and Decision Memorandum for the Final Results of the Administrative Review of the Countervailing Duty Order on Certain New Pneumatic Off-The-Road Tires from India; 2023,'' dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

[5] *See Certain New Pneumatic Off-the-Road Tires from India and Sri Lanka: Amended Final Affirmative Countervailing Duty Determination for India and Countervailing Duty Orders,* 82 FR 12556 (March 6, 2017) (*Order*).

Analysis of Comments Received

All issues raised in the case and rebuttal briefs submitted by interested parties are addressed in the Issues and Decision Memorandum. The topics discussed and the issues raised by interested parties to which we responded in the Issues and Decision Memorandum are listed in Appendix I to this notice. The Issues and Decision Memorandum is a public document and is on file electronically via ACCESS. ACCESS is available to registered users at *https://access.trade.gov.* In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at *https://access.trade.gov/public/FRNoticesListLayout.aspx.*

Changes Since the Preliminary Results

Based on the comments received from interested parties and record information, we made certain changes from the *Preliminary Results* regarding the subsidy calculations for ATC Tires Private Limited (ATC) and Balkrishna Industries Ltd. (BKT). For a discussion of the comments and explanation of the changes, *see* the Issues and Decision Memorandum.

Methodology

Commerce conducted this review in accordance with section 751(a)(1)(A) of the Act. For each of the subsidy programs found to be countervailable, we determine that there is a subsidy, *i.e.,* a government-provided financial contribution that gives rise to a benefit to the recipient, and that the subsidy is specific.[6] For a complete description of the methodology underlying all of Commerce's conclusions, including our reliance, in part, on facts otherwise available, including adverse facts available, pursuant to sections 776(a) and (b) of the Act, *see* the Issues and Decision Memorandum.

Companies Not Selected for Individual Examination

The Act and Commerce's regulations do not directly address the subsidy rate to be applied to companies not selected for individual examination where Commerce limits its examination in an administrative review pursuant to section 777A(e)(2) of the Act. However, Commerce normally determines the rates for non-selected companies in reviews in a manner that is consistent with section 705(c)(5) of the Act, which provides instructions for calculating the all-others rate in an investigation. Section 777A(e)(2) of the Act provides that ''the individual countervailable subsidy rates determined under subparagraph (A) shall be used to determine the all-others rate under section 705(c)(5) {of the Act}.'' Section 705(c)(5)(A) of the Act states that for companies not investigated, in general, we will determine an all-others rate by weight averaging the countervailable subsidy rates established for each of the companies individually investigated, excluding zero and *de minimis* rates or any rates based solely on the facts available. Accordingly, to determine the rate for companies not selected for individual examination, Commerce's practice is to weight-average the net subsidy rates for the selected mandatory respondents, excluding rates that are zero, *de minimis,* or based entirely on facts available.[7]

In the instant review, the rates calculated for the mandatory respondents, ATC and BKT, were above *de minimis* and not based entirely on facts available. Therefore, we are applying to the non-selected companies the weight-average of the net subsidy rates calculated for ATC and BKT, which we calculated using the publicly-ranged sales data submitted by ATC and BKT.

Final Results of the Administrative Review

We find the following net countervailable subsidy rates exist for the period January 1, 2023, through December 31, 2023:

Company	Subsidy rate (percent *ad valorem*)
ATC Tires Private Limited[8]	5.96
Balkrishna Industries Ltd	0.57
Companies Not Selected for Individual Review[9]	3.97

Disclosure

Commerce intends to disclose its calculations and analysis performed to interested parties for these final results within five days of any public announcement or, if there is no public announcement, within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b).

Assessment Rates

In accordance with section 751(a)(2)(C) of the Act and 19 CFR 351.212(b)(2), Commerce shall determine, and U.S. Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries covered by this review. Commerce intends to issue assessment instructions to CBP no earlier than 35 days after publication of the final results of this review in the **Federal Register**. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.,* within 90 days of publication).

Cash Deposit Requirements

In accordance with section 751(a)(1) of the Act, Commerce also intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown for the companies listed above for shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of these final results of this administrative review. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits of estimated countervailing duties at the all-others rate or the most recent company-specific rate applicable to the company, as appropriate. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Administrative Protective Order (APO)

This notice also serves as a final reminder to parties subject to an APO of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return or destruction of APO materials or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and terms of an APO is a violation subject to sanction.

Notification to Interested Parties

The final results are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.221(b)(5).

[6] *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

[7] *See, e.g., Certain Pasta from Italy: Final Results of the 13th (2008) Countervailing Duty Administrative Review,* 75 FR 37386, 37387 (June 29, 2010).

[8] As discussed in the Final Issues and Decision Memorandum, Commerce preliminarily finds ATC Tires AP Private Ltd to be cross-owned with ATC.

[9] *See* Appendix II for the list of these companies.

Dated: March 16, 2026.

Christopher Abbott,

Deputy Assistant Secretary for Policy and Negotiations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance.

Appendix I

List of Topics Discussed in the Issues and Decision Memorandum

Appendix II

List of Companies Not Selected for Individual Review

1. A.M. Pinard & Fils Inc
2. Aakriti Manufacturing Pvt. Ltd.
3. Ammann India Private Limited
4. Apollo Tyres Ltd.
5. Asian Tire Factory Limited.
6. Asiatic Tradelinks Private Limited.
7. Carrier Wheels Private Limited.
8. Cavendish Industries Ltd.
9. Ceat Ltd.
10. Celite Tyre Corporation.
11. Emerald Resilient Tyre Manufacturer.
12. Forech India Private Limited.
13. HRI Tires India.
14. Innovative Tyres & Tubes Limited.
15. JCB Service Ltd.
16. JK Tyre & Industries Ltd.
17. John Deere India Pvt. Ltd.
18. K.R.M. Tyres.
19. Mahansaria Tyres Private Limited.
20. MRF Limited.
21. MRL Tyres Limited (Malhotra Rubbers Ltd.).
22. Neosym Industry Limited.
23. OTR Laminated Tyres (I) Pvt. Ltd.
24. Ralson Tyres Limited
25. Royal Tyres Private Limited.
26. Rubberman Enterprises Pvt. Ltd.
27. Speedways Rubber Company.
28. Sun Tyre And Wheel Systems.
29. Sundaram Industries Private Limited.
30. Superking Manufacturers (Tyre) Pvt., Ltd.
31. TVS Srichakra Limited.
32. Tyre Experts LLP
33. Ultra Mile.

[FR Doc. 2026–05440 Filed 3–18–26; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–122–867, A–552–825, A–560–833, A–580–902, C–122–868, C–552–826]

Utility Scale Wind Towers From Canada, the Socialist Republic of Vietnam, Indonesia, and the Republic of Korea: Continuation of Antidumping and Countervailing Duty Orders

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: As a result of the determinations by the U.S. Department of Commerce (Commerce) and the U.S. International Trade Commission (ITC) that revocation of the antidumping duty (AD) orders and countervailing duty (CVD) orders on utility scale wind towers from Canada, the Socialist Republic of Vietnam (Vietnam), Indonesia, and the Republic of Korea (Korea) would likely lead to the continuation or recurrence of dumping and countervailable subsidies, and material injury to an industry in the United States, Commerce is publishing a notice of continuation of these AD and CVD orders.

DATES: Applicable March 16, 2026.

FOR FURTHER INFORMATION CONTACT: David de Falco, Trade Agreement Policy and Negotiations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–2178.

SUPPLEMENTARY INFORMATION:

Background

On August 26, 2020, Commerce published in the **Federal Register** the AD and CVD orders on utility scale wind towers from Canada, Vietnam, Indonesia, and Korea.[1] On July 1, 2025, the ITC instituted,[2] and Commerce initiated,[3] the first sunset review of the *Orders,* pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act). As a result of its reviews, Commerce determined that revocation of the *Orders* would likely lead to the continuation or recurrence of dumping and, countervailable subsidies, and therefore, notified the ITC of the magnitude of the margins of dumping and subsidy rates likely to prevail should the *Orders* be revoked.[4]

On March 16, 2026, the ITC published its determination, pursuant to sections 751(c) and 752(a) of the Act, that revocation of the *Orders* would likely lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[5]

Scope of the Orders

AD Orders on Canada, Indonesia, and Korea, and CVD Orders on Canada and Vietnam

The merchandise covered by these *Orders* consists of certain wind towers, whether or not tapered, and sections thereof. Certain wind towers support the nacelle and rotor blades in a wind turbine with a minimum rated electrical power generation capacity in excess of 100 kilowatts and with a minimum height of 50 meters measured from the base of the tower to the bottom of the nacelle (*i.e.,* where the top of the tower and nacelle are joined) when fully assembled.

A wind tower section consists of, at a minimum, multiple steel plates rolled into cylindrical or conical shapes and welded together (or otherwise attached)

[1] *See Utility Scale Wind Towers from Canada, Indonesia, the Republic of Korea, and the Socialist Republic of Vietnam: Antidumping Duty Orders,* 85 FR 52547 (August 26, 2020); *see also Utility Scale Wind Towers from Canada, Indonesia, and the Socialist Republic of Vietnam: Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Orders,* 85 FR 52543 (August 26, 2020) (collectively, *Orders*).

[2] *See Utility Scale Wind Towers from Canada, Indonesia, South Korea, and Vietnam; Institution of Five-Year Reviews,* 90 FR 28764 (July 1, 2025).

[3] *See Initiation of Five-Year (Sunset) Reviews,* 90 FR 28722 (July 1, 2025).

[4] *See Utility Scale Wind Towers from Canada, the Socialist Republic of Vietnam, Indonesia, and the Republic of Korea: Final Results of the Expedited First Sunset Review of the Antidumping Duty Orders,* 91 FR 678 (January 8, 2026), and accompanying Issues and Decision Memorandum (IDM); and *Utility Scale Wind Towers from Canada and the Socialist Republic of Vietnam: Final Results of the Expedited First Sunset Reviews of the Countervailing Duty Orders,* 91 FR 956 (January 9, 2026).

[5] *See Utility Scale Wind Towers From Canada, Indonesia, South Korea, and Vietnam; Determinations,* 91 FR 12623 (March 16, 2026) (*ITC Final Determination*).

to form a steel shell, regardless of coating, end-finish, painting, treatment, or method of manufacture, and with or without flanges, doors, or internal or external components (*e.g.,* flooring/decking, ladders, lifts, electrical buss boxes, electrical cabling, conduit, cable harness for nacelle generator, interior lighting, tool and storage lockers) attached to the wind tower section. Several wind tower sections are normally required to form a completed wind tower.

Wind towers and sections thereof are included within the scope whether or not they are joined with non-subject merchandise, such as nacelles or rotor blades, and whether or not they have internal or external components attached to the subject merchandise.

Specifically excluded from the scope are nacelles and rotor blades, regardless of whether they are attached to the wind tower. Also excluded are any internal or external components which are not attached to the wind towers or sections thereof, unless those components are shipped with the tower sections.

Merchandise covered by these *Orders* is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under subheading 7308.20.0020 or 8502.31.0000. Wind towers of iron or steel are classified under HTSUS 7308.20.0020 when imported separately as a tower or tower section(s). Wind towers may be classified under HTSUS 8502.31.0000 when imported as combination goods with a wind turbine (*i.e.,* accompanying nacelles and/or rotor blades). While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these *Orders* is dispositive.

AD Order on Vietnam

The merchandise covered by this *Order* consists of certain wind towers, whether or not tapered, and sections thereof. Certain wind towers support the nacelle and rotor blades in a wind turbine with a minimum rated electrical power generation capacity in excess of 100 kilowatts and with a minimum height of 50 meters measured from the base of the tower to the bottom of the nacelle (*i.e.,* where the top of the tower and nacelle are joined) when fully assembled.

A wind tower section consists of, at a minimum, multiple steel plates rolled into cylindrical or conical shapes and welded together (or otherwise attached) to form a steel shell, regardless of coating, end-finish, painting, treatment, or method of manufacture, and with or without flanges, doors, or internal or external components (*e.g.,* flooring/decking, ladders, lifts, electrical buss boxes, electrical cabling, conduit, cable harness for nacelle generator, interior lighting, tool and storage lockers) attached to the wind tower section. Several wind tower sections are normally required to form a completed wind tower.

Wind towers and sections thereof are included within the scope whether or not they are joined with nonsubject merchandise, such as nacelles or rotor blades, and whether or not they have internal or external components attached to the subject merchandise.

Specifically excluded from the scope are nacelles and rotor blades, regardless of whether they are attached to the wind tower. Also excluded are any internal or external components which are not attached to the wind towers or sections thereof, unless those components are shipped with the tower sections.

Further, excluded from the scope are any products covered by the existing antidumping duty order on utility scale wind towers from the Socialist Republic of Vietnam. *See Utility Scale Wind Towers from the Socialist Republic of Vietnam: Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order,* 78 FR 11150 (February 15, 2013).

Merchandise covered by these orders is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under subheading 7308.20.0020 or 8502.31.0000. Wind towers of iron or steel are classified under HTSUS 7308.20.0020 when imported separately as a tower or tower section(s). Wind towers may be classified under HTSUS 8502.31.0000 when imported as combination goods with a wind turbine (*i.e.,* accompanying nacelles and/or rotor blades). While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the *Order* is dispositive.

Continuation of the Orders

As a result of the determinations by Commerce and the ITC that revocation of the *Orders* would likely lead to continuation or recurrence of dumping, countervailable subsidies, and material injury to an industry in the United States, pursuant to section 751(d)(2) of the Act, Commerce hereby orders the continuation of the *Orders.* U.S. Customs and Border Protection will continue to collect AD and CVD cash deposits at the rates in effect at the time of entry for all imports of subject merchandise.

The effective date of the continuation of the *Orders* will be March 13, 2026.[6] Pursuant to section 751(c)(2) of the Act and 19 CFR 351.218(c)(2), Commerce intends to initiate the next five-year reviews of the *Orders* not later than 30 days prior to fifth anniversary of the date of the last determination by the ITC.

Administrative Protective Order (APO)

This notice also serves as a final reminder to parties subject to an APO of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3), which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of the return or destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

Notification to Interested Parties

These five-year (sunset) reviews and this notice are in accordance with sections 751(c) and 751(d)(2) of the Act and published in accordance with section 777(i) of the Act, and 19 CFR 351.218(f)(4).

Dated: March 16, 2026.

Christopher Abbott,

Deputy Assistant Secretary for Policy and Negotiations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance.

[FR Doc. 2026–05439 Filed 3–18–26; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–122–863]

Large Diameter Welded Pipe From Canada: Notice of Initiation of Antidumping Duty Changed Circumstances Review

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) is initiating a changed circumstances review (CCR) to determine if Interpro Pipe & Steel Inc. (Interpro) is the successor-in-interest to Evraz Inc. NA Canada (Evraz) in the context of the antidumping duty (AD) order on large diameter welded pipe (LDWP) from Canada.

DATES: Applicable March 19, 2026.

[6] *See ITC Final Determination.*

FOR FURTHER INFORMATION CONTACT: Whitley Herndon, AD/CVD Operations, Office IX, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–6274.

SUPPLEMENTARY INFORMATION:

Background

On May 2, 2019, Commerce published in the **Federal Register** an AD order on LDWP from Canada.[1] On January 26, 2026, Interpro requested that, pursuant to section 751(b)(1) of the Tariff Act of 1930, as amended (the Act), 19 CFR 351.216, and 19 CFR 351.221(c)(3), Commerce conduct an expedited CCR to determine that Interpro is the successor-in-interest to Evraz and accordingly to assign it the cash deposit rate of Evraz.[2] In its submission, Interpro stated that, effective July 31, 2025, Evraz underwent a change in corporate name and ownership when it was acquired by an American private equity firm and it now operates essentially the same business under the name Interpro.[3]

Scope of the Order

The product subject to the *Order* is LDWP from Canada.[4]

Initiation of CCR

Pursuant to section 751(b)(1)(A) of the Act and 19 CFR 351.216(d), Commerce conducts a CCR upon receipt of information concerning, or a request from, an interested party for a review of an AD order which shows changed circumstances sufficient to warrant a review of the order. The information submitted by Interpro supporting its claim that it is the successor-in-interest Evraz demonstrates changed circumstances sufficient to warrant the initiation of such a review.[5] Therefore, in accordance with section 751(b)(1)(A) of the Act and 19 CFR 351.216(d) and (e), we are initiating a CCR.

In making a successor-in-interest determination, Commerce examines several factors, including, but not limited to, changes in the following: (1) management; (2) production facilities; (3) supplier relationships; and (4) customer base.[6] While no single factor or combination of factors will necessarily provide a dispositive indication of a successor-in-interest relationship, generally, Commerce will consider the new company to be the successor to the previous company if the new company's resulting operation is not materially dissimilar to that of its predecessor.[7] Thus, if the record evidence demonstrates that, with respect to the production and sale of the subject merchandise, the new company operates as the same business entity as the predecessor company, Commerce may assign the new company the cash deposit rate of its predecessor.[8]

Pursuant to 19 CFR 351.221(c)(3)(ii), Commerce may combine the notices of initiation and preliminary results of a CCR into a single notice if it concludes the expedited action is warranted. We have determined that it is appropriate to further consider, and potentially seek additional information regarding, certain factors noted above that Commerce examines successor-in-interest CCRs. Therefore, we have determined that expedited action is not warranted and we have not combined the notice of preliminary results of the CCR with this notice. Commerce intends to publish in the **Federal Register** a notice of the preliminary results of this CCR, in accordance with 19 CFR 351.221(b)(4) and (c)(3)(i), which will set forth Commerce's preliminary factual and legal conclusions. Pursuant to 19 CFR 351.221(b)(4)(ii), interested parties will have an opportunity to comment on the preliminary results.

Unless extended, Commerce intends to issue the final results of this CCR within 270 days after the date of initiation, in accordance with 19 CFR 351.216(e).

Notification to Interested Parties

We are issuing this notice in accordance with sections 751(b)(1) and 777(i) of the Act and 19 CFR 351.216(b) and 351.221(b)(1).

Dated: March 10, 2026.

Scot Fullerton,

Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

[FR Doc. 2026–05352 Filed 3–18–26; 8:45 am]

BILLING CODE 3510–DS–P

[1] *See Large Diameter Welded Pipe from Canada: Antidumping Duty Order,* 84 FR 18777 (May 2, 2019) (*Order*).

[2] *See* Interpro's Letter, ''Interpro Pipe & Steel Inc.'s Request for a Changed Circumstances Review in Large Diameter Welded Pipe from Canada,'' dated January 26, 2026 (Interpro's CCR Request).

[3] *Id.*

[4] For a complete description of the scope, *see Order,* 84 FR at 18775–76.

[5] *See* Interpro's CCR Request.

[6] *See, e.g., Certain Frozen Warmwater Shrimp from India: Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review,* 81 FR 75376 (October 31, 2016), unchanged in *Certain Frozen Warmwater Shrimp from India: Notice of Final Results of Antidumping Duty Changed Circumstances Review,* 81 FR 90774 (December 15, 2016).

[7] *Id.*

[8] *Id.; see also Notice of Final Results of Changed Circumstances Antidumping Duty Administrative Review: Polychloroprene Rubber from Japan,* 67 FR 58, 59 (January 2, 2002); *Ball Bearings and Parts Thereof from France: Final Results of Changed-Circumstances Review,* 75 FR 34688, 34689 (June 18, 2010); and *Circular Welded Non-Alloy Steel Pipe from the Republic of Korea; Preliminary Results of Antidumping Duty Changed Circumstances Review,* 63 FR 14679 (March 26, 1998), unchanged in *Circular Welded Non-Alloy Steel Pipe from Korea; Final Results of Antidumping Duty Changed Circumstances Review,* 63 FR 20572 (April 27, 1998), in which Commerce found that a company which only changed its name and did not change its operations is a successor-in-interest to the company before it changed its name.

DEPARTMENT OF COMMERCE

International Trade Administration

[A–471–807]

Certain Uncoated Paper From Portugal: Final Results of Antidumping Duty Administrative Review; 2023–2024

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) determines that The Navigator Company, S.A. (Navigator), the sole producer or exporter subject to this administrative review, made sales of certain uncoated paper (uncoated paper) from Portugal in the United States at prices below normal value (NV) during the period of review. The period of review (POR) is March 1, 2023, through February 29, 2024.

DATES: Applicable March 19, 2026.

FOR FURTHER INFORMATION CONTACT: Monica Gillis, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–6384

SUPPLEMENTARY INFORMATION:

Background

On July 11, 2025, Commerce published in the **Federal Register** the *Preliminary Results* of this administrative review.[1] From July 28, 2025 through July 31, 2025, Commerce conducted verification of Navigator's questionnaire responses.[2] On September 30, 2025, Commerce extended the deadline for the final results to January

[1] *See Certain Uncoated Paper from Portugal: Preliminary Results of the Antidumping Duty Administrative Review of the Antidumping Duty Order; 2023–2024;* 90 FR 30852 (July 11, 2025) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum.

[2] *See* Memorandum, ''Verification of the Sales Responses of The Navigator Company, S.A.,'' dated December 11, 2025.

7, 2026.[3] On December 12, 2025, we invited interested parties to comment.[4]

Due to the lapse in appropriations and Federal Government shutdown, on November 14, 2025, Commerce tolled all deadlines in administrative proceedings by 47 days.[5] Additionally, due to a backlog of documents that were electronically filed via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS) during the Federal Government shutdown, on November 24, 2025, Commerce tolled all deadlines in administrative proceedings by an additional 21 days.[6] Accordingly, the deadline for these final results is now March 16, 2026.

For a complete description of the events that occurred since Commerce published the *Preliminary Results, see* the Issues and Decision Memorandum.[7] The Issues and Decision Memorandum is a public document and is on file electronically via ACCESS. ACCESS is available to registered users at *https://access.trade.gov.* In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at *https://access.trade.gov/public/FRNoticesListLayout.aspx.*

Commerce conducted this review in accordance with section 751(a)(1)(B) of the Tariff Act of 1930, as amended (the Act).

Scope of the Order [8]

The merchandise subject to the *Order* is certain uncoated paper from Portugal. For a full description of the scope, *see* the Issues and Decision Memorandum.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs are listed in the appendix to this notice and addressed in the Issues and Decision Memorandum. A list of the issues addressed in the Issues and Decision Memorandum is attached to this notice as an Appendix.

Changes Since the Preliminary Results

Based on a review of the record, we made certain changes to the preliminary margin calculations for Navigator. For a detailed discussion of the changes since the *Preliminary Results, see* the Issues and Decision Memorandum.

Final Results of Review

As a result of this review, we determine the following weighted-average dumping margin for the period March 1, 2023, through February 29, 2024:

Exporter or producer	Weighted-average dumping margin (percent)
The Navigator Company, S.A	10.91

Disclosure

We intend to disclose the calculations performed for the final results of this review to parties in this proceeding within five days after public announcement of the final results or, if there is no public announcement, within five days of the date of publication of this notice in the *Final Register,* in accordance with 19 CFR 351.224(b).[9]

Assessment Rates

Pursuant to section 751(a)(2)(C) of the Act and 19 CFR 351.212(b)(1), Commerce has determined, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries of subject merchandise in accordance with the final results of this review.

Because Navigator's weighted-average dumping margin is not zero or *de minimis* (*i.e.,* less than 0.5 percent) in the final results of this review, we calculated importer-specific assessment rates based on the ratio of the total amount of dumping calculated for each importer's examined sales and the total entered value of those same sales in accordance with 19 CFR 351.212(b)(1). Where an importer-specific assessment rate is zero or *de minimis* (*i.e.,* less than 0.5 percent), the entries by that importer will be liquidated without regard to antidumping duties.

Commerce's ''automatic assessment'' practice will apply to entries of subject merchandise during the POR produced by Navigator for which it did not know that the merchandise it sold to the intermediary (*e.g.,* a reseller, trading company, or exporter) was destined for the United States. In such instances, we will instruct CBP to liquidate unreviewed entries at the all-others rate if there is no rate for the intermediate company(ies) involved in the transaction.[10]

Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the **Federal Register**. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.,* within 90 days of publication).

Cash Deposit Requirements

The following cash deposit requirements will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results as provided by section 751(a)(2) of the Act: (1) the cash deposit rate for subject merchandise exported by Navigator will be equal to the weighted-average dumping margin established in these final results of this administrative review; (2) for merchandise exported by producers or exporters not covered in this review but covered in a prior completed segment of this proceeding, the cash deposit rate will continue to be the company-specific rate published in the completed segment for the most recent period; (3) if the exporter is not a firm covered in this review or a completed prior segment of this proceeding but the producer is, then the cash deposit rate will be the cash deposit rate established for the most recently completed segment of this proceeding for the producer of the subject merchandise; and (4) the cash deposit rate for all other producers and exporters will continue to be 7.80 percent,[11] the all-others rate established in the less-than-fair-value investigation.

These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries

[3] *See* Memorandum, ''Extension of Deadline for Final Results of Antidumping Duty Administrative Review,'' dated September 30, 2025.

[4] *See* Memorandum, ''Establishment of Briefing Schedule,'' dated December 12, 2025.

[5] *See* Memorandum, ''Deadlines Affected by the Shutdown of the Federal Government,'' dated November 14, 2025.

[6] *See* Memorandum, ''Tolling of all Case Deadlines,'' dated November 24, 2025.

[7] *See* Memorandum, ''Issues and Decision Memorandum for the Final Results of Antidumping Duty Administrative Review of Certain Uncoated Paper from Portugal; 2023–2024,'' dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

[8] *See Certain Uncoated Paper from Australia, Brazil, Indonesia, the People's Republic of China, and Portugal: Amended Final Affirmative Determinations for Brazil and Indonesia and Antidumping Duty Orders,* 81 FR 11174 (March 3, 2016) (*Order*).

[9] *See* 19 CFR 351.224(b).

[10] *See Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties,* 68 FR 23954 (May 6, 2003).

[11] *See Order.*

during the POR. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

Administrative Protective Order (APO)

This notice serves as the only reminder to parties subject to an administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return or destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and the terms of an APO is a violation subject to sanction.

Notification to Interested Parties

We are issuing and publishing these results in accordance with sections 751(a)(1) and 777(i) of the Act, and 19 CFR 351.221(b)(5).

Dated: March 16, 2026.

Christopher Abbott,

Deputy Assistant Secretary for Policy and Negotiations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Issues and Decision Memorandum

[FR Doc. 2026–05441 Filed 3–18–26; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–082, C–570–083]

Certain Steel Wheels From the People's Republic of China: Initiation of Circumvention Inquiries on the Antidumping and Countervailing Duty Orders

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: In response to a request from Accuride Corporation (Accuride) and Maxion Wheels USA LLC (Maxion) (domestic interested parties), the U.S. Department of Commerce (Commerce) is initiating a country-wide circumvention inquiry to determine whether imports of certain steel wheels from Thailand are circumventing the antidumping duty (AD) and countervailing duties (CVD) orders on certain steel wheels from the People's Republic of China (China).

DATES: Applicable March 19, 2026.

FOR FURTHER INFORMATION CONTACT: Thomas Cloyd, AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–1246.

SUPPLEMENTARY INFORMATION:

Background

On January 14, 2026, pursuant to section 781(b) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.226(i), Accuride and Maxion (domestic interested parties) filed a circumvention inquiry request alleging that certain steel wheels finished in Thailand using hot-rolled steel (HRS) produced in China, and subsequently exported from Thailand to the United States are circumventing the AD and CVD orders on certain steel wheels from China [1] and, accordingly, should be included within the scope of the *Orders*.[2] On January 26, 2026, an interested party, Asia Wheel Co., Ltd. (Asia Wheel), filed adequacy comments alleging the legal requirements to initiate a circumvention inquiry had not been met.[3] On February 2, 2026, domestic interested parties filed rebuttal comments in response to Asia Wheel's adequacy comments.[4] On February 9, 2026, we issued a supplementary questionnaire to domestic interested parties to clarify the period of inquiry and period of comparison.[5] The domestic interested parties responded on February 12, 2026.[6]

Scope of the Orders

The merchandise subject to the *Orders* is certain on-the-road steel wheels, discs, and rims for tubeless tires, with a nominal rim diameter of 22.5 inches and 24.5 inches, regardless of width. Imports of the subject merchandise are currently classified under the following Harmonized Tariff Schedule of the United States (HTSUS) subheadings: 8708.70.4530, 8708.70.4560, 8708.70.6030, 8708.70.6060, and 8716.90.5059. Merchandise meeting the scope description may also enter under the following HTSUS subheadings: 4011.20.1015, 4011.20.5020, and 8708.99.4850. While HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the *Orders* is dispositive. For a full description of the scope of the *Orders, see* the Initiation Checklist.[7]

Merchandise Subject to the Circumvention Inquiry

The circumvention inquiry covers certain steel wheels finished in Thailand using HRS produced in China and subsequently exported from Thailand to the United States.

Initiation of Circumvention Inquiry

Section 351.226(d) of Commerce's regulations states that if Commerce determines that a request for a circumvention inquiry satisfies the requirements of 19 CFR 351.226(c), then Commerce ''will accept the request and initiate a circumvention inquiry.'' Section 351.226(c)(1) of Commerce's regulations, in turn, requires that each request for a circumvention inquiry allege ''that the elements necessary for a circumvention determination under section 781 of the Act exist'' and be ''accompanied by information reasonably available to the interested party supporting these allegations.'' Domestic interested parties alleged circumvention pursuant to section 781(b) of the Act (merchandise completed or assembled in other foreign countries).

Section 781(b)(1) of the Act provides that Commerce may find circumvention of an order when merchandise of the same class or kind subject to the order is completed or assembled in a foreign country other than the country to which the order applies. In conducting a circumvention inquiry, under section 781(b)(1) of the Act, Commerce relies on

[1] *See Certain Steel Wheels from the People's Republic of China: Antidumping and Countervailing Duty Orders,* 84 FR 24098 (May 24, 2019) (*Orders*).

[2] *See* Domestic Interested Parties' Letter, ''Request for Circumvention Ruling (Thailand),'' dated January 14, 2026 (Circumvention Inquiry Request).

[3] *See* Asia Wheel's Letter, ''Adequacy Comments,'' dated January 26, 2026.

[4] *See* Domestic Interested Parties' Letter, ''Response to Comments on the Adequacy of the Request for a Circumvention Inquiry,'' dated February 2, 2026.

[5] *See* Commerce's Letter, ''Supplemental Questionnaire,'' dated February 9, 2026.

[6] *See* Domestic Interested Parties' Letter, ''Response to Supplemental Questionnaire,'' dated February 12, 2026. In accordance with 19 CFR 351.226(d)(1)(ii), the domestic interested parties' timely response extended the deadline for initiation of this circumvention inquiry by 30 days to March 16, 2026.

[7] *See* Checklist, ''Thailand Assembly Circumvention Initiation Checklist,'' dated concurrently with, and hereby adopted by, this notice (Initiation Checklist).

the following criteria: (A) merchandise imported into the United States is of the same class or kind as any merchandise produced in a foreign country that is the subject of an AD or CVD order; (B) before importation into the United States, such imported merchandise is completed or assembled in another foreign country from merchandise which is subject to the order or is produced in the foreign country that is subject to the order; (C) the process of assembly or completion in the foreign country referred to in section (B) is minor or insignificant; (D) the value of the merchandise produced in the foreign country to which the AD or CVD order applies is a significant portion of the total value of the merchandise exported to the United States; and (E) the administering authority determines that action is appropriate to prevent evasion of such order.

In determining whether the process of assembly or completion in a foreign country is minor or insignificant under section 781(b)(1)(C) of the Act, section 781(b)(2) of the Act directs Commerce to consider: (A) the level of investment in the foreign country; (B) the level of research and development in the foreign country; (C) the nature of the production process in the foreign country; (D) the extent of production facilities in the foreign country; and (E) whether or not the value of processing performed in the foreign country represents a small proportion of the value of the merchandise imported into the United States. However, no single factor, by itself, controls Commerce's determination of whether the process of assembly or completion in a foreign country is minor or insignificant.[8] Accordingly, it is Commerce's practice to evaluate each of these five factors as they exist in the foreign country, depending on the totality of the circumstances of the particular circumvention inquiry.[9]

In addition, section 781(b)(3) of the Act sets forth additional factors to consider in determining whether to include merchandise assembled or completed in a foreign country within the scope of an AD or CVD order. Specifically, Commerce shall take into account such factors as: (A) the pattern of trade, including sourcing patterns; (B) whether the manufacturer or exporter of the merchandise that was shipped to the foreign country is affiliated with the person who, in the foreign country, uses the merchandise to complete or assemble the merchandise which is subsequently imported into the United States; and (C) whether imports of the merchandise into the foreign country have increased after the initiation of the investigation that resulted in the issuance of such order.

Analysis

Based on our analysis of the domestic interested parties' circumvention inquiry request and supplemental questionnaire response, we determine that requesters have satisfied the criteria under 19 CFR 351.226(c), and thus, pursuant to 19 CFR 351.226(d)(1)(iii), we have accepted the request and are initiating the requested circumvention inquiry of the *Orders.* For a full discussion of the basis for our decision to initiate the requested circumvention inquiry, *see* the Initiation Checklist. The Initiation Checklist is available on ACCESS. ACCESS is available to registered users at *https://access.trade.gov.*

As explained in the Initiation Checklist, the information provided by requesters' warrants initiating this circumvention inquiry on a country-wide basis. Commerce has taken this approach in prior circumvention inquiries, where the facts warranted initiation on a country-wide basis.[10] As such, Commerce intends to issue questionnaires to solicit information from producers and exporters in Thailand concerning their shipments to the United States and the origin of steel plates being further processed into steel wheels (*i.e.,* the merchandise subject to the *Orders*).

Respondent Selection

Commerce intends to base respondent selection on U.S. Customs and Border Protection (CBP) data. Commerce intends to place the CBP data on the record within five days of the publication of this initiation notice, which will be available on Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at *https://access.trade.gov.* Comments regarding the CBP data and respondent selection should be submitted within seven days after placement of the CBP data on the record of the inquiry.

Commerce intends to establish a schedule for questionnaire responses after respondent selection. A company's failure to completely respond to Commerce's requests for information may result in the application of partial or total facts available, pursuant to section 776(a) of the Act, which may include adverse inferences, pursuant to section 776(b) of the Act.

Suspension of Liquidation

Pursuant to 19 CFR 351.226(l)(1), Commerce will notify CBP of this initiation and direct CBP to continue the suspension of liquidation of entries of products subject to this circumvention inquiry that were already subject to the suspension of liquidation under the *Orders* and to apply the cash deposit rates that would be applicable if the products were determined to be covered by the scope of the *Orders.* Should Commerce issue affirmative preliminary or final circumvention determinations, Commerce will follow the suspension of liquidation rules under 19 CFR 351.226(l)(2)-(4). In the event that Commerce issues an affirmative preliminary or final circumvention that the products are circumventing the Orders, Commerce will instruct CBP to continue the suspension of liquidation of previously suspended entries and to apply the applicable cash deposit rate.

Commerce will also instruct CBP to begin the suspension of liquidation and application of cash deposits for any unliquidated entries not yet suspended, entered, or withdrawn from warehouse, for consumption, on or after the date of publication of the notice of initiation of the circumvention inquiries pursuant to paragraphs (l)(2)(ii) and (l)(3)(ii). In addition, pursuant to paragraphs (l)(2)(iii)(A) and (l)(3)(iii)(A), Commerce may instruct CBP to begin the suspension of liquidation and application of cash deposits for any unliquidated entries not yet suspended, entered, or withdrawn from warehouse,

[8] *See* Statement of Administrative Action Accompanying the Uruguay Round Agreements Act, H.R. Doc. 103–316, Vol. 1 (1994), at 893.

[9] *See Uncovered Innerspring Units from the People's Republic of China: Final Affirmative Determination of Circumvention of the Antidumping Duty Order,* 83 FR 65626 (December 21, 2018), and accompanying Issues and Decision Memorandum at 4.

[10] *See, e.g., Hydrofluorocarbon Blends from the People's Republic of China: Initiation of Circumvention Inquiry on the Antidumping Duty Order,* 88 FR 74150 (October 30, 2023); *see also Hydrofluorocarbon Blends from the People's Republic of China: Initiation of Circumvention Inquiries on the Antidumping Duty Order,* 88 FR 43275 (July 7, 2023); *Certain Corrosion-Resistant Steel Products from the Republic of Korea and Taiwan: Initiation of Anti-Circumvention Inquiries on the Antidumping Duty and Countervailing Duty Orders,* 83 FR 37785 (August 2, 2018); *Carbon Steel Butt-Weld Pipe Fittings from the People's Republic of China: Initiation of Anti-Circumvention Inquiry on the Antidumping Duty Order,* 82 FR 40556, 40560 (August 25, 2017) (stating at initiation that Commerce would evaluate the extent to which a country-wide finding applicable to all exports might be warranted); and *Certain Corrosion-Resistant Steel Products from the People's Republic of China: Initiation of Anti-Circumvention Inquiries on the Antidumping Duty and Countervailing Duty Orders,* 81 FR 79454, 79458 (November 14, 2016) (stating at initiation that Commerce would evaluate the extent to which a country-wide finding applicable to all exports might be warranted).

for consumption, prior to the date of initiation of the circumvention inquiries, but not for such entries prior to November 4, 2021, the effective date of these provisions in the *Final Rule*.[11] These rules will not affect CBP's authority to take any additional action with respect to the suspension of liquidation or related measures for these entries, as stated in 19 CFR 351.226(l)(5).

Notification to Interested Parties

In accordance with 19 CFR 351.226(d) and section 781(b) of the Act, Commerce determines that the domestic interested parties' request for a circumvention inquiry satisfies the requirements of 19 CFR 351.226(c). Accordingly, Commerce is notifying all interested parties of the initiation of this circumvention inquiry to determine whether certain steel wheels finished in Thailand using HRS produced in China, which are subsequently exported from Thailand to the United States, are circumventing the *Orders.* In addition, we have included a description of the products that are the subject to this inquiry and an explanation of Commerce's decision to initiate this inquiry as provided in the accompanying Initiation Checklist.[12] In accordance with 19 CFR 351.226(e)(1), Commerce intends to issue its preliminary circumvention determination no later than 150 days from the date of publication of the notice of initiation of this circumvention inquiry in the **Federal Register**. Furthermore, in accordance with section 781(f) of the Act and 19 CFR 351.226(e)(2), unless the circumvention inquiry is rescinded, in whole or in part, or extended, Commerce intends to issue its final determination within 300 days from the date of publication of the notice of initiation of the circumvention inquiry in the **Federal Register**.

This notice is published in accordance with section 781(b) of the Act, and 19 CFR 351.226(d)(1)(iii).

Dated: March 16, 2026.

Christopher Abbott,

Deputy Assistant Secretary for Policy and Negotiations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance.

[FR Doc. 2026–05445 Filed 3–18–26; 8:45 am]

BILLING CODE 3510–DS–P

[11] *See Regulations to Improve Administration and Enforcement of Antidumping and Countervailing Duty Laws,* 86 FR 52300, 52345 (September 20, 2021) (*Final Rule*).

[12] *See* Initiation Checklist at 4, 6.

DEPARTMENT OF COMMERCE

National Institute of Standards and Technology

Agency Information Collection Activities; Submission to the Office of Management and Budget (OMB) for Review and Approval; Comment Request; CHIPS Workforce Solution Participant Data Collection

AGENCY: National Institute of Standards and Technology (NIST), Commerce.

ACTION: Notice of information collection, request for comment.

SUMMARY: The Department of Commerce, in accordance with the Paperwork Reduction Act of 1995 (PRA), invites the general public and other Federal agencies to comment on proposed and continuing information collections, which helps us assess the impact of our information collection requirements and minimize the public's reporting burden. The purpose of this notice is to allow for 60 days of public comment preceding submission of the collection to OMB.

DATES: To ensure consideration, comments regarding this proposed information collection must be received on or before May 18, 2026.

ADDRESSES: Interested persons are invited to submit written comments by mail to Elizabeth Reinhart, Management Analyst, NIST, 100 Bureau Drive, MS 1710, Gaithersburg, MD 20899 or by email to *PRANIST@nist.gov.*

FOR FURTHER INFORMATION CONTACT: Requests for additional information or specific questions related to collection activities should be directed to the National Institute of Standards and Technology, Margaux Fontaine, Senior Advisor for Workforce Strategy, CHIPS Program Office, *margaux.fontaine@chips.gov.*

SUPPLEMENTARY INFORMATION:

I. Abstract

The CHIPS for America Programs are authorized by Title XCIX—Creating Helpful Incentives to Produce Semiconductors for America of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (Pub. L. 116–283, referred to as the CHIPS Act or Act), as amended by the CHIPS Act of 2022 (Division A of Pub. L. 117–167). CHIPS for America includes the CHIPS Incentives Program and the CHIPS Research and Development (R&D) Program. The CHIPS Incentives Program is administered by the CHIPS Program Office (CPO). The CHIPS Research and Development Program is administered by the CHIPS Research and Development Office (CRDO). Both offices are within the National Institute of Standards and Technology (NIST) of the United States Department of Commerce (Department).

CPO awarded CHIPS Direct Funding to select CHIPS Recipients to support workforce development for their projects (CHIPS Workforce Funds). To request CHIPS Workforce Funds, CHIPS Recipients submit Workforce Solution Funding Orders (WSFOs). WSFOs are specific plans designed to address current and anticipated staffing shortages through programs including, but not limited to, internships, apprenticeships, and training programs. CRDO intends to support workforce development activities that will expand participation in education and training programs relevant to microelectronics, including through the development of registered apprenticeships. This PRA approval request is for the collection of participant data for those participating in workforce development programs outlined in the WSFOs, funded by CPO, and workforce development activities supported by CRDO. This data collection will occur within a secure online system that is being developed.

In programs where participant data is being collected, program participants will input their own data such as full name, full address, full date of birth, race and ethnicity, sex, and educational attainment. The participant information that will be collected from individuals will help to facilitate program oversight to determine whether certain CHIPS-funded programs are effective and enable future program evaluation.

All participant data collected will be aggregated to provide insights to CHIPS for America and the CHIPS Awardee. Each CHIPS Recipient or Awardee will only be able to see insights specific to their own WSFOs. This enables CHIPS Recipients or Awardees to ensure that proposed activities are effective (*i.e.,* resulting in reduced staffing shortages) and enables CHIPS for America to monitor the implementation and impact of taxpayer funded workforce development activities in real time.

II. Method of Collection

CHIPS for America intends to collect information from respondents electronically using a secure online system.

III. Data

OMB Control Number: 0693–XXXX.

Form Number(s): None.

Type of Review: Regular submission—New Information Collection.

Affected Public: Business or other for-profit organizations; institutions of higher education; individuals.

Estimated Number of Respondents: 35,000.

Estimated Time per Response: 2 minutes.

Estimated Total Annual Burden Hours: 1,155 hours.

Estimated Total Annual Cost to Public: $54,654.60.

Respondent's Obligation: Mandatory to be eligible for CHIPS funding.

Legal Authority: CHIPS Act of 2022 (Division A of Pub. L. 117–167) (the Act).

IV. Request for Comments

We are soliciting public comments to permit the Department/Bureau to: (a) Evaluate whether the proposed information collection is necessary for the proper functions of the Department, including whether the information will have practical utility; (b) Evaluate the accuracy of our estimate of the time and cost burden for this proposed collection, including the validity of the methodology and assumptions used; (c) Evaluate ways to enhance the quality, utility, and clarity of the information to be collected; and (d) Minimize the reporting burden on those who are to respond, including the use of automated collection techniques or other forms of information technology.

Comments that you submit in response to this notice are a matter of public record. We will include or summarize each comment in our request to OMB to approve this ICR. Before including your address, phone number, email address, or other personal identifying information in your comment, you should be aware that your entire comment—including your personal identifying information—may be made publicly available at any time. While you may ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

Sheleen Dumas,

Departmental PRA Compliance Officer, Office of the Under Secretary for Economic Affairs, Commerce Department.

[FR Doc. 2026–05389 Filed 3–18–26; 8:45 am]

BILLING CODE 3510–13–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

[RTID 0648–XF554]

Marine Mammals; File No. 29313

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

ACTION: Notice; receipt of application.

SUMMARY: Notice is hereby given that Michelle Shero, Ph.D., Woods Hole Oceanographic Institution, 266 Woods Hole Road, Woods Hole, MA 02543, has applied in due form for a permit to conduct research on Weddell seals (*Leptonychotes weddellii*).

DATES: Written comments must be received on or before April 20, 2026.

ADDRESSES: The application and related documents are available for review by selecting ''Records Open for Public Comment'' from the ''Features'' box on the Applications and Permits for Protected Species home page, *https://apps.nmfs.noaa.gov,* and then selecting File No. 29313 from the list of available applications. These documents are also available upon written request via email to *NMFS.Pr1Comments@noaa.gov.*

Written comments on this application should be submitted via email to *NMFS.Pr1Comments@noaa.gov.* Please include File No. 29313 in the subject line of the email comment.

Those individuals requesting a public hearing should submit a written request via email to *NMFS.Pr1Comments@noaa.gov.* The request should set forth the specific reasons why a hearing on this application would be appropriate.

FOR FURTHER INFORMATION CONTACT: Sara Young or Shasta McClenahan, Ph.D., (301) 427–8401.

SUPPLEMENTARY INFORMATION: The subject permit is requested under the authority of the Marine Mammal Protection Act of 1972, as amended (16 U.S.C. 1361 *et seq.*) and the regulations governing the taking and importing of marine mammals (50 CFR part 216).

The applicant requests a permit to take Weddell seals to assess the nature and underlying mechanisms that contribute to the significant heterogeneity observed in reproductive rates and animal fitness that exist within wild animal populations. To achieve project goals, a cohort of 20 female-pup pairs (10 high-quality, 10 low-quality) in Erebus Bay, Antarctica will undergo health assessments across the austral summer. Dive recorders will also be deployed during this time, and instruments will be recovered after the winter (gestational) foraging period. At each handling, female-pup pairs will be given a health exam, physiological samples collected, and instruments deployed to monitor dive behaviors. In addition, females will undergo a reproductive ultrasound examination during late lactation to track ovulation. Seals may be taken by capture and restraint for drug administration, biological sampling, blood sampling, instrumentation, marking, measuring, ultrasound, and weighing. Weddell seals may also be taken by harassment through counting surveys, collection of molt, scat, spew, urine, and unmanned aircraft systems for photogrammetry. Up to 15 unintentional mortalities of Weddell seals, including humane euthanasia if warranted, are also requested across the life of the permit. Samples collected during research would be imported back into the United States and may be exported to collaborators. Crabeater seals (*Lobodon carcinophagus*) may also be unintentionally harassed during research activities. The permit would be valid for 10 years from the date of issuance.

In compliance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 *et seq.*), an initial determination has been made that the activity proposed is categorically excluded from the requirement to prepare an environmental assessment or environmental impact statement.

Concurrent with the publication of this notice in the **Federal Register**, NMFS is forwarding copies of the application to the Marine Mammal Commission and its Committee of Scientific Advisors.

Dated: March 16, 2026.

Shannon Bettridge,

Chief, Marine Mammal and Sea Turtle Conservation Division, Office of Protected Resources, National Marine Fisheries Service.

[FR Doc. 2026–05351 Filed 3–18–26; 8:45 am]

BILLING CODE 3510–22–P

COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

Procurement List; Deletions

AGENCY: Committee for Purchase From People Who Are Blind or Severely Disabled.

ACTION: Deletions from the Procurement List.

SUMMARY: This action deletes product(s) from the Procurement List that were furnished by nonprofit agencies

employing persons who are blind or have other severe disabilities.

DATES: *Date added to and deleted from the Procurement List:* April 19, 2026.

ADDRESSES: Committee for Purchase From People Who Are Blind or Severely Disabled, 355 E Street SW, Suite 325, Washington DC, 20024.

FOR FURTHER INFORMATION CONTACT: For further information or to submit comments contact: Michael R. Jurkowski, Telephone: (703) 489–1322, or email *CMTEFedReg@AbilityOne.gov.*

SUPPLEMENTARY INFORMATION:

Deletion

On February 12, 2026 (91 FR 6624), the Committee for Purchase From People Who Are Blind or Severely Disabled published notice of proposed deletions from the Procurement List. This notice is published pursuant to 41 U.S.C. 8503(a)(2) and 41 CFR 51–2.3.

After consideration of the relevant matter presented, the Committee has determined that the product(s) listed below are no longer suitable for procurement by the Federal Government under 41 U.S.C. 8501–8506 and 41 CFR 51–2.4.

Regulatory Flexibility Act Certification

I certify that the following action will not have a significant impact on a substantial number of small entities. The major factors considered for this certification were:

1. The action will not result in additional reporting, recordkeeping or other compliance requirements for small entities.

2. The action may result in authorizing small entities to furnish the product(s) to the Government.

3. There are no known regulatory alternatives which would accomplish the objectives of the Javits-Wagner-O'Day Act (41 U.S.C. 8501–8506) in connection with the product(s) deleted from the Procurement List.

End of Certification

Accordingly, the following product(s) are deleted from the Procurement List:

Product(s)

NSN(s)—Product Name(s):
7520–01–431–6243—Punch Head Replacement, 13/32″, Beige
7520–01–431–6245—Punch Head Replacement, 13/32″, Black
7520–01–431–6248—Punch Head Replacement, 13/32″, Gray
7520–01–431–6250—Punch Head Replacement, 9/32″, Black
Authorized Source of Supply: AbilityFirst, Pasadena, CA
Mandatory For: Total Government Requirement
Contracting Activity: GENERAL SERVICES ADMINISTRATION, GSA/FAS ADMIN SVCS ACQUISITION BR(2

Michael R. Jurkowski,

Director, Business Operations.

[FR Doc. 2026–05367 Filed 3–18–26; 8:45 am]

BILLING CODE 6353–01–P

COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

Procurement List; Proposed Additions and Deletions

AGENCY: Committee for Purchase From People Who Are Blind or Severely Disabled.

ACTION: Proposed additions to and deletions from the Procurement List.

SUMMARY: The Committee is proposing to add service(s) to the Procurement List that will be furnished by nonprofit agencies employing persons who are blind or have other severe disabilities, and delete product(s) and service(s) previously furnished by such agencies.

DATES: Comments must be received on or before: April 18, 2026.

ADDRESSES: Committee for Purchase From People Who Are Blind or Severely Disabled, 355 E Street SW, Suite 325, Washington, DC 20024.

FOR FURTHER INFORMATION CONTACT: For further information or to submit comments contact: Michael R. Jurkowski, Telephone: (703) 489–1322, or email *CMTEFedReg@AbilityOne.gov.*

SUPPLEMENTARY INFORMATION: This notice is published pursuant to 41 U.S.C. 8503 (a)(2) and 41 CFR 51–2.3. Its purpose is to provide interested persons an opportunity to submit comments on the proposed actions.

Additions

In accordance with 41 CFR 51–5.3(b), the Committee intends to add this services requirement to the Procurement List as a mandatory purchase only for contracting activity at the location listed with the proposed qualified nonprofit agency as the authorized source of supply. Prior to adding the service to the Procurement List, the Committee will consider other pertinent information, including information from Government personnel and relevant comments from interested parties regarding the Committee's intent to geographically limit this services requirement.

The following service(s) are proposed for addition to the Procurement List for production by the nonprofit agencies listed:

Services(s)

Service Type: Custodial
Mandatory for: U.S. Fish and Wildlife Service, Guam National Wildlife Refuge, Administrative Offices, Maintenance Building, and Nature Center, Dededo, GU, Spur Road, Rte 3a, Ritidian Point, Dededo, GU
Authorized Source of Supply: iCAN Resources, Inc., Dededo, GU
Contracting Activity: DEPARTMENT OF THE INTERIOR, FWS, SAT TEAM 1

Deletion

The following product(s) and service(s) are proposed for deletion to the Procurement List:

Product(s)

NSN(s)—Product Name(s):
6230–01–513–2533—Kit, Helicopter Landing Zone
6230–01–513–1920—Kit, Safety, Lighting, Red. Strobe
6230–01–513–1924—Kit, Safety, Lighting, Amber, Strobe
6230–01–513–1925—Kit, Safety, Lighting, Green, Strobe
6230–01–513–1930—Kit, Safety, Lighting, Red, LED
6230–01–513–1933—Kit, Safety, Lighting, Amber, LED
6230–01–513–1934—Kit, Safety, Lighting, Clear, LED
6230–01–514–0920—Kit, Safety, Lighting, Blue, Strobe
6230–01–514–0921—Kit, Safety, Lighting, Clear, Strobe
6230–01–513–2551—Kit, Safety, Lighting, Traffic Cone
Authorized Source of Supply: The Arc of Bergen and Passaic Counties, Inc., Hackensack, NJ
Mandatory For: DEPT OF DEFENSE
Contracting Activity: DEFENSE LOGISTICS AGENCY, DLA TROOP SUPPORT

Services(s)

Service Type: Base Supply Center
Mandatory for: BSC-Defense Supply Service—Washington: Jefferson Plaza #1,1411 Jefferson Davis Highway, Arlington, VA
Authorized Source of Supply: Virginia Industries for the Blind, Charlottesville, VA
Contracting Activity: DEPT OF DEFENSE, DOD/OFF OF SECRETARY OF DEF (EXC MIL DEPTS)

Service Type: Base Supply Center
Mandatory for: BSC-Defense Supply Service—Washington: Rosslyn,1401 Wilson Boulevard, Arlington, VA
Designated Source of Supply: Virginia Industries for the Blind, Charlottesville, VA
Contracting Activity: DEPT OF DEFENSE, DOD/OFF OF SECRETARY OF DEF (EXC MIL DEPTS)

Service Type: Office Supply Store
Mandatory for: BSC-Defense Supply Service—Washington: Hoffman Building II, 200 Stovall Street, Alexandria, VA
Designated Source of Supply: Virginia Industries for the Blind, Charlottesville,

VA

Contracting Activity: DEPT OF DEFENSE, DOD/OFF OF SECRETARY OF DEF (EXC MIL DEPTS)

Michael R. Jurkowski,

Director, Business Operations.

[FR Doc. 2026–05368 Filed 3–18–26; 8:45 am]

BILLING CODE 6353–01–P

COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

Public Meeting

AGENCY: Committee for Purchase From People Who Are Blind or Severely Disabled.

ACTION: Notice of public meeting.

DATES: April 22, 2026, from 2 p.m. to 4 p.m. ET.

ADDRESSES: The meeting will be accessible to the public virtually via Zoom webinar.

FOR FURTHER INFORMATION CONTACT: Angela Phifer, 355 E Street SW, Suite 325, Washington, DC 20024; (703) 798–5873; *CMTEFedReg@AbilityOne.gov.*

SUPPLEMENTARY INFORMATION:

Background: The Committee for Purchase From People Who Are Blind or Severely Disabled is an independent Federal agency operating as the U.S. AbilityOne Commission. It oversees the AbilityOne Program, which provides employment opportunities through Federal contracts for people who are blind or have significant disabilities in the manufacture and delivery of products and services to the Federal Government. The Javits-Wagner-O'Day Act (41 U.S.C. chapter 85) authorizes the contracts.

Registration: Attendees *not* requesting speaking time should register not later than April 21, 2026. Attendees requesting speaking time must register not later than April 14, 2026, and use the comment fields in the registration form to specify the intended speaking topic(s). The registration link will be available on the Commission's home page, *www.abilityone.gov,* under News and Events.

Commission Statement: This regular quarterly public meeting will include updates from the Commission Chairperson, Executive Director, and Acting Inspector General.

Public Participation: The public engagement session topic is ''Innovation in AbilityOne Products and Domestic Manufacturing.'' Speakers are invited to highlight examples including, but not limited to, innovation, efficiency, speed, cost effectiveness, competitiveness, responsiveness to customer needs, reshoring/onshoring materials or components (to use domestic sources), supply chain management, and products developed from domestic raw materials.

The Commission looks forward to receiving comments and suggestions on the public engagement topic. During registration, you may choose to submit comments, or you may request speaking time at the meeting. The Commission may invite some attendees who submit advance comments to discuss their comments during the meeting. Comments submitted will be reviewed by staff and the Commission members before the meeting. Comments posted in the chat box during the meeting will be shared with the Commission members after the meeting. The Commission is not subject to the requirements of 5 U.S.C. 552(b); however, the Commission published this notice to encourage the broadest possible participation in its meeting.

Personal Information: Speakers should not include any information that they do not want publicly disclosed.

Michael R. Jurkowski,

Director, Business Operations.

[FR Doc. 2026–05431 Filed 3–18–26; 8:45 am]

BILLING CODE 6353–01–P

COMMODITY FUTURES TRADING COMMISSION

Agency Information Collection Activities Under OMB Review

Correction

In notice document 2026–03761, appearing on pages 9239 through 9240 in the issue of Wednesday, February 25, 2026, make the following correction:

On page 9240, in the **DATES** section, in the second line ''June 24, 2026'' should read ''March 27, 2026''.

[FR Doc. C1–2026–03761 Filed 3–18–26; 8:45 am]

BILLING CODE 0099–10–P

DEPARTMENT OF DEFENSE

Department of the Army, Corps of Engineers

Notice of Mississippi River Commission Public Meetings for Spring 2026

AGENCY: Corps of Engineers, Department of the Army, DoD.

ACTION: Notice; correction.

SUMMARY: The Mississippi River Commission will hold its fall of 2026 meetings at the below locations, dates, and times.

DATES: March 23, 2026, 9:00 a.m. to 12:30 p.m., New Madrid, Missouri; March 24, 2026, 9:00 a.m. to 12:30 p.m., Memphis, Tennessee; March 26, 2026, 9:00 a.m. to 12:30 p.m., Vicksburg, MS; March 27, 2026, 9:00 a.m. to 12:30 p.m., Baton Rouge, LA. Locations for the public meetings will take place on the Motor Vessel MISSISSIPPI. Additional details for the public meetings are included in the **SUPPLEMENTARY INFORMATION** section of this notice.

ADDRESSES: The physical address for the Mississippi River Commission is 1400 Walnut Street, Vicksburg, Mississippi 39180.

FOR FURTHER INFORMATION CONTACT: Mr. Drew Smith, Acting Executive Director, Mississippi River Commission at 601–634–7023, or Ms. Edie Whittington, Mississippi River Commission, Administrative Officer at 601–634–5768 or email '*edie.whittington@usace.army.mil*'. Also see: *https://www.mvd.usace.army.mil/About/Mississippi-River-Commission-MRC/Public-Meeting-Schedule/*.

SUPPLEMENTARY INFORMATION:

Status of all meetings below: Open to the public.

Matters to be considered at all meetings below: (1) Summary report by the President of the Mississippi River Commission (Commission) on national and regional issues affecting the U.S. Army Corps of Engineers (Corps) and Commission programs and projects on the Mississippi River and its tributaries; (2) District Commander's overview for the Commission on current project issues in the respective area; and (3) Presentations to the Commission by local organizations and members of the public giving views or comments on any issue affecting the programs or projects of the Commission and the Corps.

Time, Date and Place: 9:00 a.m., March 23, 2026. On board the Motor Vessel MISSISSIPPI at New Madrid, Missouri—City Front.

Time, Date and Place: 9:00 a.m., March 24, 2026. On board the Motor Vessel MISSISSIPPI at Memphis, Tennessee—Mud Island River Park Landing.

Time, Date and Place: 9:00 a.m., March 26, 2026. On board the Motor Vessel MISSISSIPPI at Vicksburg, Mississippi—City Front.

Correction—Time, Date and Place: 9:00 a.m., March 27, 2026. On board the Motor Vessel MISSISSIPPI at Baton

Rouge, Louisiana—at Shamrock Maring, 900 South River Road, Baton Rouge, LA.

Kimberly A. Peeples,

Major General, USA, President, Mississippi River Commission.

[FR Doc. 2026–05328 Filed 3–18–26; 8:45 am]

BILLING CODE 3720–58–P

DEPARTMENT OF EDUCATION

[Docket No.: ED–2026–SCC–0529]

Agency Information Collection Activities; Comment Request; RISE Award

AGENCY: Office of Communications and Outreach (OCO), Department of Education (ED).

ACTION: Notice.

SUMMARY: In accordance with the Paperwork Reduction Act (PRA) of 1995, the Department is proposing a reinstatement without change of a previously approved information collection request (ICR).

DATES: Interested persons are invited to submit comments on or before May 18, 2026.

ADDRESSES: To access and review all the documents related to the information collection listed in this notice, please use *http://www.regulations.gov* by searching the Docket ID number ED–2026–SCC–0529. Comments submitted in response to this notice should be submitted electronically through the Federal eRulemaking Portal at *http://www.regulations.gov* by selecting the Docket ID number or via postal mail, commercial delivery, or hand delivery. If the *regulations.gov* site is not available to the public for any reason, the Department will temporarily accept comments at *ICDocketMgr@ed.gov*. Please include the docket ID number and the title of the information collection request when requesting documents or submitting comments. Please note that comments submitted after the comment period will not be accepted. Written requests for information or comments submitted by postal mail or delivery should be addressed to the Office of Communication and Outreach, U.S. Department of Education, 400 Maryland Ave. SW, LBJ, Room 5C202, Washington, DC 20202–1200.

FOR FURTHER INFORMATION CONTACT: For specific questions related to collection activities, please contact Frances Hopkins, 202–987–0862.

SUPPLEMENTARY INFORMATION: The Department, in accordance with the Paperwork Reduction Act of 1995 (PRA) (44 U.S.C. 3506(c)(2)(A)), provides the general public and Federal agencies with an opportunity to comment on proposed, revised, and continuing collections of information. This helps the Department assess the impact of its information collection requirements and minimize the public's reporting burden. It also helps the public understand the Department's information collection requirements and provide the requested data in the desired format. The Department is soliciting comments on the proposed information collection request (ICR) that is described below. The Department is especially interested in public comment addressing the following issues: (1) is this collection necessary to the proper functions of the Department; (2) will this information be processed and used in a timely manner; (3) is the estimate of burden accurate; (4) how might the Department enhance the quality, utility, and clarity of the information to be collected; and (5) how might the Department minimize the burden of this collection on the respondents, including through the use of information technology. Please note that written comments received in response to this notice will be considered public records.

Title of Collection: RISE Award.

OMB Control Number: 1860–0510.

Type of Review: A reinstatement without change of a previously approved ICR.

Respondents/Affected Public: Individuals and Households.

Total Estimated Number of Annual Responses: 100.

Total Estimated Number of Annual Burden Hours: 400.

Abstract: The purpose of the Recognizing Inspirational School Employees (RISE) Award is to recognize and promote the commitment and excellence exhibited by classified school employees who provide exemplary service to students in pre-kindergarten through high school and to inspire innovation and excellence among all classified school employees. A classified school employee is an employee of a state or any political subdivision of a state or an employee of a nonprofit entity who works in any grade from pre-kindergarten through high school in any of the following occupational specialties: paraprofessional clerical and administrative services transportation services food and nutrition services custodial and maintenance services security services health and student services technical services and skilled trades. The terms used have the meaning given the terms in section 8101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801). The U.S. Department of Education (Department) invites the governor of each state to nominate up to two classified school employees by November 1 annually. Prior to May 31 of each year, the Secretary of Education shall select a single classified employee to receive the national RISE Award for that school year. The Department will communicate the national honoree-s story in order to inspire other innovative practices and excellence among classified school employees nationwide.

Ross Santy,

Chief Data Officer, Office of Planning, Evaluation and Policy Development.

[FR Doc. 2026–05448 Filed 3–18–26; 8:45 am]

BILLING CODE 4000–01–P

DEPARTMENT OF EDUCATION

[Docket No.: ED–2026–SCC–0562]

Agency Information Collection Activities; Comment Request; Shaping the Future of Loan Repayment

AGENCY: National Center for Education Evaluation and Regional Assistance (NCEE), Institute of Education Sciences (IES), Department of Education (ED).

ACTION: Notice.

SUMMARY: In accordance with the Paperwork Reduction Act (PRA) of 1995, the Department is proposing a new information collection request (ICR).

DATES: Interested persons are invited to submit comments on or before May 18, 2026.

ADDRESSES: To access and review all the documents related to the information collection listed in this notice, please use *http://www.regulations.gov* by searching the Docket ID number ED–2026–SCC–0562. Comments submitted in response to this notice should be submitted electronically through the Federal eRulemaking Portal at *http://www.regulations.gov* by selecting the Docket ID number or via postal mail, commercial delivery, or hand delivery. If the *regulations.gov* site is not available to the public for any reason, the Department will temporarily accept comments at *ICDocketMgr@ed.gov.* Please include the docket ID number and the title of the information collection request when requesting documents or submitting comments. Please note that comments submitted after the comment period will not be accepted. Written requests for information or comments submitted by postal mail or delivery should be

addressed to the National Center for Education Evaluation and Regional Assistance, U.S. Department of Education, 400 Maryland Ave. SW, LBJ, Room 5C133, Washington, DC 20202–1200.

FOR FURTHER INFORMATION CONTACT: For specific questions related to collection activities, please contact Matt Soldner, 202–453–7441.

SUPPLEMENTARY INFORMATION: The Department, in accordance with the Paperwork Reduction Act of 1995 (PRA) (44 U.S.C. 3506(c)(2)(A)), provides the general public and Federal agencies with an opportunity to comment on proposed, revised, and continuing collections of information. This helps the Department assess the impact of its information collection requirements and minimize the public's reporting burden. It also helps the public understand the Department's information collection requirements and provide the requested data in the desired format. The Department is soliciting comments on the proposed information collection request (ICR) that is described below. The Department is especially interested in public comment addressing the following issues: (1) is this collection necessary to the proper functions of the Department; (2) will this information be processed and used in a timely manner; (3) is the estimate of burden accurate; (4) how might the Department enhance the quality, utility, and clarity of the information to be collected; and (5) how might the Department minimize the burden of this collection on the respondents, including through the use of information technology. Please note that written comments received in response to this notice will be considered public records.

Title of Collection: Shaping the Future of Loan Repayment.

OMB Control Number: 1850–NEW.

Type of Review: A new ICR.

Respondents/Affected Public: Individuals and Households.

Total Estimated Number of Annual Responses: 60.

Total Estimated Number of Annual Burden Hours: 30.

Abstract: The Institute of Education Sciences (IES) within the U.S. Department of Education (ED) requests clearance from the Office of Management and Budget (OMB) to conduct new data collection activities for the Shaping the Future of Loan Repayment: Participation and Repayment Progress in Federal Student Loan Plans study. This request covers telephone/virtual interviews with federal student loan borrowers in repayment.

IES seeks to understand which borrowers do and do not enroll in IDR plans, why they do so, how long they stay in their plans, their repayment behaviors, and other household finance and life course outcomes, as feasible. IES also seeks to understand the feasibility of rigorous investigation with potential to expand knowledge about student loan repayment plans. The data collected for this study will update what is known about borrowers' repayment plan knowledge and decision making. Findings will be disseminated via a report describing borrowers' understanding and awareness of repayment plans and features, as well as the reasons driving their plan choice.

This is the first and only request for the collection of data for this study.

Ross Santy,

Chief Data Officer, Office of Planning, Evaluation and Policy Development.

[FR Doc. 2026–05418 Filed 3–18–26; 8:45 am]

BILLING CODE P

DEPARTMENT OF EDUCATION

[Docket No.: ED–2026–SCC–0563]

Agency Information Collection Activities; Comment Request; Description of Today's TRIO Programs and Proposing Options for Future Outcome Evaluations

AGENCY: Institute of Education Sciences (IES), Department of Education (ED).

ACTION: Notice.

SUMMARY: In accordance with the Paperwork Reduction Act (PRA) of 1995, the Department is proposing a new information collection request (ICR).

DATES: Interested persons are invited to submit comments on or before May 18, 2026.

ADDRESSES: To access and review all the documents related to the information collection listed in this notice, please use *http://www.regulations.gov* by searching the Docket ID number ED–2026–SCC–0563. Comments submitted in response to this notice should be submitted electronically through the Federal eRulemaking Portal at *http://www.regulations.gov* by selecting the Docket ID number or via postal mail, commercial delivery, or hand delivery. If the *regulations.gov* site is not available to the public for any reason, the Department will temporarily accept comments at *ICDocketMgr@ed.gov.* Please include the docket ID number and the title of the information collection request when requesting documents or submitting comments. Please note that comments submitted after the comment period will not be accepted. Written requests for information or comments submitted by postal mail or delivery should be addressed to the National Center for Education Evaluation and Regional Assistance, U.S. Department of Education, 400 Maryland Ave. SW, LBJ, Room 5C131, Washington, DC 20202–1200.

FOR FURTHER INFORMATION CONTACT: For specific questions related to collection activities, please contact Diana Epstein, 202–245–8117.

SUPPLEMENTARY INFORMATION: The Department, in accordance with the Paperwork Reduction Act of 1995 (PRA) (44 U.S.C. 3506(c)(2)(A)), provides the general public and Federal agencies with an opportunity to comment on proposed, revised, and continuing collections of information. This helps the Department assess the impact of its information collection requirements and minimize the public's reporting burden. It also helps the public understand the Department's information collection requirements and provide the requested data in the desired format. The Department is soliciting comments on the proposed information collection request (ICR) that is described below. The Department is especially interested in public comment addressing the following issues: (1) is this collection necessary to the proper functions of the Department; (2) will this information be processed and used in a timely manner; (3) is the estimate of burden accurate; (4) how might the Department enhance the quality, utility, and clarity of the information to be collected; and (5) how might the Department minimize the burden of this collection on the respondents, including through the use of information technology. Please note that written comments received in response to this notice will be considered public records.

Title of Collection: Description of Today's TRIO Programs and Proposing Options for Future Outcome Evaluations.

OMB Control Number: 1850–NEW.

Type of Review: A new ICR.

Respondents/Affected Public: Individuals and Households.

Total Estimated Number of Annual Responses: 5,472.

Total Estimated Number of Annual Burden Hours: 5,768.

Abstract: The Institute of Education Sciences (IES) within the U.S. Department of Education (ED) requests clearance from the Office of Management and Budget (OMB) to conduct new data collection activities

for the Description of Today's TRIO Programs and Proposing Options for Future Outcome Evaluations study. This request covers two rounds of web-based survey data collection from TRIO grantee project directors/staff. This is the first and only request for the collection of data for this study.

Ross Santy,

Chief Data Officer, Office of Planning, Evaluation and Policy Development.

[FR Doc. 2026–05419 Filed 3–18–26; 8:45 am]

BILLING CODE 4000–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

Combined Notice of Filings #1

Take notice that the Commission received the following electric corporate filings:

Docket Numbers: EC26–72–000.
Applicants: Carne Energy Storage, LLC.
Description: Application for Authorization Under Section 203 of the Federal Power Act of Carne Energy Storage, LLC.
Filed Date: 3/13/26.
Accession Number: 20260313–5275.
Comment Date: 5 p.m. ET 4/3/26.

Take notice that the Commission received the following exempt wholesale generator filings:

Docket Numbers: EG26–178–000.
Applicants: Cold Creek Solar LLC.
Description: Cold Creek Solar LLC submits Notice of Self-Certification of Exempt Wholesale Generator Status.
Filed Date: 3/13/26.
Accession Number: 20260313–5225.
Comment Date: 5 p.m. ET 4/3/26.

Docket Numbers: EG26–179–000.
Applicants: Cold Creek Storage LLC.
Description: Cold Creek Storage LLC submits Notice of Self-Certification of Exempt Wholesale Generator Status.
Filed Date: 3/13/26.
Accession Number: 20260313–5260.
Comment Date: 5 p.m. ET 4/3/26.

Docket Numbers: EG26–180–000.
Applicants: Hillsboro Solar, LLC.
Description: Hillsboro Solar, LLC submits Notice of Self-Certification of Exempt Wholesale Generator Status.
Filed Date: 3/16/26.
Accession Number: 20260316–5219.
Comment Date: 5 p.m. ET 4/6/26.

Take notice that the Commission received the following Complaints and Compliance filings in EL Dockets:

Docket Numbers: EL26–51–000; QF26–411–001.
Applicants: NY CDG Oneida 2 LLC, NY CDG Oneida 2 LLC.
Description: Petition for Declaratory Order of NY CDG Oneida 2, LLC.
Filed Date: 3/10/26.
Accession Number: 20260310–5211.
Comment Date: 5 p.m. ET 4/9/26.

Take notice that the Commission received the following electric rate filings:

Docket Numbers: ER20–2845–004; ER25–1104–001; ER20–1657–003; ER20–2846–004; ER18–315–004.
Applicants: Wildwood Lessee, LLC, Mechanicsville Lessee, LLC, Mechanicsville Solar, LLC, Aulander Holloman Solar, LLC, Albemarle Beach Solar, LLC.
Description: Response to 03/11/2026 Deficiency Letter of Albemarle Beach Solar, LLC, et al.
Filed Date: 3/13/26.
Accession Number: 20260313–5278.
Comment Date: 5 p.m. ET 4/3/26.

Docket Numbers: ER21–2445–006; ER23–2716–004; ER25–561–002; ER25–562–002; ER16–2226–006.
Applicants: McHenry Battery Storage, LLC, Winfield Solar I, LLC, Crossover Wind LLC, Moraine Sands Wind Power, LLC, Glacier Sands Wind Power, LLC.
Description: Supplement to 01/30/2026, Notice of Non-Material Change in Status of Glacier Sands Wind Power, LLC, et al.
Filed Date: 3/3/26.
Accession Number: 20260303–5201.
Comment Date: 5 p.m. ET 3/24/26.

Docket Numbers: ER26–998–001.
Applicants: Platte River Power Authority, Southwest Power Pool, Inc.
Description: Tariff Amendment: Platte River Power Authority submits tariff filing per 35.17(b): Amended Platte River Power Authority Formula Rate Filing (Zone 101) to be effective 4/1/2026.
Filed Date: 3/16/26.
Accession Number: 20260316–5078.
Comment Date: 5 p.m. ET 3/26/26.

Docket Numbers: ER26–1079–001.
Applicants: PJM Interconnection, L.L.C.
Description: Tariff Amendment: Amendment to GIA SA No. 7796; Project Identifier No. AF2–042 to be effective 12/19/2025.
Filed Date: 3/16/26.
Accession Number: 20260316–5304.
Comment Date: 5 p.m. ET 4/6/26.

Docket Numbers: ER26–1149–001.
Applicants: Platte River Power Authority, Southwest Power Pool, Inc.
Description: Tariff Amendment: Platte River Power Authority submits tariff filing per 35.17(b): Amended Platte River Power Authority Formula Rate Filing (Zone 104) to be effective 4/1/2026.
Filed Date: 3/16/26.
Accession Number: 20260316–5116.
Comment Date: 5 p.m. ET 3/26/26.

Docket Numbers: ER26–1395–000.
Applicants: NorthWestern Corporation.
Description: Annual Filing of Post-Employment Benefits Other than Pensions for 2025 of NorthWestern Corporation.
Filed Date: 2/2/26.
Accession Number: 20260202–5274.
Comment Date: 5 p.m. ET 4/6/26.

Docket Numbers: ER26–1672–001.
Applicants: Tucson Electric Power Company.
Description: Tariff Amendment: Amendment to Service Agreement No. 627 to be effective 3/10/2026.
Filed Date: 3/16/26.
Accession Number: 20260316–5283.
Comment Date: 5 p.m. ET 4/6/26.

Docket Numbers: ER26–1742–001.
Applicants: Northern States Power Company, a Minnesota corporation.
Description: Tariff Amendment: Amendment Filing App E–P to be effective 12/31/9998.
Filed Date: 3/13/26.
Accession Number: 20260313–5231.
Comment Date: 5 p.m. ET 4/3/26.

Docket Numbers: ER26–1771–000.
Applicants: PJM Interconnection, L.L.C.
Description: 205(d) Rate Filing: Amendment to ISA, Service Agreement No. 7049; Queue No. AE1–163/AE2–281 to be effective 5/13/2026.
Filed Date: 3/13/26.
Accession Number: 20260313–5241.
Comment Date: 5 p.m. ET 4/3/26.

Docket Numbers: ER26–1772–000.
Applicants: American Transmission Systems, Incorporated.
Description: 205(d) Rate Filing: ATSI submits 3 new Construction Agmts—SA Nos. 7367, 7217, 7210 to be effective 5/16/2026.
Filed Date: 3/16/26.
Accession Number: 20260316–5044.
Comment Date: 5 p.m. ET 4/6/26.

Docket Numbers: ER26–1773–000.
Applicants: PJM Interconnection, L.L.C.
Description: 205(d) Rate Filing: Original NSA, Service Agreement No. 7943; AE2–285 to be effective 5/16/2026.
Filed Date: 3/16/26.
Accession Number: 20260316–5052.
Comment Date: 5 p.m. ET 4/6/26.

Docket Numbers: ER26–1774–000.
Applicants: PJM Interconnection, L.L.C.
Description: 205(d) Rate Filing: Amendment to GIA No. 7419; Project Identifier No. AF2–032 to be effective 5/16/2026.

Filed Date: 3/16/26.
Accession Number: 20260316–5101.
Comment Date: 5 p.m. ET 4/6/26.
Docket Numbers: ER26–1778–000.
Applicants: Louisville Gas and Electric Company.
Description: 205(d) Rate Filing: EKPC Liberty Contribution In Aid of Construction to be effective 5/16/2026.
Filed Date: 3/16/26.
Accession Number: 20260316–5118.
Comment Date: 5 p.m. ET 4/6/26.
Docket Numbers: ER26–1779–000.
Applicants: Kentucky Utilities Company.
Description: 205(d) Rate Filing: EKPC Liberty Contribution In Aid of Construction KU Concurrence to be effective 5/16/2026.
Filed Date: 3/16/26.
Accession Number: 20260316–5120.
Comment Date: 5 p.m. ET 4/6/26.
Docket Numbers: ER26–1780–000.
Applicants: FirstEnergy Service Company.
Description: 205(d) Rate Filing: First Energy submits revised PJM OATT Attachments M–1 & M–2 to be effective 5/16/2026.
Filed Date: 3/16/26.
Accession Number: 20260316–5137.
Comment Date: 5 p.m. ET 4/6/26.
Docket Numbers: ER26–1781–000
Applicants: Indiana Michigan Power Company.
Description: 205(d) Rate Filing: AEPSC submits Coordination Agreement—SA No. 7944 to be effective 2/17/2026.
Filed Date: 3/16/26.
Accession Number: 20260316–5148.
Comment Date: 5 p.m. ET 4/6/26.
Docket Numbers: ER26–1782–000.
Applicants: Midcontinent Independent System Operator, Inc.
Description: 205(d) Rate Filing: 2026–03–16_SA 4702 ITC Midwest-Interstate Power & Light MPFCA (R5064 R5065) to be effective 3/10/2026.
Filed Date: 3/16/26.
Accession Number: 20260316–5165.
Comment Date: 5 p.m. ET 4/6/26.
Docket Numbers: ER26–1783–000.
Applicants: PacifiCorp.
Description: 205(d) Rate Filing: Surplus LGIA (Escalante II—SA 1108) to be effective 3/17/2026.
Filed Date: 3/16/26.
Accession Number: 20260316–5176.
Comment Date: 5 p.m. ET 4/6/26.
Docket Numbers: ER26–1784–000.
Applicants: SR Bacon, LLC.
Description: Initial Rate Filing: Market-Based Rate Application to be effective 5/16/2026.
Filed Date: 3/16/26.
Accession Number: 20260316–5181.
Comment Date: 5 p.m. ET 4/6/26.
Docket Numbers: ER26–1785–000.
Applicants: SR Tullahoma, LLC.
Description: Initial Rate Filing: Market-Based Rate Application to be effective 5/16/2026.
Filed Date: 3/16/26.
Accession Number: 20260316–5183.
Comment Date: 5 p.m. ET 4/6/26.
Docket Numbers: ER26–1786–000.
Applicants: SR Middleton, LLC.
Description: Initial Rate Filing: Market-Based Rate Application to be effective 5/16/2026.
Filed Date: 3/16/26.
Accession Number: 20260316–5186.
Comment Date: 5 p.m. ET 4/6/26.
Docket Numbers: ER26–1787–000.
Applicants: SR Bacon II, LLC.
Description: Initial Rate Filing: Market-Based Rate Application to be effective 5/16/2026.
Filed Date: 3/16/26.
Accession Number: 20260316–5188.
Comment Date: 5 p.m. ET 4/6/26.
Docket Numbers: ER26–1788–000.
Applicants: SR Puryear, LLC.
Description: Initial Rate Filing: Market-Based Rate Application to be effective 5/16/2026.
Filed Date: 3/16/26.
Accession Number: 20260316–5189.
Comment Date: 5 p.m. ET 4/6/26.
Docket Numbers: ER26–1789–000.
Applicants: Horus Kentucky 1, LLC.
Description: Initial Rate Filing: Market-Based Rate Application to be effective 5/16/2026.
Filed Date: 3/16/26.
Accession Number: 20260316–5191.
Comment Date: 5 p.m. ET 4/6/26.
Docket Numbers: ER26–1790–000.
Applicants: SR Bacon III, LLC.
Description: Initial Rate Filing: Market-Based Rate Application to be effective 5/16/2026.
Filed Date: 3/16/26.
Accession Number: 20260316–5192.
Comment Date: 5 p.m. ET 4/6/26.
Docket Numbers: ER26–1793–000.
Applicants: SR Rochelle, LLC.
Description: Initial Rate Filing: Market-Based Rate Application to be effective 5/16/2026.
Filed Date: 3/16/26.
Accession Number: 20260316–5195.
Comment Date: 5 p.m. ET 4/6/26.
Docket Numbers: ER26–1794–000.
Applicants: SR Rochelle II, LLC.
Description: Initial Rate Filing: Market-Based Rate Application to be effective 5/16/2026.
Filed Date: 3/16/26.
Accession Number: 20260316–5199.
Comment Date: 5 p.m. ET 4/6/26.
Docket Numbers: ER26–1795–000.
Applicants: Black Hills Colorado Electric, LLC.
Description: Initial rate filing: Project Construction Agreement with Tri-State Generation to be effective 3/20/2026.
Filed Date: 3/16/26.
Accession Number: 20260316–5201.
Comment Date: 5 p.m. ET 4/6/26.
Docket Numbers: ER26–1796–000.
Applicants: Alabama Power Company, Georgia Power Company, Mississippi Power Company.
Description: Tariff Amendment: Alabama Power Company submits tariff filing per 35.15: Hecate Energy Panther Path LGIA Termination Filing to be effective 3/16/2026.
Filed Date: 3/16/26.
Accession Number: 20260316–5216.
Comment Date: 5 p.m. ET 4/6/26.
Docket Numbers: ER26–1797–000.
Applicants: Louisville Gas and Electric Company.
Description: 205(d) Rate Filing: KMPA KYMEA Transition Mechanism Agmts and Revisions to Rate Schedule No. 525 to be effective 5/16/2026.
Filed Date: 3/16/26.
Accession Number: 20260316–5238.
Comment Date: 5 p.m. ET 4/6/26.
Docket Numbers: ER26–1798–000.
Applicants: Kentucky Utilities Company.
Description: 205(d) Rate Filing: KU Concurrence KMPA KYMEA Transition Mechanism Agmts. and Revisions to RS No 525 to be effective 5/16/2026.
Filed Date: 3/16/26.
Accession Number: 20260316–5240.
Comment Date: 5 p.m. ET 4/6/26.
Docket Numbers: ER26–1799–000.
Applicants: Black Hills Power, Inc.
Description: 205(d) Rate Filing: Filing of LGIA with Sioux County Wind Farm Holdings, LLC to be effective 3/2/2026.
Filed Date: 3/16/26.
Accession Number: 20260316–5273.
Comment Date: 5 p.m. ET 4/6/26.
Docket Numbers: ER26–1800–000.
Applicants: PJM Interconnection, L.L.C.
Description: 205(d) Rate Filing: Revisions to Sch. 12–Appx A: Feb 2026 RTEP Baseline Upgrades to be effective 1/1/2024.
Filed Date: 3/16/26.
Accession Number: 20260316–5297.
Comment Date: 5 p.m. ET 4/15/26.
Docket Numbers: ER26–1801–000.
Applicants: AEP Texas Inc.
Description: 205(d) Rate Filing: AEPTX–CGRP 10 Second Amended Generation Interconnection Agreement to be effective 2/23/2026.
Filed Date: 3/16/26.
Accession Number: 20260316–5299.
Comment Date: 5 p.m. ET 4/6/26.
Docket Numbers: ER26–1802–000.
Applicants: Southern California Edison Company.

Description: Notice of Cancellation of Wholesale Distribution Services Agreement of Southern California Edison Company.

Filed Date: 3/13/26.

Accession Number: 20260313–5279.

Comment Date: 5 p.m. ET 4/3/26.

The filings are accessible in the Commission's eLibrary system (*https://elibrary.ferc.gov/idmws/search/fercgensearch.asp*) by querying the docket number.

Any person desiring to intervene, to protest, or to answer a complaint in any of the above proceedings must file in accordance with Rules 211, 214, or 206 of the Commission's Regulations (18 CFR 385.211, 385.214, or 385.206) on or before 5:00 p.m. Eastern time on the specified comment date. Protests may be considered, but intervention is necessary to become a party to the proceeding.

eFiling is encouraged. More detailed information relating to filing requirements, interventions, protests, service, and qualifying facilities filings can be found at: *http://www.ferc.gov/docs-filing/efiling/filing-req.pdf.* For other information, call (866) 208–3676 (toll free). For TTY, call (202) 502–8659.

For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, contact the Office of Public Participation at (202) 502–6595 or *OPP@ferc.gov.*

Dated: March 16, 2026.

Carlos D. Clay,

Deputy Secretary.

[FR Doc. 2026–05385 Filed 3–18–26; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Project No. 6066–000]

McCallum Enterprises I Limited Partnership and Shelton Canal Company; Notice of Authorization for Continued Project Operation

The license for the Derby Hydroelectric Project No. 6066 was issued for a period ending February 28, 2026.

Section 15(a)(1) of the FPA, 16 U.S.C. 808(a)(1), requires the Commission, at the expiration of a license term, to issue from year-to-year an annual license to the then licensee(s) under the terms and conditions of the prior license until a new license is issued, or the project is otherwise disposed of as provided in section 15 or any other applicable section of the FPA. If the project's prior license waived the applicability of section 15 of the FPA, then, based on section 9(b) of the Administrative Procedure Act, 5 U.S.C. 558(c), and as set forth at 18 CFR 16.21(a), if the licensee of such project has filed an application for a subsequent license, the licensee may continue to operate the project in accordance with the terms and conditions of the license after the minor or minor part license expires, until the Commission acts on its application. If the licensee of such a project has not filed an application for a subsequent license, then it may be required, pursuant to 18 CFR 16.21(b), to continue project operations until the Commission issues someone else a license for the project or otherwise orders disposition of the project.

If the project is subject to section 15 of the FPA, notice is hereby given that an annual license for Project No. 6066 is issued to McCallum Enterprises I Limited Partnership and Shelton Canal Company for a period effective March 1, 2026, through February 28, 2027, or until the issuance of a new license for the project or other disposition under the FPA, whichever comes first.

If issuance of a new license (or other disposition) does not take place on or before February 28, 2027, notice is hereby given that, pursuant to 18 CFR 16.18(c), an annual license under section 15(a)(1) of the FPA is renewed automatically without further order or notice by the Commission, unless the Commission orders otherwise.

If the project is not subject to section 15 of the FPA, notice is hereby given that McCallum Enterprises I Limited Partnership and Shelton Canal Company is authorized to continue operation of the Derby Hydroelectric Project under the terms and conditions of the prior license until the issuance of a subsequent license for the project or other disposition under the FPA, whichever comes first.

For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, contact the Office of Public Participation at (202) 502–6595 or *OPP@ferc.gov.*

(Authority: 18 CFR 2.1)

Dated: March 16, 2026.

Debbie-Anne A. Reese,

Secretary.

[FR Doc. 2026–05423 Filed 3–18–26; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Project No. 3071–008]

Blue Earth County; Notice of Revised Schedule for Environmental Assessment

On March 18, 2025,[1] and supplemented on April 24, 2025 and February 24, 2026, Blue Earth County, Minnesota (exemptee) filed an application for surrender of exemption for the Rapidan Hydroelectric Project No. 3071. The project is located on the Blue Earth River, in Blue Earth County, Minnesota. The project does not occupy federal lands.

On September 30, 2025, Commission staff issued a notice of intent to prepare an environmental assessment (EA) to evaluate the effects of the proposed surrender. The notice included an anticipated schedule for issuing the EA by April 1, 2026. Commission staff is continuing to review the application including the most recent information filed on February 24, 2026. In order for staff to fully consider this updated information, Commission staff is revising the schedule to issue the EA[2] by August 10, 2026. The EA will be issued for a 30-day comment period. All comments filed on the EA will be reviewed by staff and considered in the Commission's final decision on the proceeding. Further revisions to the schedule may be made as appropriate.

For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, contact the Office of Public Participation at (202) 502–6595 or *OPP@ferc.gov.*

Any questions regarding this notice may be directed to Diana Shannon at (202) 502–6136, or by email at *diana.shannon@ferc.gov.*

(Authority: 18 CFR 2.1.)

Dated: March 16, 2026.

Debbie-Anne A. Reese,

Secretary.

[FR Doc. 2026–05426 Filed 3–18–26; 8:45 am]

BILLING CODE 6717–01–P

[1] The March 18, 2025 filing supersedes the exemptee's original surrender application filed on April 14, 2023.

[2] The unique identification number for documents relating to this environmental review is EAXX–019–20–000–1758885949.

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. CP26–130–000]

Northern Natural Gas Company; Notice of Application and Establishing Intervention Deadline

Take notice that on March 2, 2026, Northern Natural Gas Company (Northern) 1111 South 103rd Street, Omaha, NE 68124–1000, filed an application under section 7 of the Natural Gas Act (NGA) and Part 157 of the Commission's regulations requesting authorization for its: (1) Ventura to Farmington A-Line Abandonment and Capacity Replacement Project (V2F Project); and (2) Northern Lights 2027 Expansion Project (NL27 Project). The two projects are being filed together because two of the proposed pipeline extensions are required for each project and will be constructed concurrently.

For the V2F Project, Northern proposes to: (1) abandon in place approximately 131 miles of its 16- and 18-inch-diameter A line and J line in Hancock and Worth Counties, Iowa and Freeborn, Steele, and Rice Counties, Minnesota; (2) construct an approximately 8.29 mile 36-inch-diameter extension in Freeborn County, Minnesota; (3) construct an approximately 2.09 mile 36-inch-diameter extension of the Albert Lea M500 E line in Steele County, Minnesota; and (4) construct an approximately 7.50 mile 30-inch-diameter extension of the Faribault M500 D line in Dakota County, Minnesota. The V2F Project will ensure continuity of service for Northern's customers following the abandonment of the aging A-line and J-line. The V2F Project will not result in any change of service to Northern's customers and will not add any incremental capacity to their system.

For the NL27 Project, Northern proposes to: (1) construct ten pipeline extensions totaling 28.43 miles of various diameter pipeline in Freeborn, Steele, Scott, Carver, Martin, Stearns, Jackson, Watonwan, Isanti, Morrison Counties in Minnesota; and (2) replace an existing 7,000 hp turbine compressor unit with a new 7,700 hp turbine compressor unit at the Hugo Compressor Station in Washington County, Minnesota. The NL27 project will enable Northern to provide an additional 79.3 Dth/d of incremental firm service to the project shippers for residential and commercial use.

Northern estimates the total cost of the V2F Project to be $146,532,569 and the NL27 project to be $132,77,653, all as more fully set forth in the application which is on file with the Commission and open for public inspection.

In addition to publishing the full text of this document in the **Federal Register**, the Commission provides all interested persons an opportunity to view and/or print the contents of this document via the internet through the Commission's Home Page (*http://www.ferc.gov*). From the Commission's Home Page on the internet, this information is available on eLibrary. The full text of this document is available on eLibrary in PDF and Microsoft Word format for viewing, printing, and/or downloading. To access this document in eLibrary, type the docket number excluding the last three digits of this document in the docket number field.

User assistance is available for eLibrary and the Commission's website during normal business hours from FERC Online Support at (202) 502–6652 (toll free at 1–866–208–3676) or email at *ferconlinesupport@ferc.gov,* or the Public Reference Room at (202) 502–8371, TTY (202) 502–8659. Email the Public Reference Room at *public.referenceroom@ferc.gov.*

Any questions regarding the proposed project should be directed to Donna Martens, Senior Regulatory Analyst, Northern Natural Gas Company, 1111 South 103rd Street, Omaha, NE 68124, by phone at (402) 398–7138 or by email at *donna.martens@nngco.com.*

Pursuant to section 157.9 of the Commission's Rules of Practice and Procedure,[1] within 90 days of this Notice the Commission staff will either: complete its environmental review and place it into the Commission's public record (eLibrary) for this proceeding; or issue a Notice of Schedule for Environmental Review. If a Notice of Schedule for Environmental Review is issued, it will indicate, among other milestones, the anticipated date for the Commission staff's issuance of the final environmental impact statement (FEIS) or environmental assessment (EA) for this proposal. The filing of an EA in the Commission's public record for this proceeding or the issuance of a Notice of Schedule for Environmental Review will serve to notify federal and state agencies of the timing for the completion of all necessary reviews, and the subsequent need to complete all federal authorizations within 90 days of the date of issuance of the Commission staff's FEIS or EA.

[1] 18 CFR 157.9.

Public Participation

There are three ways to become involved in the Commission's review of this project: you can file comments on the project, you can protest the filing, and you can file a motion to intervene in the proceeding. There is no fee or cost for filing comments or intervening. The deadline for filing a motion to intervene is 5:00 p.m. Eastern Time on April 6, 2026. How to file protests, motions to intervene, and comments is explained below.

For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, contact the Office of Public Participation (OPP) at (202) 502–6595 or *OPP@ferc.gov.*

Comments

Any person wishing to comment on the project may do so. Comments may include statements of support or objections to the project as a whole or specific aspects of the project. The more specific your comments, the more useful they will be.

Protests

Pursuant to sections 157.10(a)(4)[2] and 385.211[3] of the Commission's regulations under the NGA, any person[4] may file a protest to the application. Protests must comply with the requirements specified in section 385.2001[5] of the Commission's regulations. A protest may also serve as a motion to intervene so long as the protestor states it also seeks to be an intervenor.

To ensure that your comments or protests are timely and properly recorded, please submit your comments on or before 5:00 p.m. Eastern Time on April 6, 2026.

There are three methods you can use to submit your comments or protests to the Commission. In all instances, please reference the Project docket number CP26–130–000 in your submission.

(1) You may file your comments electronically by using the eComment feature, which is located on the Commission's website at *www.ferc.gov* under the link to Documents and Filings. Using eComment is an easy method for interested persons to submit brief, text-only comments on a project;

(2) You may file your comments or protests electronically by using the eFiling feature, which is located on the

[2] 18 CFR 157.10(a)(4).

[3] 18 CFR 385.211.

[4] Persons include individuals, organizations, businesses, municipalities, and other entities. 18 CFR 385.102(d).

[5] 18 CFR 385.2001.

Commission's website (*www.ferc.gov)* under the link to Documents and Filings. With eFiling, you can provide comments in a variety of formats by attaching them as a file with your submission. New eFiling users must first create an account by clicking on ''eRegister.'' You will be asked to select the type of filing you are making; first select ''General'' and then select ''Comment on a Filing''; or

(3) You can file a paper copy of your comments or protests by mailing them to the following address below. Your written comments must reference the Project docket number (CP26–130–000).

To file via USPS: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426

To file via any other courier: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 12225 Wilkins Avenue, Rockville, Maryland 20852

The Commission encourages electronic filing of comments (options 1 and 2 above) and has eFiling staff available to assist you at (202) 502–8258 or *FercOnlineSupport@ferc.gov.*

Persons who comment on the environmental review of this project will be placed on the Commission's environmental mailing list, and will receive notification when the environmental documents (EA or EIS) are issued for this project and will be notified of meetings associated with the Commission's environmental review process.

The Commission considers all comments received about the project in determining the appropriate action to be taken. However, the filing of a comment alone will not serve to make the filer a party to the proceeding. To become a party, you must intervene in the proceeding. For instructions on how to intervene, see below.

Interventions

Any person, which includes individuals, organizations, businesses, municipalities, and other entities,[6] has the option to file a motion to intervene in this proceeding. Only intervenors have the right to request rehearing of Commission orders issued in this proceeding and to subsequently challenge the Commission's orders in the U.S. Circuit Courts of Appeal.

To intervene, you must submit a motion to intervene to the Commission in accordance with Rule 214 of the Commission's Rules of Practice and Procedure[7] and the regulations under the NGA[8] by the intervention deadline for the project, which is 5:00 p.m. Eastern Time on April 6, 2026. As described further in Rule 214, your motion to intervene must state, to the extent known, your position regarding the proceeding, as well as your interest in the proceeding. For an individual, this could include your status as a landowner, ratepayer, resident of an impacted community, or recreationist. You do not need to have property directly impacted by the project in order to intervene. For more information about motions to intervene, refer to the FERC website at *https://www.ferc.gov/resources/guides/how-to/intervene.asp.*

There are two ways to submit your motion to intervene. In both instances, please reference the Project docket number CP26–130–000 in your submission.

(1) You may file your motion to intervene by using the Commission's eFiling feature, which is located on the Commission's website (*www.ferc.gov)* under the link to Documents and Filings. New eFiling users must first create an account by clicking on ''eRegister.'' You will be asked to select the type of filing you are making; first select ''General'' and then select ''Intervention.'' The eFiling feature includes a document-less intervention option; for more information, visit *https://www.ferc.gov/docs-filing/efiling/document-less-intervention.pdf.;* or

(2) You can file a paper copy of your motion to intervene, along with three copies, by mailing the documents to the address below. Your motion to intervene must reference the Project docket number CP26–130–000.

To file via USPS: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426

To file via any other courier: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 12225 Wilkins Avenue, Rockville, Maryland 20852

The Commission encourages electronic filing of motions to intervene (option 1 above) and has eFiling staff available to assist you at (202) 502–8258 or *FercOnlineSupport@ferc.gov.*

Protests and motions to intervene must be served on the applicant either by mail at: to Donna Martens, Senior Regulatory Analyst for Northern, 1111 South 103rd Street, Omaha, NE 68124, or by email (with a link to the document) at *donna.martens@nngco.com.* Any subsequent submissions by an intervenor must be served to the applicant and all other parties to the proceeding. Contact information for parties can be downloaded from the service list at the eService link on FERC Online. Service can be via email with a link to the document.

All timely, unopposed[9] motions to intervene are automatically granted by operation of Rule 214(c)(1).[10] Motions to intervene that are filed after the intervention deadline are untimely and may be denied. Any late-filed motion to intervene must show good cause for being late and must explain why the time limitation should be waived and provide justification by reference to factors set forth in Rule 214(d) of the Commission's Rules and Regulations.[11] A person obtaining party status will be placed on the service list maintained by the Secretary of the Commission and will receive copies (paper or electronic) of all documents filed by the applicant and by all other parties.

Tracking The Proceeding

Throughout the proceeding, additional information about the project will be available from OPP at (202) 502–6595 or on the FERC website at *www.ferc.gov* using the ''eLibrary'' link as described above. The eLibrary link also provides access to the texts of all formal documents issued by the Commission, such as orders, notices, and rulemakings.

In addition, the Commission offers a free service called eSubscription which allows you to keep track of all formal issuances and submittals in specific dockets. This can reduce the amount of time you spend researching proceedings by automatically providing you with notification of these filings, document summaries, and direct links to the documents. For more information and to register, go to *www.ferc.gov/docs-filing/esubscription.asp.*

Intervention Deadline: 5:00 p.m. Eastern Time on April 6, 2026.

(Authority: 18 CFR 2.1)

Dated: March 16, 2026.

Debbie-Anne A. Reese,

Secretary.

[FR Doc. 2026–05429 Filed 3–18–26; 8:45 am]

BILLING CODE 6717–01–P

[6] 18 CFR 385.102(d).

[7] 18 CFR 385.214.

[8] 18 CFR 157.10.

[9] The applicant has 15 days from the submittal of a motion to intervene to file a written objection to the intervention.

[10] 18 CFR 385.214(c)(1).

[11] 18 CFR 385.214(b)(3) and (d).

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Project No. 4678–053]

New York Power Authority; Notice of Availability of Environmental Assessment

In accordance with the National Environmental Policy Act of 1969 and the Federal Energy Regulatory Commission's (Commission) regulations, 18 CFR part 380, the Office of Energy Projects has reviewed the application for a new license to continue to operate and maintain the Crescent Hydroelectric Project No. 4678 (project). The project is located on the Mohawk River in Saratoga, Albany, and Schenectady counties, New York. Commission staff has prepared an Environmental Assessment (EA) for the project.[1]

The EA contains staff's analysis of the potential environmental impacts of the project and concludes that licensing the project, with appropriate environmental protective measures, would not constitute a major federal action that would significantly affect the quality of the human environment.

The Commission provides all interested persons with an opportunity to view and/or print the EA via the internet through the Commission's Home Page (*http://www.ferc.gov/*), using the ''eLibrary'' link. Enter the docket number, excluding the last three digits in the docket number field, to access the document. For assistance, contact FERC Online Support at *FERCOnlineSupport@ferc.gov,* or toll-free at (866) 208–3676, or for TTY, (202) 502–8659.

You may also register online at *https://ferconline.ferc.gov/FERCOnline.aspx* to be notified via email of new filings and issuances related to this or other pending projects. For assistance, contact FERC Online Support.

Any comments should be filed on or before 5:00 p.m. Eastern Time on April 15, 2026.

The Commission strongly encourages electronic filing. Please file comments using the Commission's eFiling system at *http://www.ferc.gov/docs-filing/efiling.asp.* Commenters can submit brief comments up to 10,000 characters, without prior registration, using the eComment system at *http://www.ferc.gov/docs-filing/ecomment.asp.* For assistance, please contact FERC Online Support. In lieu of electronic filing, you may submit a paper copy. Submissions sent via the U.S. Postal Service must be addressed to: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 888 First Street NE, Room 1A, Washington, DC 20426. Submissions sent via any other carrier must be addressed to: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 12225 Wilkins Avenue, Rockville, Maryland 20852. The first page of any filing should include docket number P–4678–053.

For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, contact the Office of Public Participation at (202) 502–6595 or *OPP@ferc.gov.*

For further information, contact Jody Callihan at (202) 502–8278 or by email at *jody.callihan@ferc.gov.*

(Authority: 18 CFR 2.1.)

Dated: March 16, 2026.

Debbie-Anne A. Reese,

Secretary.

[FR Doc. 2026–05424 Filed 3–18–26; 8:45 am]

BILLING CODE 6717–01–P

[1] For tracking purposes under the National Environmental Policy Act, the unique identification number for documents relating to this environmental review is EAXX–019–20–000–1742891253.

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

Combined Notice of Filings

Take notice that the Commission has received the following Natural Gas Pipeline Rate and Refund Report filings:

Filings Instituting Proceedings

Docket Numbers: PR26–45–000.

Applicants: Targa SouthTex Mustang Transmission Ltd.

Description: Tariff Amendment: Cancellation entire tariff to be effective 3/13/2026.

Filed Date: 3/13/26.

Accession Number: 20260313–5201.

Comment Date: 5 p.m. ET 4/3/26.

Docket Numbers: RP26–643–000.

Applicants: Northern Natural Gas Company.

Description: 4(d) Rate Filing: 20260313 Negotiated Rate Filing to be effective 3/14/2026.

Filed Date: 3/13/26.

Accession Number: 20260313–5156.

Comment Date: 5 p.m. ET 3/25/26.

Docket Numbers: RP26–644–000.

Applicants: Gulf Run Transmission, LLC.

Description: Compliance filing: Gulf Run Docket No. CP20–70–000 Cost and Revenue Study Compliance Filing to be effective N/A.

Filed Date: 3/16/26.

Accession Number: 20260316–5135.

Comment Date: 5 p.m. ET 3/30/26.

Any person desiring to intervene, to protest, or to answer a complaint in any of the above proceedings must file in accordance with Rules 211, 214, or 206 of the Commission's Regulations (18 CFR 385.211, 385.214, or 385.206) on or before 5:00 p.m. Eastern time on the specified comment date. Protests may be considered, but intervention is necessary to become a party to the proceeding.

The filings are accessible in the Commission's eLibrary system (*https://elibrary.ferc.gov/idmws/search/fercgensearch.asp*) by querying the docket number.

eFiling is encouraged. More detailed information relating to filing requirements, interventions, protests, service, and qualifying facilities filings can be found at: *http://www.ferc.gov/docs-filing/efiling/filing-req.pdf.* For other information, call (866) 208–3676 (toll free). For TTY, call (202) 502–8659.

For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, contact the Office of Public Participation at (202) 502–6595 or *OPP@ferc.gov.*

Dated: March 16, 2026.

Carlos D. Clay,

Deputy Secretary.

[FR Doc. 2026–05386 Filed 3–18–26; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Project No. 8093–000]

Methuen Falls Hydroelectric Company; Notice of Authorization for Continued Project Operation

The license for the Methuen Falls Hydroelectric Project No. 8093 was issued for a period ending February 28, 2026.

Section 15(a)(1) of the FPA, 16 U.S.C. 808(a)(1), requires the Commission, at the expiration of a license term, to issue from year-to-year an annual license to the then licensee(s) under the terms and conditions of the prior license until a new license is issued, or the project is otherwise disposed of as provided in section 15 or any other applicable section of the FPA. If the project's prior license waived the applicability of section 15 of the FPA, then, based on

section 9(b) of the Administrative Procedure Act, 5 U.S.C. 558(c), and as set forth at 18 CFR 16.21(a), if the licensee of such project has filed an application for a subsequent license, the licensee may continue to operate the project in accordance with the terms and conditions of the license after the minor or minor part license expires, until the Commission acts on its application. If the licensee of such a project has not filed an application for a subsequent license, then it may be required, pursuant to 18 CFR 16.21(b), to continue project operations until the Commission issues someone else a license for the project or otherwise orders disposition of the project.

If the project is subject to section 15 of the FPA, notice is hereby given that an annual license for Project No. 8093 is issued to Methuen Falls Hydroelectric Company for a period effective March 1, 2026, through February 28, 2027, or until the issuance of a new license for the project or other disposition under the FPA, whichever comes first.

If issuance of a new license (or other disposition) does not take place on or before February 28, 2027, notice is hereby given that, pursuant to 18 CFR 16.18(c), an annual license under section 15(a)(1) of the FPA is renewed automatically without further order or notice by the Commission, unless the Commission orders otherwise.

If the project is not subject to section 15 of the FPA, notice is hereby given that Methuen Falls Hydroelectric Company is authorized to continue operation of the Methuen Falls Hydroelectric Project under the terms and conditions of the prior license until the issuance of a subsequent license for the project or other disposition under the FPA, whichever comes first.

For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, contact the Office of Public Participation at (202) 502–6595 or *OPP@ferc.gov.*

(Authority: 18 CFR 2.1.)

Dated: March 16, 2026.

Debbie-Anne A. Reese,

Secretary.

[FR Doc. 2026–05422 Filed 3–18–26; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Project No. 2614–000]

City of Hamilton, Ohio and American Municipal Power, Inc.; Notice of Authorization for Continued Project Operation

The license for the Greenup Hydroelectric Project No. 2614 was issued for a period ending February 28, 2026.

Section 15(a)(1) of the FPA, 16 U.S.C. 808(a)(1), requires the Commission, at the expiration of a license term, to issue from year-to-year an annual license to the then licensee(s) under the terms and conditions of the prior license until a new license is issued, or the project is otherwise disposed of as provided in section 15 or any other applicable section of the FPA. If the project's prior license waived the applicability of section 15 of the FPA, then, based on section 9(b) of the Administrative Procedure Act, 5 U.S.C. 558(c), and as set forth at 18 CFR 16.21(a), if the licensee of such project has filed an application for a subsequent license, the licensee may continue to operate the project in accordance with the terms and conditions of the license after the minor or minor part license expires, until the Commission acts on its application. If the licensee of such a project has not filed an application for a subsequent license, then it may be required, pursuant to 18 CFR 16.21(b), to continue project operations until the Commission issues someone else a license for the project or otherwise orders disposition of the project.

If the project is subject to section 15 of the FPA, notice is hereby given that an annual license for Project No. 2614 is issued to the City of Hamilton, Ohio and American Municipal Power, Inc. for a period effective March 1, 2026, through February 28, 2027, or until the issuance of a new license for the project or other disposition under the FPA, whichever comes first.

If issuance of a new license (or other disposition) does not take place on or before February 28, 2027, notice is hereby given that, pursuant to 18 CFR 16.18(c), an annual license under section 15(a)(1) of the FPA is renewed automatically without further order or notice by the Commission, unless the Commission orders otherwise.

If the project is not subject to section 15 of the FPA, notice is hereby given that the City of Hamilton, Ohio and American Municipal Power, Inc. is authorized to continue operation of the Greenup Hydroelectric Project under the terms and conditions of the prior license until the issuance of a subsequent license for the project or other disposition under the FPA, whichever comes first.

For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, contact the Office of Public Participation at (202) 502–6595 or *OPP@ferc.gov.*

(Authority: 18 CFR 2.1)

Dated: March 16, 2026.

Debbie-Anne A. Reese,

Secretary.

[FR Doc. 2026–05427 Filed 3–18–26; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Project No. 4113–000]

Oswego Hydro Partners, LP; Notice of Authorization for Continued Project Operation

The license for the Phoenix Hydroelectric Project No. 4113 was issued for a period ending February 28, 2026.

Section 15(a)(1) of the FPA, 16 U.S.C. 808(a)(1), requires the Commission, at the expiration of a license term, to issue from year-to-year an annual license to the then licensee(s) under the terms and conditions of the prior license until a new license is issued, or the project is otherwise disposed of as provided in section 15 or any other applicable section of the FPA. If the project's prior license waived the applicability of section 15 of the FPA, then, based on section 9(b) of the Administrative Procedure Act, 5 U.S.C. 558(c), and as set forth at 18 CFR 16.21(a), if the licensee of such project has filed an application for a subsequent license, the licensee may continue to operate the project in accordance with the terms and conditions of the license after the minor or minor part license expires, until the Commission acts on its application. If the licensee of such a project has not filed an application for a subsequent license, then it may be required, pursuant to 18 CFR 16.21(b), to continue project operations until the Commission issues someone else a license for the project or otherwise orders disposition of the project.

If the project is subject to section 15 of the FPA, notice is hereby given that an annual license for Project No. 4113 is issued to Oswego Hydro Partners, LP

for a period effective March 1, 2026, through February 28, 2027, or until the issuance of a new license for the project or other disposition under the FPA, whichever comes first.

If issuance of a new license (or other disposition) does not take place on or before February 28, 2027, notice is hereby given that, pursuant to 18 CFR 16.18(c), an annual license under section 15(a)(1) of the FPA is renewed automatically without further order or notice by the Commission, unless the Commission orders otherwise.

If the project is not subject to section 15 of the FPA, notice is hereby given that Oswego Hydro Partners, LP authorized to continue operation of the Phoenix Hydroelectric Project under the terms and conditions of the prior license until the issuance of a subsequent license for the project or other disposition under the FPA, whichever comes first.

For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, contact the Office of Public Participation at (202) 502–6595 or *OPP@ferc.gov.*

(Authority: 18 CFR 2.1)

Dated: March 16, 2026.

Debbie-Anne A. Reese,

Secretary.

[FR Doc. 2026–05425 Filed 3–18–26; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. CP26–138–000]

Great Lakes Gas Transmission Limited Partnership; Notice of Request Under Blanket Authorization and Establishing Intervention and Protest Deadline

Take notice that on March 6, 2026, Great Lakes Gas Transmission Limited Partnership (Great Lakes), 700 Louisiana Street, Suite 1300, Houston, Texas 77002–2700, filed in the above referenced docket, a prior notice request pursuant to sections 157.205 and 157.208 of the Commission's regulations under the Natural Gas Act (NGA), and Great Lake's blanket certificate issued in Docket No. CP90–2053–000, for authorization to restore the maximum allowable operating pressure of its 36-inch-diameter Mainlines 100, 200, and 300 from the Shevlin Compressor Station, located in Clearwater County, Minnesota, to the Deer River Compressor Station, located in Itasca County, Minnesota (Shevlin MAOP Uprate Project). The project will allow Great Lakes to return the system to its intended design operating conditions while continuing to ensure compliance with federal pipeline safety standards, all as more fully set forth in the request which is on file with the Commission and open to public inspection.

In addition to publishing the full text of this document in the **Federal Register**, the Commission provides all interested persons an opportunity to view and/or print the contents of this document via the internet through the Commission's Home Page (*http://www.ferc.gov*). From the Commission's Home Page on the internet, this information is available on eLibrary. The full text of this document is available on eLibrary in PDF and Microsoft Word format for viewing, printing, and/or downloading. To access this document in eLibrary, type the docket number excluding the last three digits of this document in the docket number field.

User assistance is available for eLibrary and the Commission's website during normal business hours from FERC Online Support at (202) 502–6652 (toll free at 1–866–208–3676) or email at *ferconlinesupport@ferc.gov,* or the Public Reference Room at (202) 502–8371, TTY (202) 502–8659. Email the Public Reference Room at *public.referenceroom@ferc.gov.*

Any questions concerning this request should be directed to David A. Alonzo, Director, Certificates, Great Lakes Gas Transmission Limited Partnership, 700 Louisiana Street, Suite 1300, Houston, Texas 77002–2700, by phone at (832) 320–5477, or by email at *david_alonzo@tcenergy.com.*

Public Participation

There are three ways to become involved in the Commission's review of this project: you can file a protest to the project, you can file a motion to intervene in the proceeding, and you can file comments on the project. There is no fee or cost for filing protests, motions to intervene, or comments. The deadline for filing protests, motions to intervene, and comments is 5:00 p.m. Eastern Time on May 15, 2026. How to file protests, motions to intervene, and comments is explained below.

For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, contact the Office of Public Participation (OPP) at (202) 502–6595 or *OPP@ferc.gov.*

Protests

Pursuant to section 157.205 of the Commission's regulations under the NGA,[1] any person [2] or the Commission's staff may file a protest to the request. If no protest is filed within the time allowed or if a protest is filed and then withdrawn within 30 days after the allowed time for filing a protest, the proposed activity shall be deemed to be authorized effective the day after the time allowed for protest. If a protest is filed and not withdrawn within 30 days after the time allowed for filing a protest, the instant request for authorization will be considered by the Commission.

Protests must comply with the requirements specified in section 157.205(e) of the Commission's regulations,[3] and must be submitted by the protest deadline, which is 5:00 p.m. Eastern Time on May 15, 2026. A protest may also serve as a motion to intervene so long as the protestor states it also seeks to be an intervenor.

Interventions

Any person has the option to file a motion to intervene in this proceeding. Only intervenors have the right to request rehearing of Commission orders issued in this proceeding and to subsequently challenge the Commission's orders in the U.S. Circuit Courts of Appeal.

To intervene, you must submit a motion to intervene to the Commission in accordance with Rule 214 of the Commission's Rules of Practice and Procedure [4] and the regulations under the NGA [5] by the intervention deadline for the project, which is 5:00 p.m. Eastern Time on May 15, 2026. As described further in Rule 214, your motion to intervene must state, to the extent known, your position regarding the proceeding, as well as your interest in the proceeding. For an individual, this could include your status as a landowner, ratepayer, resident of an impacted community, or recreationist. You do not need to have property directly impacted by the project in order to intervene. For more information about motions to intervene, refer to the FERC website at *https://www.ferc.gov/resources/guides/how-to/intervene.asp.*

All timely, unopposed motions to intervene are automatically granted by operation of Rule 214(c)(1). Motions to intervene that are filed after the intervention deadline are untimely and may be denied. Any late-filed motion to intervene must show good cause for

[1] 18 CFR 157.205.

[2] Persons include individuals, organizations, businesses, municipalities, and other entities. 18 CFR 385.102(d).

[3] 18 CFR 157.205(e).

[4] 18 CFR 385.214.

[5] 18 CFR 157.10.

being late and must explain why the time limitation should be waived and provide justification by reference to factors set forth in Rule 214(d) of the Commission's Rules and Regulations. A person obtaining party status will be placed on the service list maintained by the Secretary of the Commission and will receive copies (paper or electronic) of all documents filed by the applicant and by all other parties.

Comments

Any person wishing to comment on the project may do so. The Commission considers all comments received about the project in determining the appropriate action to be taken. To ensure that your comments are timely and properly recorded, please submit your comments on or before 5:00 p.m. Eastern Time on May 15, 2026. *The filing of a comment alone will not serve to make the filer a party to the proceeding.* To become a party, you must intervene in the proceeding.

How To File Protests, Interventions, and Comments

There are two ways to submit protests, motions to intervene, and comments. In both instances, please reference the Project docket number CP26–138–000 in your submission.

(1) You may file your protest, motion to intervene, and comments by using the Commission's eFiling feature, which is located on the Commission's website (*www.ferc.gov*) under the link to Documents and Filings. New eFiling users must first create an account by clicking on ''eRegister.'' You will be asked to select the type of filing you are making; first select ''General'' and then select ''Protest'', ''Intervention'', or ''Comment on a Filing''; or [6]

(2) You can file a paper copy of your submission by mailing it to the address below. Your submission must reference the Project docket number CP26–138–000.

To file via USPS: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426.

To file via any other method: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 12225 Wilkins Avenue, Rockville, Maryland 20852.

The Commission encourages electronic filing of submissions (option 1 above) and has eFiling staff available to assist you at (202) 502–8258 or *FercOnlineSupport@ferc.gov.*

Protests and motions to intervene must be served on the applicant either by mail at: David A. Alonzo, Director, Certificates, Great Lakes Gas Transmission Limited Partnership, 700 Louisiana Street, Suite 1300, Houston, Texas 77002–2700, or by email (with a link to the document) at *david_alonzo@tcenergy.com.* Any subsequent submissions by an intervenor must be served on the applicant and all other parties to the proceeding. Contact information for parties can be downloaded from the service list at the eService link on FERC Online.

Tracking The Proceeding

Throughout the proceeding, additional information about the project will be available from OPP at (202) 502–6595 or on the FERC website at *www.ferc.gov* using the ''eLibrary'' link as described above. The eLibrary link also provides access to the texts of all formal documents issued by the Commission, such as orders, notices, and rulemakings.

In addition, the Commission offers a free service called eSubscription which allows you to keep track of all formal issuances and submittals in specific dockets. This can reduce the amount of time you spend researching proceedings by automatically providing you with notification of these filings, document summaries, and direct links to the documents. For more information and to register, go to *www.ferc.gov/docs-filing/esubscription.asp.*

(Authority: 18 CFR 2.1)

Dated: March 16, 2026.

Debbie-Anne A. Reese,

Secretary.

[FR Doc. 2026–05428 Filed 3–18–26; 8:45 am]

BILLING CODE 6717–01–P

[6] Additionally, you may file your comments electronically by using the eComment feature, which is located on the Commission's website at *www.ferc.gov* under the link to Documents and Filings. Using eComment is an easy method for interested persons to submit brief, text-only comments on a project.

FEDERAL RESERVE SYSTEM

Formations of, Acquisitions by, and Mergers of Bank Holding Companies

The companies listed in this notice have applied to the Board for approval, pursuant to the Bank Holding Company Act of 1956 (12 U.S.C. 1841 *et seq.*) (BHC Act), Regulation Y (12 CFR part 225), and all other applicable statutes and regulations to become a bank holding company and/or to acquire the assets or the ownership of, control of, or the power to vote shares of a bank or bank holding company and all of the banks and nonbanking companies owned by the bank holding company, including the companies listed below.

The public portions of the applications listed below, as well as other related filings required by the Board, if any, are available for immediate inspection at the Federal Reserve Bank(s) indicated below and at the offices of the Board of Governors. This information may also be obtained on an expedited basis, upon request, by contacting the appropriate Federal Reserve Bank and from the Board's Freedom of Information Office at *https://www.federalreserve.gov/foia/request.htm.* Interested persons may express their views in writing on the standards enumerated in the BHC Act (12 U.S.C. 1842(c)).

Comments received are subject to public disclosure. In general, comments received will be made available without change and will not be modified to remove personal or business information including confidential, contact, or other identifying information. Comments should not include any information such as confidential information that would not be appropriate for public disclosure.

Comments regarding each of these applications must be received at the Reserve Bank indicated or the offices of the Board of Governors, Benjamin W. McDonough, Secretary of the Board, 20th Street and Constitution Avenue NW, Washington, DC 20551–0001, not later than April 20, 2026.

A. Federal Reserve Bank of Philadelphia (William Spaniel, Senior Vice President) 100 North 6th Street, Philadelphia, Pennsylvania 19105–1521. Comments can also be sent electronically to *Comments.applications@phil.frb.org:*

1. *Columbia Bank MHC, Fair Lawn, New Jersey;* to convert from mutual to stock form. As part of the conversion, Columbia Bank MHC, and Columbia Financial, Inc., Fair Lawn, New Jersey, an existing mid-tier savings and loan holding company, would cease to exist and Columbia Bank, Fair Lawn, New Jersey, would become a wholly-owned subsidiary of Columbia Financial, Inc., Fair Lawn, New Jersey, a newly-formed Maryland corporation, which has applied, pursuant to section 3 of the Bank Holding Company Act of 1956, to acquire Columbia Bank, a covered savings association.

Board of Governors of the Federal Reserve System.

Michele Taylor Fennell,

Associate Secretary of the Board.

[FR Doc. 2026–05414 Filed 3–18–26; 8:45 am]

BILLING CODE P

FEDERAL RESERVE SYSTEM

Notice of Proposals To Engage in or To Acquire Companies Engaged in Permissible Nonbanking Activities

The companies listed in this notice have given notice under section 4 of the Bank Holding Company Act (12 U.S.C. 1843) (BHC Act) and Regulation Y, (12 CFR part 225) to engage de novo, or to acquire or control voting securities or assets of a company, including the companies listed below, that engages either directly or through a subsidiary or other company, in a nonbanking activity that is listed in § 225.28 of Regulation Y (12 CFR 225.28) or that the Board has determined by Order to be closely related to banking and permissible for bank holding companies. Unless otherwise noted, these activities will be conducted throughout the United States.

The public portions of the applications listed below, as well as other related filings required by the Board, if any, are available for immediate inspection at the Federal Reserve Bank(s) indicated below and at the offices of the Board of Governors. This information may also be obtained on an expedited basis, upon request, by contacting the appropriate Federal Reserve Bank and from the Board's Freedom of Information Office at *https://www.federalreserve.gov/foia/request.htm.* Interested persons may express their views in writing on the question whether the proposal complies with the standards of section 4 of the BHC Act.

Comments received are subject to public disclosure. In general, comments received will be made available without change and will not be modified to remove personal or business information including confidential, contact, or other identifying information. Comments should not include any information such as confidential information that would not be appropriate for public disclosure.

Unless otherwise noted, comments regarding the applications must be received at the Reserve Bank indicated or the offices of the Board of Governors, Benjamin W. McDonough, Secretary of the Board, 20th Street and Constitution Avenue NW, Washington, DC 20551–0001, not later than April 20, 2026.

A. Federal Reserve Bank of Philadelphia (William Spaniel, Senior Vice President) 100 North 6th Street, Philadelphia, Pennsylvania 19105–1521. Comments can also be sent electronically to *Comments.applications@phil.frb.org:*

1. *Columbia Financial, Inc., Fair Lawn, New Jersey;* to acquire Northfield Bancorp, Inc., Woodbridge, New Jersey, and thereby indirectly acquire Northfield Bank, Staten Island, New York, and thereby engage in operating a savings association pursuant to section 225.28(b)(4)(ii) of the Board's Regulation Y.

Board of Governors of the Federal Reserve System.

Michele Taylor Fennell,

Associate Secretary of the Board.

[FR Doc. 2026–05415 Filed 3–18–26; 8:45 am]

BILLING CODE P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Disease Control and Prevention

[NIOSH Docket 094]

World Trade Center (WTC) Health Program; Petition 026—Anti-Glomerular Basement Membrane (Anti-GBM) Glomerulonephritis; Finding of Insufficient Evidence

AGENCY: Centers for Disease Control and Prevention, Department of Health and Human Services.

ACTION: Denial of petition for addition of a health condition.

SUMMARY: The Administrator of the WTC Health Program received a petition (Petition 026) to add ''Anti GBM Disease Glomerulonephritis (Anti-Glomerular Basement Membrane Disease)'' to the List of WTC-Related Health Conditions. Upon reviewing the scientific and medical literature, including information provided by the petitioner, the Administrator has determined that there is insufficient evidence available to support taking further action at this time regarding anti-GBM glomerulonephritis. The Administrator also finds that insufficient evidence exists to request a recommendation of the WTC Health Program Scientific/Technical Advisory Committee, publish a proposed rule, or publish a determination not to publish a proposed rule.

DATES: The Administrator of the WTC Health Program is denying this petition for the addition of a health condition as of March 19, 2026.

ADDRESSES: Visit the WTC Health Program website at *https://www.cdc.gov/wtc/received.html* to review Petition 026.

FOR FURTHER INFORMATION CONTACT: Rachel Weiss, Program Analyst, 1090 Tusculum Avenue, MS: C–48, Cincinnati, OH 45226; telephone (404) 498–2500 (this is not a toll-free number); email *NIOSHregs@cdc.gov.*

SUPPLEMENTARY INFORMATION:

Table of Contents

A. WTC Health Program Statutory Authority

Title I of the James Zadroga 9/11 Health and Compensation Act of 2010 (Pub. L. 111–347, as amended by Pub. L. 114–113, Pub. L. 116–59, Pub. L. 117–328, Pub. L. 118–31, and Pub. L. 119–75), added Title XXXIII to the Public Health Service (PHS) Act,[1] establishing the WTC Health Program within the Department of Health and Human Services (HHS). The WTC Health Program provides medical monitoring and treatment benefits for health conditions on the List of WTC-Related Health Conditions (List)[2] to eligible firefighters and related personnel; law enforcement officers; and rescue, recovery, and cleanup workers who responded to the September 11, 2001, terrorist attacks in New York City, at the Pentagon, and in Shanksville, Pennsylvania (responders). The Program also provides benefits to eligible persons who were present in the dust or dust cloud on September 11, 2001, or who worked, resided, or attended school, childcare, or adult daycare in the New York City disaster area[3] (survivors).

All references to the Administrator of the WTC Health Program (Administrator) in this document mean the Director of the National Institute for Occupational Safety and Health (NIOSH) or his designee.

In accordance with section 3312(a)(6)(B) of the PHS Act, interested parties may petition the Administrator to add a health condition to the List in 42 CFR 88.15. Within 90 days after receipt of a valid petition to add a

[1] Title XXXIII of the PHS Act is codified at 42 U.S.C. 300mm to 300mm–64. Those portions of the James Zadroga 9/11 Health and Compensation Act of 2010 found in Titles II and III of Public Law 111–347 do not pertain to the WTC Health Program and are codified elsewhere.

[2] The List of WTC-Related Health Conditions is established in 42 U.S.C. 300mm–22(a)(3)–(4) and 300mm–32(b); additional conditions may be added through rulemaking and the complete list is provided in WTC Health Program regulations at 42 CFR 88.15.

[3] *See* 42 U.S.C. 300mm–5(8); 42 CFR 88.1.

condition to the List, the Administrator must take one of the following four actions described in section 3312(a)(6)(B) of the PHS Act and § 88.16(a)(2) of the WTC Health Program regulations: (1) Request a recommendation of the WTC Health Program Scientific/Technical Advisory Committee (STAC); (2) publish a proposed rule in the **Federal Register** to add such health condition; (3) publish in the **Federal Register** the Administrator's determination not to publish such a proposed rule and the basis for such determination; or (4) publish in the **Federal Register** a determination that insufficient evidence exists to take action under (1) through (3) above.

More information about the WTC Health Program, including the List and the petition process, is available at *www.cdc.gov/wtc/.*

B. Procedures for Evaluating a Petition

In addition to the regulatory provisions, the WTC Health Program has developed policies to guide the review of submissions and petitions,[4] as well as the analysis of evidence supporting the potential addition of a non-cancer health condition to the List.[5]

A valid petition must include sufficient medical basis for the association between the September 11, 2001, terrorist attacks and the health condition to be added. In accordance with WTC Health Program *Policy and Procedures for Handling Submissions and Petitions to Add a Health Condition to the List of WTC-Related Health Conditions,*[6] reference to a peer-reviewed, published, epidemiologic study about the health condition among 9/11-exposed populations or clinical case reports of health conditions in WTC responders or survivors may demonstrate the required medical basis.[7] Studies linking 9/11 agents or hazards [8] to the petitioned health condition may also provide sufficient medical basis for a valid petition.[9] In accordance with 42 CFR 88.16(a)(5), the Administrator is required to consider a new petition for a previously evaluated health condition determined not to qualify for addition to the List only if the new petition presents a new medical basis for the association between 9/11 exposures and the condition to be added. A new medical basis is evidence not previously reviewed by the Administrator.

After the Program has determined that a petition is valid, and in accordance with the *Policy and Procedures for Adding Non-Cancer Conditions to the List of WTC-Related Health Conditions* (*Policy and Procedures*), the Administrator directs the WTC Health Program Science Team (Science Team) to conduct a review of the scientific literature. The literature review is a keyword search of relevant scientific databases intended to identify peer-reviewed, published, epidemiologic studies about the health condition among 9/11-exposed populations.

The Science Team evaluates the scientific quality of each peer-reviewed, published, epidemiologic study of the health condition identified in the literature search using validity indicators described in the *Policy and Procedures.*[10] Studies exhibiting sufficient validity indicators have the potential to provide a basis for deciding whether to propose adding the health condition to the List and are considered ''high-quality'' studies. The Science Team then evaluates the identified high-quality studies, individually and together, to characterize the evidence of a causal association between 9/11 exposures and the health condition. As part of this evaluation, the Science Team considers the Bradford Hill weight of evidence criteria,[11] study limitations, and whether the studies are representative of the 9/11-exposed population of responders and survivors. After evaluating the totality of the evidence, the Science Team assesses the degree to which the evidence supports a causal association between 9/11 exposures and the health condition and assigns the evidence to one of the following five categories:

Category I Evidence supports substantial likelihood of causal association
Category II Evidence supports high likelihood of causal association
Category III Evidence supports limited likelihood of causal association
Category IV Evidence does not support causal association
Category V Evidence is inadequate to determine the likelihood of causal association.

The Science Team provides the outcome of its evaluation to the Administrator. A health condition may be added to the List if peer-reviewed, published, epidemiologic studies provide support that there is a substantial likelihood of a causal association between the health condition and 9/11 exposures (Category I).[12] If the evaluation of evidence provided in peer-reviewed, published, epidemiologic studies of the health condition in 9/11 populations shows a high, but not substantial, likelihood of a causal association between the 9/11 exposures and the health condition (Category II),[13] then the Administrator may consider additional highly relevant scientific evidence regarding exposures to 9/11 agents in non-9/11 exposure scenarios. If that additional assessment establishes that there is now sufficient evidence to support the conclusion that a causal association between the 9/11 exposures and the health condition is substantially likely among 9/11-exposed populations (Category I), then the Administrator may propose the health condition for addition to the List.

C. Petition 026

On March 12, 2020, the Administrator received a petition (Petition 026) requesting the addition of ''Anti GBM Disease Glomerulonephritis (Anti-

[4] *See* WTC Health Program [2026], *Policy and Procedures for Handling Submissions and Petitions to Add a Health Condition to the List of WTC-Related Health Conditions,* January 22, 2026, *https://www.cdc.gov/wtc/pdfs/policies/PNP_SubmissionsPetitions%20_20260122-508.pdf.*

[5] *See* WTC Health Program [2024], *Policy and Procedures for Adding Non-Cancer Conditions to the List of WTC-Related Health Conditions,* October 18, 2024, *https://www.cdc.gov/wtc/pdfs/policies/WTCHP_PP_Adding_NonCancer_Health_Conditions_20241018.pdf.*

[6] *Supra* note 4.

[7] *Id* at 7.

[8] 9/11 agents are chemical, physical, biological, or other hazards reported in a published, peer-reviewed exposure assessment study of responders, recovery workers, or survivors who were present in the New York City disaster area, or at the Pentagon site, or the Shanksville, Pennsylvania site, as those locations are defined in 42 CFR 88.1, as well as those hazards not identified in a published, peer-reviewed exposure assessment study, but which are reasonably assumed to have been present at any of the three sites. *See* WTC Health Program [2018], *Development of the Inventory of 9/11 Agents,* July 17, 2018, *https://wwwn.cdc.gov/ResearchGateway/Content/pdfs/Development_of_the_Inventory_of_9-11_Agents_20180717.pdf.*

[9] *Supra* note 4 at 7.

[10] *Supra* note 5 at 7.

[11] Hill AB [1965], *The Environment and Disease: Association or Causation?* Proc R Soc Med 58(5):295–300. According to the *Policy and Procedures for Adding Non-Cancer Conditions to the List of WTC-Related Health Conditions,* the Bradford Hill criteria are a leading weight of evidence framework ''which comprises nine aspects of association. These aspects comprise strength of association, consistency, specificity, temporality, biological gradient, plausibility, coherence, experiment, and analogy.'' *See supra* note 5 at 9, discussion of Bradford Hill analysis in footnote 21.

[12] *Substantial likelihood of causal association* means that the association is strongly supported by evidence from high-quality, peer-reviewed, published epidemiologic studies of the health condition in 9/11-exposed populations and there is high confidence that the association cannot be explained by chance, bias, confounding, or any other alternative explanation. *See supra* note 5 at 12.

[13] *High likelihood of causal association* means that the scientific evidence, taken as a whole, demonstrates that the likelihood of a causal association is less than substantial, but definitively more than limited. Therefore, there is some meaningful likelihood that the association can be explained by chance, bias, confounding, or another alternative explanation. *See supra* note 5 at 12.

Glomerular Basement Membrane Disease)'' to the List.[14] The petition's validity was established by references to two peer-reviewed, published studies that provide a medical basis for the association between anti-GBM glomerulonephritis—a type of kidney disease—and hydrocarbon exposure. Several hydrocarbons (including organic solvents and fuels such as pristane, phytane, and benzo(a)pyrene) are identified as 9/11 agents. The following referenced studies (a literature review and a case study) each individually establish a medical basis:

- *Hydrocarbon Exposure May Cause Glomerulonephritis and Worsen Renal Function: Evidence Based on Hill's Criteria for Causality,* by Ravnskov [2000],[15] is a peer-reviewed, published literature review discussing the role of hydrocarbons in causing glomerulonephritis and end-stage renal failure.
- *Anti-Glomerular Basement Membrane Disease,* by Pusey [2003],[16] is a peer-reviewed, published case review discussing the role of hydrocarbons in anti-GBM disease.

These two studies suggest a potential association between exposure to 9/11 agents (specific hydrocarbons) and anti-GBM glomerulonephritis and thus provided a sufficient medical basis to consider the submission a valid petition.

D. Evaluation of Scientific Evidence: Findings and Conclusion

In response to Petition 026, and pursuant to the *Policy and Procedures,* the Administrator of the WTC Health Program directed the Science Team to conduct a systematic search of the scientific literature to identify all peer-reviewed, published, epidemiologic studies of anti-GBM glomerulonephritis among 9/11-exposed populations. These types of studies are evaluated to determine if they provide evidence to support the likelihood of a causal association between 9/11 exposure and the health condition under consideration. The Science Team provided a paper to the Administrator describing its findings, *Evaluation of Scientific Evidence Supporting the Addition of Anti-Glomerular Basement Membrane Disease (Anti-GBM) Glomerulonephritis to the List of WTC-Related Health Conditions.* This paper is available in the docket for this activity [17] and on the Program's website.[18]

Neither the systematic literature search nor the references provided in the petition, including those described above, identified any peer-reviewed, published, epidemiologic studies of anti-GBM glomerulonephritis in 9/11-exposed populations. In accordance with the WTC Health Program's *Policy and Procedures,* because no such peer-reviewed, published, epidemiologic studies of anti-GBM glomerulonephritis in 9/11-exposed populations were found, the Program was unable to conduct an evaluation of scientific evidence to determine the likelihood of a causal association between 9/11 exposures and the petitioned health condition.

Upon finding no evidence available in peer-reviewed, published, epidemiological studies regarding anti-GBM glomerulonephritis among 9/11-exposed populations, the Science Team concluded that there is inadequate evidence to determine the likelihood of a causal association [19] between 9/11 exposures and anti-GBM glomerulonephritis (Category V).

E. Administrator's Final Decision on Whether To Propose the Addition of Anti-GBM Glomerulonephritis to the List

Pursuant to the PHS Act, sec. 3312(a)(6)(B)(iv) and 42 CFR 88.16(a)(2)(iv), and in accordance with Sec. VIII.B. of the *Policy and Procedures,* the Administrator has determined that insufficient evidence is available to take further action at this time, including proposing the addition of anti-GBM glomerulonephritis to the List (pursuant to the PHS Act, sec. 3312(a)(6)(B)(ii) and 42 CFR 88.16(a)(2)(ii)) or publishing a determination not to publish a proposed rule in the **Federal Register** (pursuant to the PHS Act, sec. 3312(a)(6)(B)(iii) and 42 CFR 88.16(a)(2)(iii)). The Administrator also determined that requesting a recommendation from the STAC (pursuant to the PHS Act, sec. 3312(a)(6)(B)(i) and 42 CFR 88.16(a)(2)(i)) is unwarranted.

For the reasons discussed above, the Petition 026 request to add ''Anti GBM Disease Glomerulonephritis (Anti-Glomerular Basement Membrane Disease)'' to the List of WTC-Related Health Conditions is denied.

F. Approval To Submit Document to the Office of the Federal Register

The Secretary, HHS, or his designee, the Director, Centers for Disease Control and Prevention (CDC) and Administrator, Agency for Toxic Substances and Disease Registry (ATSDR), authorized the undersigned, the Administrator of the WTC Health Program, to sign and submit the document to the Office of the Federal Register for publication as an official document of the WTC Health Program. Acting CDC Director Jay Bhattacharya, MD, Ph.D., approved this document for publication on March 11, 2026.

John J. Howard,

Administrator, World Trade Center Health Program and Director, National Institute for Occupational Safety and Health, Centers for Disease Control and Prevention, Department of Health and Human Services.

[FR Doc. 2026–05421 Filed 3–18–26; 8:45 am]

BILLING CODE 4163–18–P

[14] *See* Petition 026, *WTC Health Program: Petitions Received, http://www.cdc.gov/wtc/received.html.*

[15] Ravnskov U [2000], *Hydrocarbon Exposure May Cause Glomerulonephritis and Worsen Renal Function: Evidence Based on Hill's Criteria for Causality,* Q J Med 93(8):551–556.

[16] Pusey CD [2003], *Anti-Glomerular Basement Membrane Disease,* Kidney Int 64(4):1535–1550.

[17] *https://www.cdc.gov/niosh/docket/archive/docket094.html.*

[18] *https://www.cdc.gov/wtc/received.html.*

[19] *See supra* note 5 at 17.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. FDA–2026–N–1849]

Agency Information Collection Activities; Proposed Collection; Comment Request; Premarket Notifications Submission

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice.

SUMMARY: The Food and Drug Administration (FDA or Agency) is announcing an opportunity for public comment on the proposed collection of certain information by the Agency. Under the Paperwork Reduction Act of 1995 (PRA), Federal Agencies are required to publish notice in the **Federal Register** concerning each proposed collection of information, including each proposed extension of an existing collection of information, and to allow 60 days for public comment in response to the notice. This notice solicits comments on the applicable regulations, and the guidance documents and agency forms related to Premarket Notifications of Devices.

DATES: Either electronic or written comments on the collection of information must be submitted by May 18, 2026.

ADDRESSES: You may submit comments as follows. Please note that late, untimely filed comments will not be considered. The *https://www.regulations.gov* electronic filing

system will accept comments until 11:59 p.m. Eastern Time at the end of May 18, 2026. Comments received by mail/hand delivery/courier (for written/paper submissions) will be considered timely if they are received on or before that date.

Electronic Submissions

Submit electronic comments in the following way:

- *Federal eRulemaking Portal: https://www.regulations.gov*. Follow the instructions for submitting comments. Comments submitted electronically, including attachments, to *https://www.regulations.gov* will be posted to the docket unchanged. Because your comment will be made public, you are solely responsible for ensuring that your comment does not include any confidential information that you or a third party may not wish to be posted, such as medical information, your or anyone else's Social Security number, or confidential business information, such as a manufacturing process. Please note that if you include your name, contact information, or other information that identifies you in the body of your comments, that information will be posted on *https://www.regulations.gov*.
- If you want to submit a comment with confidential information that you do not wish to be made available to the public, submit the comment as a written/paper submission and in the manner detailed (see ''Written/Paper Submissions'' and ''Instructions'').

Written/Paper Submissions

Submit written/paper submissions as follows:

- *Mail/Hand Delivery/Courier (for written/paper submissions):* Dockets Management Staff (HFA–305), Food and Drug Administration, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852.
- For written/paper comments submitted to the Dockets Management Staff, FDA will post your comment, as well as any attachments, except for information submitted, marked and identified, as confidential, if submitted as detailed in ''Instructions.''

Instructions: All submissions received must include the Docket No. FDA–2026–N–1849 for ''Agency Information Collection Activities; Proposed Collection; Comment Request; Premarket Notifications Submission.'' Received comments, those filed in a timely manner (see **ADDRESSES**), will be placed in the docket and, except for those submitted as ''Confidential Submissions,'' publicly viewable at *https://www.regulations.gov* or at the Dockets Management Staff between 9 a.m. and 4 p.m., Monday through Friday, 240–402–7500.

- Confidential Submissions—To submit a comment with confidential information that you do not wish to be made publicly available, submit your comments only as a written/paper submission. You should submit two copies total. One copy will include the information you claim to be confidential with a heading or cover note that states ''THIS DOCUMENT CONTAINS CONFIDENTIAL INFORMATION.'' The Agency will review this copy, including the claimed confidential information, in its consideration of comments. The second copy, which will have the claimed confidential information redacted/blacked out, will be available for public viewing and posted on *https://www.regulations.gov.* Submit both copies to the Dockets Management Staff. If you do not wish your name and contact information to be made publicly available, you can provide this information on the cover sheet and not in the body of your comments and you must identify this information as ''confidential.'' Any information marked as ''confidential'' will not be disclosed except in accordance with 21 CFR 10.20 and other applicable disclosure law. For more information about FDA's posting of comments to public dockets, see 80 FR 56469, September 18, 2015, or access the information at: *https://www.govinfo.gov/content/pkg/FR-2015-09-18/pdf/2015-23389.pdf*.

Docket: For access to the docket to read background documents or the electronic and written/paper comments received, go to *https://www.regulations.gov* and insert the docket number, found in brackets in the heading of this document, into the ''Search'' box and follow the prompts and/or go to the Dockets Management Staff, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852, 240–402–7500.

FOR FURTHER INFORMATION CONTACT: Amber Barrett, Office of Operations, Food and Drug Administration, Three White Flint North, 10A–12M, 11601 Landsdown St., North Bethesda, MD 20852, 301–796–8867, *PRAStaff@fda.hhs.gov*.

SUPPLEMENTARY INFORMATION: Under the PRA (44 U.S.C. 3501–3521), Federal Agencies must obtain approval from the Office of Management and Budget (OMB) for each collection of information they conduct or sponsor. ''Collection of information'' is defined in 44 U.S.C. 3502(3) and 5 CFR 1320.3(c) and includes Agency requests or requirements that members of the public submit reports, keep records, or provide information to a third party. Section 3506(c)(2)(A) of the PRA (44 U.S.C. 3506(c)(2)(A)) requires Federal Agencies to provide a 60-day notice in the **Federal Register** concerning each proposed collection of information, including each proposed extension of an existing collection of information, before submitting the collection to OMB for approval. To comply with this requirement, FDA is publishing notice of the proposed collection of information set forth in this document.

With respect to the following collection of information, FDA invites comments on these topics: (1) whether the proposed collection of information is necessary for the proper performance of FDA's functions, including whether the information will have practical utility; (2) the accuracy of FDA's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used; (3) ways to enhance the quality, utility, and clarity of the information to be collected; and (4) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques, when appropriate, and other forms of information technology.

Premarket Notifications Submission 510(k)—21 CFR, Part 807, Subpart E

OMB Control Number 0910–0120—Extension

This information collection helps support implementation of statutory provisions that govern premarket clearance of devices. Section 510(k) of the Federal Food, Drug, and Cosmetic Act (FD&C Act) (21 U.S.C. 360(k)) and implementing regulations in part 807, subpart E (21 CFR part 807, subpart E), establish premarket notification procedures. Persons who intend to market a medical device, for which a premarket approval application (PMA) is not required, must submit a premarket notification to FDA, unless the device is exempt from 510(k) requirements and does not exceed the limitations of exemptions of the device classification regulations, at least 90 days before proposing to begin the introduction, or delivery for introduction into interstate commerce, for commercial distribution of a device intended for human use. Based on the information provided in the notification, FDA must determine whether the new device is substantially equivalent to a legally marketed device. If a device is determined to be not substantially equivalent to a legally marketed device, it must have an approved PMA, product development

protocol, humanitarian device exemption (HDE), request for an evaluation of automatic class III designation (De Novo request), or be reclassified into class I or class II before being marketed. The information collection also helps support section 510(l) of the FD&C Act, which provides for exemption from premarket notification.

The following instruments are included in the information collection:

- Form FDA 3514, ''CDRH Premarket Review Submission Cover Sheet''
- Form FDA 3881, ''Indications for Use''
- Voluntary eSTAR Program Interactive PDF Form and instructional web page
- Form FDA 4062, ''Electronic Submission Template and Resource (eSTAR)'' (for non-In Vitro Diagnostic (IVD) 510(k) submissions)
- Form FDA 4078, ''Electronic Submission Template and Resource (eSTAR)'' (for In Vitro Diagnostic (IVD) 510(k) submissions)

We are revising the information collection to include Form FDA 3674, ''Certification of Compliance, Under 42 U.S.C. 282(j)(5)(B), with Requirements of *ClinicalTrials.gov*.'' Under applicable authorities, applications under sections 505, 515, or 520(m) of the FD&C Act (21 U.S.C. 355, 360e, or 360j(m)), or under section 351 of the Public Health Service Act (42 U.S.C. 262), or submission of a report under section 510(k) of the FD&C Act, must be accompanied by a certification. Where available, such certification must include the appropriate National Clinical Trial numbers.

The information collection also includes an ''Acceptance Checklist.'' As discussed in the guidance document ''Refuse to Accept Policy for 510(k)s'' (April 2022), available at *https://www.fda.gov/regulatory-information/search-fda-guidance-documents/refuse-accept-policy-510ks,* we believe the checklist can be a helpful resource for 510(k) submitters and may simplify preparation of the 510(k). Similarly, the guidance document ''Recognition and Withdrawal of Voluntary Consensus Standards'' (September 2020), available at *https://www.fda.gov/regulatory-information/search-fda-guidance-documents/recognition-and-withdrawal-voluntary-consensus-standards,* communicates procedures followed by the Center for Devices and Radiological Health (CDRH) when requests for recognition of a voluntary consensus standard for medical products are received. The guidance document outlines principles for recognizing a standard wholly, partly, or not at all, as well as reasons and rationales for withdrawing a standard. Section 514 of the FD&C Act (21 U.S.C. 360d) allows FDA to recognize consensus standards developed by international and national organizations for use in satisfying portions of device premarket review submissions, including premarket notifications or other requirements. We publish and update the list of recognized standards regularly at *https://www.fda.gov/MedicalDevices/DeviceRegulationandGuidance/Standards/ucm123792.htm.* As instructed in the guidance document, any interested party may submit a request for recognition of a standard by mail directed to the CDRH Standards Program (*i.e.,* paper copy) or electronically via email.

For efficiency of Agency operations, we are also revising the information to include activities associated with section 520(b) of the FD&C Act, governing custom devices. Regulations in 21 CFR 812.3 define a custom device and implementing regulations in 21 CFR 807.85 provide for exemption from premarket notification. Section 520(b) of the FD&C Act also provides for the issuance of guidance. The guidance document entitled, ''Custom Device Exemption'' (September 2014), and available for download at *https://www.fda.gov/media/89897/download,* explains how FDA interprets provisions in section 520(b)(2)(B) of the FD&C Act, describes what information should be submitted in a Custom Device Annual Report (''annual report''), and provides recommendations on how to submit an annual report for devices distributed under the custom device exemption.

Finally, we discuss the guidance document entitled, ''Transition Plan for Medical Devices That Fall Within Enforcement Policies Issued During the Coronavirus Disease 2019 (COVID–19) Public Health Emergency,'' announced in the **Federal Register** of March 27, 2023 (88 FR 18153), which describes a phased approach intended to help avoid disruption in device supply and help facilitate compliance with applicable legal requirements. The recommendations discussed in the guidance document result in the one-time collection of information intended to ensure an orderly and transparent transition from temporary policies established during the COVID–19 public health emergency to normal operations. Because the information collection recommendations apply to specific medical devices already in distribution, we believe the information discussed is appropriately characterized as nonstandardized followup designed to clarify responses to approved collections of information (*i.e.,* plans for compliance with applicable requirements unique to that distributed device). We therefore believe the activity constitutes the collection of non-identical and/or followup information, as defined under 5 CFR 1320.3. At the same time, we expect some degree of fluctuation in future submissions under part 807, subpart E, as a result of implementation of the medical device transition plan.

FDA estimates the burden of this collection of information as follows:

TABLE 1—ESTIMATED ANNUAL REPORTING BURDEN

Activity and 21 CFR part/section	Form No.	Number of respondents	Number of responses per respondent	Total annual responses	Average burden per response	Total hours
21 CFR Part 807, Subpart E, PREMARKET NOTIFICATION PROCEDURES						
510(k) submission (807 subpart E)	FDA 3881	3,800	1	3,800	79.25	301,150
Summary cover sheet (807.87)	FDA 3514	1,906	1	1,906	0.5	953
Status request (807.90(a)(3))		1	1	1	0.25	1
510(k) summary (807.92)		2,742	1	2,742	4	10,968
510(k) statement (807.93)		130	1	130	.08 (5 minutes)	10
510(k) submission (807 subpart E)—using eSTAR format	FDA 4062, FDA 4078	3,800	1	3,800	40	152,000
Guidance Document Recommendations						
Request for recognition of a voluntary consensus standard		5	1	5	1	5
Annual reporting for custom devices under 520(b) of the FD&C Act.		31	1	31	40	1,240

TABLE 1—ESTIMATED ANNUAL REPORTING BURDEN—Continued

Activity and 21 CFR part/section	Form No.	Number of respondents	Number of responses per respondent	Total annual responses	Average burden per response	Total hours
42 CFR part 11, Clinical Trials Registration and Results Information Submission, subparts D and E; and FDA Guidance "Form FDA 3674—Certifications To Accompany Drug, Biological Product, and Device Applications/Submissions"						
Certification to accompany 510(k) submissions	FDA 3674	3,800	1	3,800	0.75 (45 minutes)	2,850
Electronic Submission Template and Resource (eSTAR)						
eSTAR setup—one-time burden		80	1	80	0.08 (5 minutes)	6
Total				16,295		469,183

The information collection reflects program changes and adjustments. We have also made nominal adjustments on individual provisions to reflect expected fluctuations in submissions. Cumulatively these actions result in an overall increase of 145,804 hours and a corresponding increase of 3,625 responses annually. The increase was attributed to the 510(k) submissions increase from 100 to 3,800.

Grace R. Graham,

Deputy Commissioner for Policy, Legislation, and International Affairs.

[FR Doc. 2026–05329 Filed 3–18–26; 8:45 am]

BILLING CODE 4164–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. FDA–2025–D–6131]

General Considerations for the Use of New Approach Methodologies in Drug Development; Draft Guidance for Industry; Availability

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice of availability.

SUMMARY: The Food and Drug Administration (FDA, Agency, or we) is announcing the availability of a draft guidance for industry entitled ''General Considerations for the Use of New Approach Methodologies in Drug Development.'' The purpose of this draft guidance is to provide drug developers with a validation framework and general recommendations for using new approach methodologies (NAMs) in drug development. Although animal toxicity studies have proved to be a critical method to identify potential risks to human health, finding ways to improve human relevance while reducing the use of animals by developing reliable NAMs furthers an important Center for Drug Evaluation and Research (CDER) priority to move away from reliance on animal testing. The recommendations in this draft guidance are intended to highlight scientific principles of study design and reporting that can be applied broadly and flexibly in the validation of NAMs used in drug development. This draft guidance is not intended to address specific NAMs and does not address the use of NAMs in drug discovery; rather, it encourages the use of NAMs in regulatory submissions, especially when they improve the predictivity of nonclinical studies for increased safety in clinical trials.

DATES: Submit either electronic or written comments on the draft guidance by May 18, 2026 to ensure that the Agency considers your comment on this draft guidance before it begins work on the final version of the guidance.

ADDRESSES: You may submit comments on any guidance at any time as follows:

Electronic Submissions

Submit electronic comments in the following way:

- *Federal eRulemaking Portal: https://www.regulations.gov.* Follow the instructions for submitting comments. Comments submitted electronically, including attachments, to *https://www.regulations.gov* will be posted to the docket unchanged. Because your comment will be made public, you are solely responsible for ensuring that your comment does not include any confidential information that you or a third party may not wish to be posted, such as medical information, your or anyone else's Social Security number, or confidential business information, such as a manufacturing process. Please note that if you include your name, contact information, or other information that identifies you in the body of your comments, that information will be posted on *https://www.regulations.gov.*
- If you want to submit a comment with confidential information that you do not wish to be made available to the public, submit the comment as a written/paper submission and in the manner detailed (see ''Written/Paper Submissions'' and ''Instructions'').

Written/Paper Submissions

Submit written/paper submissions as follows:

- *Mail/Hand Delivery/Courier (for written/paper submissions):* Dockets Management Staff (HFA–305), Food and Drug Administration, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852.
- For written/paper comments submitted to the Dockets Management Staff, FDA will post your comment, as well as any attachments, except for information submitted, marked and identified, as confidential, if submitted as detailed in ''Instructions.''

Instructions: All submissions received must include the Docket No. FDA–2025–D–6131 for ''General Considerations for the Use of New Approach Methodologies.'' Received comments will be placed in the docket and, except for those submitted as ''Confidential Submissions,'' publicly viewable at *https://www.regulations.gov* or at the Dockets Management Staff between 9 a.m. and 4 p.m., Monday through Friday, 240–402–7500.

- Confidential Submissions—To submit a comment with confidential information that you do not wish to be made publicly available, submit your comments only as a written/paper submission. You should submit two copies total. One copy will include the information you claim to be confidential with a heading or cover note that states ''THIS DOCUMENT CONTAINS CONFIDENTIAL INFORMATION.'' The Agency will review this copy, including the claimed confidential information, in its consideration of comments. The second copy, which will have the claimed confidential information redacted/blacked out, will be available for public viewing and posted on *https://www.regulations.gov.* Submit both copies to the Dockets Management Staff. If you do not wish your name and contact information to be made publicly available, you can provide this information on the cover sheet and not

in the body of your comments and you must identify this information as ''confidential.'' Any information marked as ''confidential'' will not be disclosed except in accordance with 21 CFR 10.20 and other applicable disclosure law. For more information about FDA's posting of comments to public dockets, see 80 FR 56469, September 18, 2015, or access the information at: *https://www.govinfo.gov/content/pkg/FR-2015-09-18/pdf/2015-23389.pdf.*

Docket: For access to the docket to read background documents or the electronic and written/paper comments received, go to *https://www.regulations.gov* and insert the docket number, found in brackets in the heading of this document, into the ''Search'' box and follow the prompts and/or go to the Dockets Management Staff, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852, 240–402–7500.

You may submit comments on any guidance at any time (see 21 CFR 10.115(g)(5)).

Submit written requests for single copies of this draft guidance to the Division of Drug Information, Center for Drug Evaluation and Research, Food and Drug Administration, 10001 New Hampshire Ave, Hillandale Building, 4th Floor, Silver Spring, MD 20993–0002. Send one self-addressed adhesive label to assist that office in processing your requests. See the **SUPPLEMENTARY INFORMATION** section for electronic access to the draft guidance document.

FOR FURTHER INFORMATION CONTACT: Nakissa Sadrieh, Center for Drug Evaluation and Research, Food and Drug Administration, 10903 New Hampshire Avenue, Bldg. 22, Rm. 6163, Silver Spring, MD 20993, 240–402–2194.

SUPPLEMENTARY INFORMATION:

I. Background

FDA is announcing the availability of a draft guidance for industry entitled ''General Considerations for the Use of New Approach Methodologies.'' This guidance describes CDER's general recommendations to consider for validating NAMs when nonclinical NAMs data are provided in support of a drug application or regarding an order issued under section 505G of the Federal Food, Drug, and Cosmetic Act (FD&C Act) for an OTC monograph. This includes OTC monograph orders issued under section 505G of the FD&C Act for nonprescription drugs intended for topical administration. Among other things, this guidance is issued in compliance with the requirement that FDA issue a new draft guidance on nonclinical testing alternatives to animal testing for OTC monograph drugs intended for topical administration under section 505G(r)(2)(B).

As part of the Consolidated Appropriations Act, 2023 (Pub. L. 117–328), the Food and Drug Omnibus Reform Act provided increased clarity to stakeholders regarding the potential use of new approach methodologies to support nonclinical data packages in investigational new drug applications. Specifically, section 3209(a) of the Consolidated Appropriations Act, 2023 amended section 505(i) of the FD&C Act to clarify that nonclinical tests can be used to support proposed clinical testing. Section 3209(a) further amends the FD&C Act by defining ''nonclinical test'' as ''a test conducted in vitro, in silico, or in chemico, or a nonhuman in vivo test, that occurs before or during the clinical trial phase of the investigation of the safety and effectiveness of a drug'' and provides examples, including cell-based assays, organ chips and microphysiological systems, computer modeling, other nonhuman or human biology-based test methods (such as bioprinting), and animal tests.[1]

FDA's current regulatory framework permits and encourages the use of NAMs, as described in existing regulations and guidance. CDER has developed this guidance document to further encourage the submission of NAM data.

This guidance, when finalized, will provide key considerations related to the validation of NAM data, to help ensure data quality and reliability and to support regulatory decision-making by CDER. The considerations provided in this draft guidance reflect recent developments in validation frameworks for NAMs. FDA's goal in issuing this draft guidance is to help facilitate the development and use of validated NAMs that accurately predict risks to human health, while also decreasing usage of animal testing. This draft guidance includes general validation considerations for industry, focusing on context of use, human biological relevance, technical characterization, and how to demonstrate that a NAM is fit-for-purpose. This guidance is intended to encourage the submission of NAMs and early engagement with drug review divisions. This guidance is not intended to address specific NAMs and does not address the use of NAMs in drug discovery.

This draft guidance is being issued consistent with FDA's good guidance practices regulation (21 CFR 10.115). The draft guidance, when finalized, will represent the current thinking of FDA on ''General Considerations for the Use of New Approach Methodologies in Drug Development.'' It does not establish any rights for any person and is not binding on FDA or the public. You can use an alternative approach if it satisfies the requirements of the applicable statutes and regulations.

As we develop final guidance on this topic, FDA will consider comments on costs or cost savings the guidance may generate, relevant for Executive Order 14192.

II. Paperwork Reduction Act of 1995

While this guidance contains no collection of information, it does refer to previously approved FDA collections of information. The previously approved collections of information are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (PRA) (44 U.S.C. 3501–3521). The collections of information in 21 CFR part 314 pertaining to the submission of new drug applications have been approved under OMB control number 0910–0001. The collections of information in 21 CFR part 312 pertaining to the investigational new drug applications have been approved under OMB control number 0910–0014. The collections of information in 21 CFR part 601 pertaining to the submission of biologics license applications have been approved under OMB control number 0910–0338. The collections of information in 21 CFR 58 pertaining to good laboratory practice for nonclinical laboratory studies have been approved under OMB control number 0910–0119.

III. Electronic Access

Persons with access to the internet may obtain an electronic version of the draft guidance at *https://www.fda.gov/drugs/guidance-compliance-regulatory-information/guidances-drugs,https://www.fda.gov/regulatory-information/search-fda-guidance-documents,* or *https://www.regulations.gov.*

Grace R. Graham,

Deputy Commissioner for Policy, Legislation, and International Affairs.

[FR Doc. 2026–05390 Filed 3–18–26; 8:45 am]

BILLING CODE 4164–01–P

[1] Section 505(z) of the FD&C Act (21 U.S.C. 355(z)).

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

Center for Scientific Review; Notice of Closed Meetings

Pursuant to section 1009 of the Federal Advisory Committee Act, as amended, notice is hereby given of the following meetings.

The meetings will be closed to the public in accordance with the provisions set forth in sections 552b(c)(4) and 552b(c)(6), Title 5 U.S.C., as amended. The grant applications and the discussions could disclose confidential trade secrets or commercial property such as patentable material, and personal information concerning individuals associated with the grant applications, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

Name of Committee: Center for Scientific Review Special Emphasis Panel; Member Conflict: Topics in Gastroenterology.

Date: April 16, 2026.

Time: 9:00 a.m. to 3:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Ganesan Ramesh, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 710–S, Bethesda, MD 20892, 301–827–5467, *ganesan.ramesh@nih.gov.*

Name of Committee: Center for Scientific Review Special Emphasis Panel; Member Conflict: Cardiovascular Biology, Hematology, and Diseases.

Date: April 16, 2026.

Time: 9:00 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Cynthia D. Anderson, Ph.D., Scientific Review Officer, Office of Scientific Review/DERA, National Heart, Lung, and Blood Institute, National Institutes Health, 6705 Rockledge Drive, Room 207–E, Bethesda, MD 20892, *cynthia.anderson@nih.gov.*

Name of Committee: Center for Scientific Review Special Emphasis Panel; Immune Signaling in Neurological Disorders and Infectious Diseases.

Date: April 16–17, 2026.

Time: 9:00 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Iqbal Sayeed, Ph.D., Scientific Review Officer, Scientific Review Branch, Division of Extramural Activities, NINDS/NIH, NSC, 6001 Executive Blvd., Suite 3208, MSC 9529, Bethesda, MD 20892, 301–496–9223, *iqbal.sayeed@nih.gov.*

Name of Committee: Emerging Technologies and Training Neurosciences Integrated Review Group; Neuromodulation and Imaging of Neuronal Circuits Study Section Neuromodulation and Imaging of Neuronal Circuits.

Date: April 16–17, 2026.

Time: 9:00 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Pablo Miguel Blazquez Gamez, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 1009–J, Bethesda, MD 20892, 301–435–1042, *pablo.blazquezgamez@nih.gov.*

Name of Committee: Center for Scientific Review Special Emphasis Panel; PAR's Panel: Rare Diseases Clinical Research Consortia.

Date: April 16, 2026.

Time: 9:00 a.m. to 7:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Anita T. Tandle, Ph.D., Scientific Review Officer, Division of Extramural Activities, Scientific Review Branch, National Institute on Aging, NIH, 5601 Fishers Lane, Suite 8B, Rockville, MD 20892, 240–204–0329, *tandlea@mail.nih.gov.*

Name of Committee: Center for Scientific Review Special Emphasis Panel; Auditory System, Language and Communication (AUCOM).

Date: April 16, 2026.

Time: 9:30 a.m. to 6:30 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Kausik Ray, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 1009–J, Bethesda, MD 20892, 301–402–3587, *rayk@nidcd.nih.gov.*

Name of Committee: Risk, Prevention and Health Behavior Integrated Review Group; HIV/AIDS Intra- and Inter-personal Determinants and Behavioral Interventions Study Section.

Date: April 16–17, 2026.

Time: 9:30 a.m. to 5:30 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Joann Wu Shortt, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, 301–827–7375, *shorttjw@csr.nih.gov.*

Name of Committee: Center for Scientific Review Special Emphasis Panel; PAR–23–145: Maximizing Investigators Research Award for Early Stage Investigators.

Date: April 16–17, 2026.

Time: 9:30 a.m. to 6:30 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Konrad Jerzy Krzewski, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 900–K, Bethesda, MD 20892, 240–747–7526, *konrad.krzewski@nih.gov.*

Name of Committee: Center for Scientific Review Special Emphasis Panel; Program Projects: NIDA Research Center of Excellence Grant Program (P50 Clinical Trial Optional).

Date: April 16–17, 2026.

Time: 9:30 a.m. to 1:30 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Marisa Srivareerat, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, 301–435–1258, *marisa.srivareerat@nih.gov.*

Name of Committee: Applied Immunology and Disease Control Integrated Review Group; Drug Discovery and Molecular Pharmacology A Study Section.

Date: April 16–17, 2026.

Time: 9:30 a.m. to 12:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Bidyottam Mittra, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 722–G, Bethesda, MD 20894, 301–435–4057, *bidyottam.mittra@nih.gov.*

(Catalogue of Federal Domestic Assistance Program Nos. 93.306, Comparative Medicine; 93.333, Clinical Research, 93.306, 93.333, 93.337, 93.393–93.396, 93.837–93.844, 93.846–93.878, 93.892, 93.893, National Institutes of Health, HHS)

Dated: March 17, 2026.

Rosalind M. Niamke,

Program Analyst, Office of Federal Advisory Committee Policy.

[FR Doc. 2026–05435 Filed 3–18–26; 8:45 am]

BILLING CODE 4140–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

National Institute of Diabetes and Digestive and Kidney Diseases; Notice of Closed Meeting

Pursuant to section 1009 of the Federal Advisory Committee Act, as amended, notice is hereby given of a meeting of the National Diabetes and Digestive and Kidney Diseases Advisory Council.

The meeting will be closed to the public in accordance with the provisions set forth in sections 552b(c)(4) and 552b(c)(6), Title 5 U.S.C., as amended. The grant applications and the discussions could disclose confidential trade secrets or commercial property such as patentable material, and personal information concerning individuals associated with the grant applications, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

Name of Committee: National Diabetes and Digestive and Kidney Diseases Advisory Council.

Date: July 1, 2026.

Time: 1:00 p.m. EDT to 3:00 p.m. EDT.

Agenda: Consideration of Applications; Adjournment.

Address: National Institutes of Health, NIDDK, Democracy II, 6707 Democracy Boulevard, Room 7329, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Karl F. Malik, Ph.D., Director Division of Extramural Activities, National Institutes of Diabetes and Digestive and Kidney Diseases, 6707 Democracy Blvd., Room 7329, MSC 5452, Bethesda, MD 20892, (301) 594–475,7 *malikk@niddk.nih.gov*

Registration is not required to attend this meeting.

Information is also available on the Institute's/Center's home page: *https://www.niddk.nih.gov/about-niddk/advisory-coordinating-committees/national-diabetes-digestive-kidney-diseases-advisory-council,* where an agenda and any additional information for the meeting will be posted when available.

Dated: March 17, 2026.

Margaret N. Vardanian,

Program Analyst, Office of Federal Advisory Committee Policy.

[FR Doc. 2026–05417 Filed 3–18–26; 8:45 am]

BILLING CODE 4140–01–P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR–7109–N–03; OMB Control No.: 2577–0218]

60-Day Notice of Proposed Information Collection: Indian Housing Block Grants (IHBG) Formula and Competitive Programs

AGENCY: Office of the Assistant Secretary for Public and Indian Housing, HUD.

ACTION: Notice.

SUMMARY: HUD is seeking approval from the Office of Management and Budget (OMB) for the information collection described below. In accordance with the Paperwork Reduction Act, HUD is requesting comment from all interested parties on the proposed collection of information. The purpose of this notice is to allow for 60 days of public comment.

DATES: *Comments Due Date:* May 18, 2026.

ADDRESSES: Interested persons are invited to submit comments regarding this proposal.

Written comments and recommendations for the proposed information collection can be sent within 60 days of publication of this notice to *www.regulations.gov.* Interested persons are also invited to submit comments regarding this proposal and comments should refer to the proposal by name and/or OMB Control Number and should be sent to: Leea Thornton, Program Analyst, Department of Housing and Urban Development, 451 7th Street SW, Room 3178, Washington, DC 20410.

FOR FURTHER INFORMATION CONTACT: Leea Thornton, Program Analyst, Department of Housing and Urban Development, 451 7th Street SW, Washington, DC 20410; email Leea Thornton, Program Analyst at *pih-prapubliccomments@hud.gov,* telephone 202–402–6455. This is not a toll-free number. HUD welcomes and is prepared to receive calls from individuals who are deaf or hard of hearing, as well as individuals with speech or communication disabilities. To learn more about how to make an accessible telephone call, please visit *https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs.*

Copies of available documents submitted to OMB may be obtained from Ms. Thornton.

SUPPLEMENTARY INFORMATION: This notice informs the public that HUD is seeking approval from OMB for the information collection described in Section A.

A. Overview of Information Collection

Title of Information Collection: Indian Housing Block Grants (IHBG) Formula and Competitive Programs.

OMB Approval Number: 2577–0218.

Type of Request: Revision of currently approved collection.

Form Number: HUD–2880, HUD–4117, HUD–4117 A–D, HUD–4119, HUD–4119 A–D, HUD–4123, HUD–52736–A, HUD–52736–B, HUD–52737 IHP–APR, HUD–52737 GEMS IHP/APR, HUD–53248 IHBG–COMP APR, SF–424, SF–424–D, SF–425.

Description of the need for the information and proposed use: HUD's Office of Native American Programs (ONAP) will use the pre-award and post-award information collected to assess program compliance, monitor grantee performance throughout the grant term, and to report annually to Congress. HUD's Office of Native American Programs (ONAP) is responsible for managing the IHBG Formula and IHBG Competitive programs, as described below.

IHBG Formula Program: The Native American Housing Assistance and Self-Determination Reauthorization Act of 1996 (25 U.S.C. 4101 *et seq.*) (NAHASDA) authorizes the IHBG Formula program what supports the development, management, and operation of affordable homeownership and rental housing; infrastructure development; and other forms of housing assistance intended for low-income persons. Federally recognized Native American tribes, Alaska Native villages, tribally designated housing entities, and a limited number of State-recognized tribes that were funded under the Indian Housing Program authorized by the U.S. Housing Act of 1937 are eligible to receive IHBG funds. Under the IHBG Formula Program, eligible recipients receive an equitable share of funds as appropriated by Congress.

IHBG Competitive Program: Since 2018, Congress has appropriated additional funding under the IHBG Formula program for the IHBG Competitive Grant (IHBG–COMP), also under assistance listing 14.867. IHBG–COMP prioritizes projects that increase the availability of affordable housing in Tribal communities with consideration to extent of need and administrative capacity. The regulations and requirements governing the IHBG formula program apply to the IHBG Competitive program. The IHBG–COMP Notices of Funding Opportunities

(NOFO) are published on *Grants.gov,* where applicants submit applications.

Annual Reporting Burden: The annual reporting burden hours are based on the estimates provided below.

Information collection	Number of respondents	Frequency of response	Responses per annum	Burden hour per response	Annual burden hours	Hourly cost per response	Annual cost
Application for Federal Assistance SF–424 (2501–0044)	300	1	1	0	0	0	0
Assurances for Construction Programs SF–424D (2501–0044)	300	1	1	0	0	0	0
Federal Financial Report SF–425 (2501–0044)	300	1	1	0	0	0	0
Applicant Disclosure Report HUD –2880 (2501–0044)	300	1	1	0	0	0	0
HUD Applicant/Recipient Assurances and Certifications HUD–424 (2501–0044)	300	1	1	0	0	0	0
Formula Response Form HUD–4117	500	1	500	2	1,000	$45.14	$45,140.00
Formula Response Form HUD–4117 Appendix A	50	1	50	2	100	45.14	4,514.00
Formula Response Form HUD–4117 Appendix B	50	1	50	2	100	45.14	4,514.00
Formula Response Form HUD–4117 Appendix C	50	1	50	2	100	45.14	4,514.00
Formula Response Form HUD–4117 Appendix D	50	1	50	2	100	45.14	4,514.00
Census Challenge Form HUD–4119	15	1	15	150	2,250	45.14	101,565.00
Census Challenge Form HUD–4119 Appendix A	15	1	15	10	150	45.14	6,771.00
Census Challenge Form HUD–4119 Appendix B	15	1	15	10	150	45.14	6,771.00
Census Challenge Form HUD–4119 Appendix C	15	1	15	15	225	45.14	10,156.50
Census Challenge Form HUD–4119 Appendix D	15	1	15	10	150	45.14	6,771.00
Cost Summary HUD–4123	300	1	300	40	12,000	45.14	541,680.00
Implementation Schedule HUD–4125	300	1	300	40	12,000	45.14	541,680.00
Depository Agreement, Bank Accounts HUD–52736–A	15	1	15	1	15	45.14	677.10
Depository Agreement, Broker/Dealer HUD–52736–B	15	1	15	1	15	45.14	677.10
HUD–52737 IHBG IHP–APR	20	2	40	62	2,480	45.14	111,947.20
HUD–52737 GEMS IHBG IHP/APR	370	2	740	62	45,880	45.14	2,071,023.20
HUD–53248 IHBG–COMP APR	65	1	65	30	1,950	45.14	88,023.00
Record retention	30	1	30	1	30	45.14	1,354.20
Totals	3,390	25	2,280	442	78,695	45.14	3,552,292.30

B. Solicitation of Public Comment

This notice is soliciting comments from members of the public and affected parties concerning the collection of information described in Section A on the following:

(1) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

(2) The accuracy of the agency's estimate of the burden of the proposed collection of information;

(3) Ways to enhance the quality, utility, and clarity of the information to be collected; and

(4) Ways to minimize the burden of the collection of information on those who are to respond; including through the use of appropriate automated collection techniques or other forms of information technology, *e.g.,* permitting electronic submission of responses.

HUD encourages interested parties to submit comment in response to these questions.

C. Authority

Section 2 of the Paperwork Reduction Act of 1995, 44 U.S.C. 3507.

Laura Kunkel,

Acting Director, Office of Policy, Programs, and Legislative Initiatives.

[FR Doc. 2026–05437 Filed 3–18–26; 8:45 am]

BILLING CODE 4210–67–P

DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs

[OMB Control Number 1076–0186; 267A2100DD/AAKP300000/ A0A501010.000000]

Agency Information Collection Activities; Submission to the Office of Management and Budget for Review and Approval; Indian Child Welfare Act Proceedings in State

AGENCY: Bureau of Indian Affairs, Interior.

ACTION: Notice of Information Collection; request for comment.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, the Bureau of Indian Affairs (BIA) is proposing to renew an information collection without change.

DATES: Interested persons are invited to submit comments. To be considered, your comments must be received on or before April 20, 2026.

ADDRESSES: Send your written comments and recommendations for the proposed information collection request (ICR) to the Office of Information and Regulatory Affairs (OIRA) through *https://www.reginfo.gov/public/do/PRA/icrPublicCommentRequest?ref_nbr=202508-1076-004* or by visiting *https://www.reginfo.gov/public/do/PRAMain* and selecting ''Currently under Review—Open for Public Comments'' and then scrolling down to the ''Department of the Interior.''

FOR FURTHER INFORMATION CONTACT: Steven Mullen, Information Collection Clearance Officer, Office of Regulatory Affairs and Collaborative Action—Indian Affairs, U.S. Department of the Interior, 1001 Indian School Road NW, Suite 229, Albuquerque, New Mexico 87104; *comments@bia.gov;* (202) 924–2650. Individuals in the United States who are deaf, deafblind, hard of hearing, or have a speech disability may dial 711 (TTY, TDD, or TeleBraille) to access telecommunications relay services. You may also view the ICR at *https://www.reginfo.gov/public/Forward?SearchTarget=PRA&textfield=1076-0186.*

SUPPLEMENTARY INFORMATION: In accordance with the Paperwork Reduction Act of 1995 (PRA, 44 U.S.C. 3501 *et seq.*) and 5 CFR 1320.8(d)(1), we provide the general public and other Federal agencies with an opportunity to comment on new, proposed, revised, and continuing collections of information. This helps us assess the impact of our information collection requirements and minimize the public's reporting burden. It also helps the public understand our information collection requirements and provide the requested data in the desired format.

A **Federal Register** notice with a 60-day public comment period soliciting comments on this collection of information was published on

September 12, 2025 (90 FR 44215). No comments were received.

As part of our continuing effort to reduce paperwork and respondent burdens, we are again soliciting comments from the public and other Federal agencies on the proposed ICR that is described below. We are especially interested in public comment addressing the following:

(1) Whether or not the collection of information is necessary for the proper performance of the functions of the agency, including whether or not the information will have practical utility;

(2) The accuracy of our estimate of the burden for this collection of information, including the validity of the methodology and assumptions used;

(3) Ways to enhance the quality, utility, and clarity of the information to be collected; and

(4) How might the agency minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.,* permitting electronic submission of response.

Comments that you submit in response to this notice are a matter of public record. Before including your address, phone number, email address, or other personal identifying information in your comment, you should be aware that your entire comment—including your personal identifying information—may be made publicly available at any time. While you can ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

Abstract: The Indian Child Welfare Act (ICWA or Act), 25 U.S.C. 1901 *et seq.,* imposes certain requirements for child custody proceedings that occur in State court when a child is an ''Indian child.'' The regulations, primarily located in 25 CFR part 23 subpart I, provide procedural guidance for implementing ICWA, which necessarily involves information collections to determine whether the child is Indian, to provide notice to the Tribe and parents or Indian custodians, and to maintain records. The information collections are conducted during a civil action *(i.e.,* a child custody proceeding). These civil actions occur in State court, and the United States is not a party to the civil action. However, the State civil action is subject to the Federal statutory requirements of ICWA, which the Secretary of the Interior oversees. The Secretary also has general authority to manage Indian affairs under 25 U.S.C. 2 and 9.

Title of Collection: Indian Child Welfare Act (ICWA) Proceedings in State.

OMB Control Number: 1076–0186.

Form Number: None.

Type of Review: Extension of a currently approved collection.

Respondents/Affected Public: Individuals/households and State/Tribal governments.

Total Estimated Number of Annual Respondents: 7,556.

Total Estimated Number of Annual Responses: 98,069.

Estimated Completion Time per Response: Varies from 15 minutes to 12 hours, depending on the activity.

Total Estimated Number of Annual Burden Hours: 301,811.

Respondent's Obligation: Required to obtain or retain a benefit.

Frequency of Collection: On occasion.

Total Estimated Annual Nonhour Burden Cost: $286,362.

Authority

An agency may not conduct or sponsor and a person is not required to respond to a collection of information unless it displays a currently valid OMB control number. The authority for this action is the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*).

Steven Mullen,

Information Collection Clearance Officer, Office of Regulatory Affairs and Collaborative Action—Indian Affairs.

[FR Doc. 2026–05436 Filed 3–18–26; 8:45 am]

BILLING CODE 4337–15–P

DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs

[OMB Control Number 1076–0021; 267A2100DD/AAKP300000/ A0A501010.000000]

Agency Information Collection Activities; Submission to the Office of Management and Budget for Review and Approval; Electric Power Service Application

AGENCY: Bureau of Indian Affairs, Interior.

ACTION: Notice of information collection; request for comment.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, the Bureau of Indian Affairs (BIA) is proposing to renew an information collection.

DATES: Interested persons are invited to submit comments. To be considered, your comments must be received on or before April 20, 2026.

ADDRESSES: Send your written comments and recommendations for the proposed information collection request (ICR) to the Office of Information and Regulatory Affairs (OIRA) through *https://www.reginfo.gov/public/do/PRA/icrPublicCommentRequest?ref_nbr=202508-1076-003* or by visiting *https://www.reginfo.gov/public/do/PRAMain* and selecting ''Currently under Review—Open for Public Comments'' and then scrolling down to the ''Department of the Interior.''

FOR FURTHER INFORMATION CONTACT: Steven Mullen, Information Collection Clearance Officer, Office of Regulatory Affairs and Collaborative Action—Indian Affairs, U.S. Department of the Interior, 1001 Indian School Road NW, Suite 229, Albuquerque, New Mexico 87104; *comments@bia.gov;* (202) 924–2650. Individuals in the United States who are deaf, deafblind, hard of hearing, or have a speech disability may dial 711 (TTY, TDD, or TeleBraille) to access telecommunications relay services. You may also view the ICR at *https://www.reginfo.gov/public/Forward?SearchTarget=PRA&textfield=1076-0021.*

SUPPLEMENTARY INFORMATION: In accordance with the Paperwork Reduction Act of 1995 (PRA, 44 U.S.C. 3501 *et seq.*) and 5 CFR 1320.8(d)(1), we provide the general public and other Federal agencies with an opportunity to comment on new, proposed, revised, and continuing collections of information. This helps us assess the impact of our information collection requirements and minimize the public's reporting burden. It also helps the public understand our information collection requirements and provide the requested data in the desired format.

A **Federal Register** notice with a 60-day public comment period soliciting comments on this collection of information was published on September 12, 2025 (90 FR 44212). No comments were received.

As part of our continuing effort to reduce paperwork and respondent burdens, we are again soliciting comments from the public and other Federal agencies on the proposed ICR that is described below. We are especially interested in public comment addressing the following:

(1) Whether or not the collection of information is necessary for the proper performance of the functions of the agency, including whether or not the information will have practical utility;

(2) The accuracy of our estimate of the burden for this collection of

information, including the validity of the methodology and assumptions used;

(3) Ways to enhance the quality, utility, and clarity of the information to be collected; and

(4) How might the agency minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.,* permitting electronic submission of response.

Comments that you submit in response to this notice are a matter of public record. Before including your address, phone number, email address, or other personal identifying information in your comment, you should be aware that your entire comment—including your personal identifying information—may be made publicly available at any time. While you can ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

Abstract: The BIA owns, operates, and maintains four electric power utilities that provide a service to the end user, pursuant to 25 CFR part 175 (''Electric Power Utilities''). The BIA must collect customer information to identify the individual responsible for repaying the government its costs for delivering the service and bill for those costs. The BIA must also collect information to identify the location of the service delivery (*i.e.,* electrical hook-up). In addition, the Debt Collection Improvement Act of 1996 (DCIA), 31 U.S.C. 3701–3733, requires that certain information be collected from individuals and businesses doing business with the government. This information includes the taxpayer identification number for possible future use to recover delinquent debt.

Title of Collection: Electric Power Service Application.

OMB Control Number: 1076–0021.

Form Number: None.

Type of Review: Extension of a currently approved collection.

Respondents/Affected Public: Individual Indians and Indian Tribes.

Total Estimated Number of Annual Respondents: 1,315.

Total Estimated Number of Annual Responses: 1,315.

Estimated Completion Time per Response: 30 minutes to 1 hour.

Total Estimated Number of Annual Burden Hours: 665.

Respondent's Obligation: Required to Obtain or Retain a Benefit.

Frequency of Collection: On occasion.

Total Estimated Annual Non-hour Burden Cost: $0.

Authority

An agency may not conduct or sponsor and a person is not required to respond to a collection of information unless it displays a currently valid OMB control number. The authority for this action is the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*).

Steven Mullen,

Information Collection Clearance Officer, Office of Regulatory Affairs and Collaborative Action—Indian Affairs.

[FR Doc. 2026–05446 Filed 3–18–26; 8:45 am]

BILLING CODE 4337–15–P

DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs

[OMB Control Number 1076–0167; 267A2100DD/AAKP300000/ A0A501010.000000]

Agency Information Collection Activities; Submission to the Office of Management and Budget for Review and Approval; Tribal Energy Resource Agreements

AGENCY: Bureau of Indian Affairs, Interior.

ACTION: Notice of information collection; request for comment.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, the Assistant Secretary—Indian Affairs (AS–IA) is proposing to renew an information collection without change.

DATES: Interested persons are invited to submit comments. To be considered, your comments must be received on or before April 20, 2026.

ADDRESSES: Send your written comments and recommendations for the proposed information collection request (ICR) to the Office of Information and Regulatory Affairs (OIRA) through *https://www.reginfo.gov/public/do/PRA/icrPublicCommentRequest?ref_nbr=202505-1076-007* or by visiting *https://www.reginfo.gov/public/do/PRAMain* and selecting ''Currently under Review—Open for Public Comments'' and then scrolling down to the ''Department of the Interior.''

FOR FURTHER INFORMATION CONTACT: Steven Mullen, Information Collection Clearance Officer, Office of Regulatory Affairs and Collaborative Action—Indian Affairs, U.S. Department of the Interior, 1001 Indian School Road NW, Suite 229, Albuquerque, New Mexico 87104; *comments@bia.gov;* (202) 924–2650. Individuals in the United States who are deaf, deafblind, hard of hearing, or have a speech disability may dial 711 (TTY, TDD, or TeleBraille) to access telecommunications relay services. You may also view the ICR at *https://www.reginfo.gov/public/Forward?SearchTarget=PRA&textfield=1076-0167.*

SUPPLEMENTARY INFORMATION: In accordance with the Paperwork Reduction Act of 1995 (PRA, 44 U.S.C. 3501 *et seq.*) and 5 CFR 1320.8(d)(1), we provide the general public and other Federal agencies with an opportunity to comment on new, proposed, revised, and continuing collections of information. This helps us assess the impact of our information collection requirements and minimize the public's reporting burden. It also helps the public understand our information collection requirements and provide the requested data in the desired format.

A **Federal Register** notice with a 60-day public comment period soliciting comments on this collection of information was published on September 2, 2025 (90 FR 42431). No comments were received.

As part of our continuing effort to reduce paperwork and respondent burdens, we are again soliciting comments from the public and other Federal agencies on the proposed ICR that is described below. We are especially interested in public comment addressing the following:

(1) Whether or not the collection of information is necessary for the proper performance of the functions of the agency, including whether or not the information will have practical utility;

(2) The accuracy of our estimate of the burden for this collection of information, including the validity of the methodology and assumptions used;

(3) Ways to enhance the quality, utility, and clarity of the information to be collected; and

(4) How might the agency minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.,* permitting electronic submission of response.

Comments that you submit in response to this notice are a matter of public record. Before including your address, phone number, email address, or other personal identifying information in your comment, you should be aware that your entire comment—including your personal identifying information—may be made publicly available at any time. While

you can ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

Abstract: Submission of this information is required for federally recognized Indian Tribes to apply for, implement, reassume, or rescind a Tribal Energy Resource Agreement (TERA) under 25 U.S.C. 3501 *et seq.,* and 25 CFR part 224. This collection also requires the Tribe to notify the public of certain actions and allows a petition from the public, to be submitted to Interior, to inform of possible noncompliance with a TERA.

Title of Collection: Tribal Energy Resource Agreements, 25 CFR part 224.

OMB Control Number: 1076–0167.

Form Number: None.

Type of Review: Extension of a currently approved collection.

Respondents/Affected Public: Federally recognized Indian Tribes and the public.

Total Estimated Number of Annual Respondents: 1 on average (each year).

Total Estimated Number of Annual Responses: 11 on average (each year).

Estimated Completion Time per Response: Varies from 32 hours to 432 hours.

Total Estimated Number of Annual Burden Hours: 2,960 hours.

Respondent's Obligation: Required to obtain or retain a benefit.

Frequency of Collection: On occasion.

Total Estimated Annual Nonhour Burden Cost: $18,100.

Authority

An agency may not conduct or sponsor and a person is not required to respond to a collection of information unless it displays a currently valid OMB control number. The authority for this action is the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*).

Steven Mullen,

Information Collection Clearance Officer, Office of Regulatory Affairs and Collaborative Action—Indian Affairs.

[FR Doc. 2026–05420 Filed 3–18–26; 8:45 am]

BILLING CODE 4337–15–P

DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs

[OMB Control Number 1035–0003; 267A2100DD/AAKP300000/ A0A501010.000000]

Agency Information Collection Activities; Submission to the Office of Management and Budget for Review and Approval; Application To Withdraw Tribal Funds From Trust Status

AGENCY: Bureau of Trust Funds Administration, Interior.

ACTION: Notice of information collection; request for comment.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, we, the Bureau of Trust Funds Administration (BTFA), are proposing to renew an information collection without change.

DATES: Interested persons are invited to submit comments. To be considered, your comments must be received on or before April 20, 2026.

ADDRESSES: Send your written comments and recommendations for the proposed information collection request (ICR) to the Office of Information and Regulatory Affairs (OIRA) through *https://www.reginfo.gov/public/do/PRA/icrPublicCommentRequest?ref_nbr=202508-1035-001* or by visiting *https://www.reginfo.gov/public/do/PRAMain* and selecting ''Currently under Review—Open for Public Comments'' and then scrolling down to the ''Department of the Interior.''

FOR FURTHER INFORMATION CONTACT: Steven Mullen, Information Collection Clearance Officer, Office of Regulatory Affairs and Collaborative Action—Indian Affairs, U.S. Department of the Interior, 1001 Indian School Road NW, Suite 229, Albuquerque, New Mexico 87104; *comments@bia.gov;* (202) 924–2650. Individuals in the United States who are deaf, deafblind, hard of hearing, or have a speech disability may dial 711 (TTY, TDD, or TeleBraille) to access telecommunications relay services. You may also view the ICR at *https://www.reginfo.gov/public/Forward?SearchTarget=PRA&textfield=1035-0003.*

SUPPLEMENTARY INFORMATION: In accordance with the Paperwork Reduction Act of 1995 (PRA, 44 U.S.C. 3501 *et seq.*) and 5 CFR 1320.8(d)(1), we provide the general public and other Federal agencies with an opportunity to comment on new, proposed, revised, and continuing collections of information. This helps us assess the impact of our information collection requirements and minimize the public's reporting burden. It also helps the public understand our information collection requirements and provide the requested data in the desired format.

A **Federal Register** notice with a 60-day public comment period soliciting comments on this collection of information was published on September 12, 2025 (90 FR 44211). No comments were received.

As part of our continuing effort to reduce paperwork and respondent burdens, we are again soliciting comments from the public and other Federal agencies on the proposed ICR that is described below. We are especially interested in public comments addressing the following:

(1) Whether or not the collection of information is necessary for the proper performance of the functions of the agency, including whether or not the information will have practical utility;

(2) The accuracy of our estimate of the burden for this collection of information, including the validity of the methodology and assumptions used;

(3) Ways to enhance the quality, utility, and clarity of the information to be collected; and

(4) How might the agency minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.,* permitting electronic submission of response.

Comments that you submit in response to this notice are a matter of public record. Before including your address, phone number, email address, or other personal identifying information in your comment, you should be aware that your entire comment—including your personal identifying information—may be made publicly available at any time. While you can ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

Abstract: The Indian Trust Fund Management Reform Act of 1994 (the Act), which is codified at 25 U.S.C. chapter 42, allows Indian Tribes on a voluntary basis to take their funds out of trust status within the Department of the Interior (and the Federal Government) in order to manage such funds on their own. The Act's implementing regulations describe the requirements for application for withdrawal. See 25 CFR 1200.13 ''How does a Tribe apply to withdraw funds?''

The Act generally covers all Tribal trust funds including judgment funds as well as some settlements funds, but excludes funds held in individual Indian money accounts and other trust funds. Both the Act and the regulations state that upon withdrawal of the funds, the Department of the Interior (and the Federal Government) have no further liability for such funds. Accompanying their application for withdrawal of trust funds, Tribes are required to submit a management plan for managing the funds being withdrawn to protect the funds once they are out of trust status. This information collection allows the BTFA to collect a Tribe's applications for withdrawal of funds held in trust by the Department of the Interior.

Title of Collection: Application to Withdraw Tribal Funds from Trust Status, 25 CFR part 1200.

Control Number: 1035–0003.

Form Number: None.

Type of Review: Extension of a currently approved collection.

Respondents/Affected Public: Tribal governments.

Total Estimated Number of Annual Respondents: One respondent, on average, every 3 years.

Total Estimated Number of Annual Responses: 1.

Estimated Completion Time per Response: 750 hours.

Total Estimated Number of Annual Burden Hours: 750.

Respondent's Obligation: Required to obtain or retain a benefit.

Frequency of Collection: One per Tribe per trust fund withdrawal application.

Total Estimated Annual Nonhour Burden Cost: None.

Authority

An agency may not conduct or sponsor and a person is not required to respond to a collection of information unless it displays a currently valid OMB control number. The authority for this action is the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*).

Steven Mullen,

Information Collection Clearance Officer, Office of Regulatory Affairs and Collaborative Action—Indian Affairs.

[FR Doc. 2026–05412 Filed 3–18–26; 8:45 am]

BILLING CODE 4337–15–P

DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs

[OMB Control Number 1076–0162; 267A2100DD/AAKP300000/ A0A501010.000000]

Agency Information Collection Activities; Submission to the Office of Management and Budget for Review and Approval; Navajo Partitioned Lands Grazing Permits

AGENCY: Bureau of Indian Affairs, Interior.

ACTION: Notice of Information Collection; request for comment.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, the Bureau of Indian Affairs (BIA) is proposing to renew an information collection without change.

DATES: Interested persons are invited to submit comments. To be considered, your comments must be received on or before April 20, 2026.

ADDRESSES: Send your written comments and recommendations for the proposed information collection request (ICR) to the Office of Information and Regulatory Affairs (OIRA) through *https://www.reginfo.gov/public/do/PRA/icrPublicCommentRequest?ref_nbr=202508-1076-005* or by visiting *https://www.reginfo.gov/public/do/PRAMain* and selecting ''Currently under Review—Open for Public Comments'' and then scrolling down to the ''Department of the Interior.''

FOR FURTHER INFORMATION CONTACT: Steven Mullen, Information Collection Clearance Officer, Office of Regulatory Affairs and Collaborative Action—Indian Affairs, U.S. Department of the Interior, 1001 Indian School Road NW, Suite 229, Albuquerque, New Mexico 87104; *comments@bia.gov;* (202) 924–2650. Individuals in the United States who are deaf, deafblind, hard of hearing, or have a speech disability may dial 711 (TTY, TDD, or TeleBraille) to access telecommunications relay services. You may also view the ICR at *https://www.reginfo.gov/public/Forward?SearchTarget=PRA&textfield=1076-0162.*

SUPPLEMENTARY INFORMATION: In accordance with the Paperwork Reduction Act of 1995 (PRA, 44 U.S.C. 3501 *et seq.*) and 5 CFR 1320.8(d)(1), we provide the general public and other Federal agencies with an opportunity to comment on new, proposed, revised, and continuing collections of information. This helps us assess the impact of our information collection requirements and minimize the public's reporting burden. It also helps the public understand our information collection requirements and provide the requested data in the desired format.

A **Federal Register** notice with a 60-day public comment period soliciting comments on this collection of information was published on September 22, 2025 (90 FR 45406). We received one comment, available at *https://www.regulations.gov/comment/BIA-2022-0005-0025* with pertinent summary below.

Comment 1: The Navajo Partitioned Lands are tribal lands; therefore, grazing decisions must reflect tribal laws, customs, and governance systems, not unilateral federal control; and require Navajo Nation review and concurrence for all NPL grazing permit decisions; and initiate formal, government-to-government consultation before any approval, implementation, or modification of NPL grazing information collection activities.

Agency Response to Comment 1: The Department is proposing to extend an existing information collection authorized under 25 CFR part 161, to maintain services for (a) individual Navajo Tribal members wanting to obtain or modify a grazing permit and (b) by departments and officials of the Navajo Nation. Under 25 CFR 161.101, unless prohibited by federal law, BIA will recognize and comply with tribal laws regulating activities on the Navajo Partitioned Lands, including tribal laws relating to land use, environmental protection, and historic or cultural preservation.

The Department is not proposing to modify 25 CFR part 161. The following formal, government-to-government consultation occurred under RIN 1076–AE46.

- For 25 CFR part 161, the proposed regulation was published on November 12, 2003 (68 FR 64023) and the final regulation was published October 7, 2005 (70 FR 58882).
- On October 27, 2004, the Navajo Hopi Land Commission, by a 6–0 vote, passed a resolution recommending concurrence in the final regulation. On February 10, 2005, the Navajo Nation Resources Committee, by a 7–0 vote, recommended concurrence, and referred the final regulation to the Navajo Nation Intergovernmental Relations Committee for final concurrence.
- On April 8, 2005, the Navajo Nation Intergovernmental Relations Committee, by an 8–0 vote, passed a resolution concurring in and approving the final regulation.

As part of our continuing effort to reduce paperwork and respondent burdens, we are again soliciting

comments from the public and other Federal agencies on the proposed ICR that is described below. We are especially interested in public comment addressing the following:

(1) Whether or not the collection of information is necessary for the proper performance of the functions of the agency, including whether or not the information will have practical utility;

(2) The accuracy of our estimate of the burden for this collection of information, including the validity of the methodology and assumptions used;

(3) Ways to enhance the quality, utility, and clarity of the information to be collected; and

(4) How might the agency minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.,* permitting electronic submission of response.

Comments that you submit in response to this notice are a matter of public record. Before including your address, phone number, email address, or other personal identifying information in your comment, you should be aware that your entire comment—including your personal identifying information—may be made publicly available at any time. While you can ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

Abstract: This information collection is authorized under 25 CFR part 161, which implements the Navajo-Hopi Indian Relocation Amendments Act of 1980, 94 Stat. 929, and the Federal court decisions of *Healing* v. *Jones,* 174 F. Supp. 211 (D Ariz. 1959) (Healing I), *Healing* v. *Jones,* 210 F. Supp. 126 (D. Ariz. 1962), aff'd 363 U.S. 758 (1963) (Healing II), *Hopi Tribe* v. *Watt,* 530 F. Supp. 1217 (D. Ariz. 1982), and *Hopi Tribe* v. *Watt,* 719 F.2d 314 (9th Cir. 1983). This information collection allows BIA to receive the information necessary to determine whether an applicant to obtain, modify, or assign a grazing permit on Navajo Partitioned Lands is eligible and complies with all applicable grazing permit requirements. The data is collected by electronic global positioning systems and field office interviews by BIA & Navajo Nation staff. The data is maintained by BIA's Navajo Partitioned Lands office.

Title of Collection: Navajo Partitioned Lands Grazing Permits.

OMB Control Number: 1076–0162.

Form Number: 5–5015 and 5–5022.

Type of Review: Extension of a currently approved collection.

Respondents/Affected Public: Tribes, Tribal organizations, and individual Indians.

Total Estimated Number of Annual Respondents: 700.

Total Estimated Number of Annual Responses: 3,121.

Estimated Completion Time per Response: Varies from 15 minutes to 2 hours.

Total Estimated Number of Annual Burden Hours: 2,123.

Respondent's Obligation: Required to obtain or retain a benefit.

Frequency of Collection: Annually.

Total Estimated Annual Non-hour Burden Cost: $0.

Authority

An agency may not conduct or sponsor and a person is not required to respond to a collection of information unless it displays a currently valid OMB control number. The authority for this action is the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*).

Steven Mullen,

Information Collection Clearance Officer, Office of Regulatory Affairs and Collaborative Action—Indian Affairs.

[FR Doc. 2026–05413 Filed 3–18–26; 8:45 am]

BILLING CODE 4337–15–P

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[A2407–014–004–065516, #O2509–014–004–125222; LLOR93600.L63000000.HN000026X]

Agency Information Collection Activities; Tramroads and Logging Roads

AGENCY: Bureau of Land Management, Interior.

ACTION: Notice of information collection; request for comment.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, the Bureau of Land Management (BLM) proposes extending an information collection.

DATES: Interested persons are invited to submit comments on or before May 18, 2026.

ADDRESSES: Send your written comments on this information collection request (ICR) by mail to Darrin King, Information Collection Clearance Officer, U.S. Department of the Interior, Bureau of Land Management, Attention PRA Office, 440 W 200 S #500, Salt Lake City, UT 84101; or by email to *BLM_HQ_PRA_Comments@blm.gov.* Please reference Office of Management and Budget (OMB) Control Number 1004–0168 in the subject line of your comments. Please note that the electronic submission of comments is recommended.

FOR FURTHER INFORMATION CONTACT: To request additional information about this ICR, contact Jessica LeRoy by email at *jrleroy@blm.gov,* or by telephone at (971) 439–5054. Individuals in the United States who are deaf, deafblind, hard of hearing, or have a speech disability may dial 711 (TTY, TDD, or TeleBraille) to access telecommunications relay services. Individuals outside the United States should use the relay services offered within their country to make international calls to the point-of-contact in the United States. You may also view the ICR at *http://www.reginfo.gov/public/do/PRAMain.*

SUPPLEMENTARY INFORMATION: In accordance with the Paperwork Reduction Act of 1995 (PRA, 44 U.S.C. 3501 *et seq.*) and 5 CFR 1320.8(d)(1), all information collections require approval under the PRA. We may not conduct or sponsor, and you are not required to respond to a collection of information unless it displays a currently valid OMB Control Number.

As part of our continuing effort to reduce paperwork and respondent burdens, we invite the public and other Federal agencies to comment on new, proposed, revised, and continuing collections of information. This helps us assess the impact of our information collection requirements and minimize the public's reporting burden. It also helps the public understand our information collection requirements and provide the requested data in the desired format.

We are especially interested in public comments addressing the following:

(1) Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

(2) The accuracy of our estimate of the burden for this collection of information, including the validity of the methodology and assumptions used;

(3) Ways to enhance the quality, utility, and clarity of the information to be collected; and

(4) How the agency might minimize the burden of the collection of information on those who are to respond, including the use of appropriate automated, electronic, mechanical, or other technological

collection techniques or other forms of information technology, *e.g.,* permitting electronic submission of response.

Comments that you submit in response to this notice are a matter of public record. We will include or summarize each comment in our request to OMB to approve this ICR. Before including your address, phone number, email address, or other personally identifiable information in your comment, you should be aware that your entire comment—including your personally identifiable information—may be made publicly available at any time. While you can ask us in your comment to withhold your personally identifiable information from public review, we cannot guarantee that we will be able to do so.

Abstract: The BLM Oregon State Office has authority under the Oregon and California Revested Lands Sustained Yield Management Act of 1937 (43 U.S.C. 2601 and 2602) and subchapter V of the Federal Land Policy and Management Act (43 U.S.C. 1761–1771) to grant rights-of-way to private landowners to transport their timber over roads controlled by the BLM. This information collection enables the BLM to calculate and collect appropriate fees for this use of public lands. This OMB Control Number is currently scheduled to expire on October 31, 2026. The BLM plans to request that OMB renew this OMB Control Number for an additional three (3) years.

Title of Collection: Tramroads and Logging Roads (43 CFR part 2810).

OMB Control Number: 1004–0168.

Form Numbers: OR–2812–6.

Type of Review: Extension of a currently approved collection.

Respondents/Affected Public: Private landowners who hold rights-of-way for the use of BLM-controlled roads in western Oregon.

Total Estimated Number of Annual Respondents: 1,088.

Total Estimated Number of Annual Responses: 1,088.

Estimated Completion Time per Response: 8 hours.

Total Estimated Number of Annual Burden Hours: 8,704.

Respondent's Obligation: Required to obtain or retain a benefit.

Frequency of Collection: Annually, biannually, quarterly, or monthly, depending on the terms of the pertinent right-of-way.

Total Estimated Annual Nonhour Burden Cost: None.

The authority for this action is the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*).

Darrin A. King,

Information Collection Clearance Officer.

[FR Doc. 2026–05407 Filed 3–18–26; 8:45 am]

BILLING CODE 4310–84–P

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[A2407–014–004–065516, #O2509–014–004–125222]

Agency Information Collection Activities; Land Use Application and Permit

AGENCY: Bureau of Land Management, Interior.

ACTION: Notice of information collection; request for comment.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, the Bureau of Land Management (BLM) proposes to extend an information collection.

DATES: Interested persons are invited to submit comments on or before May 18, 2026.

ADDRESSES: Send your written comments on this information collection request (ICR) by mail to Darrin King, Information Collection Clearance Officer, U.S. Department of the Interior, Bureau of Land Management, Attention PRA Office, 440 W 200 S #500, Salt Lake City, UT 84101; or by email to *BLM_HQ_PRA_Comments@blm.gov.* Please reference Office of Management and Budget (OMB) Control Number 1004–0009 in the subject line of your comments. Please note that the electronic submission of comments is recommended.

FOR FURTHER INFORMATION CONTACT: To request additional information about this ICR, contact Jeff Holdren by email at *jholdren@blm.gov,* or by telephone at (703) 360–9739. Individuals in the United States who are deaf, deafblind, hard of hearing, or have a speech disability may dial 711 (TTY, TDD, or TeleBraille) to access telecommunications relay services. Individuals outside the United States should use the relay services offered within their country to make international calls to the point-of-contact in the United States. You may also view the ICR at *http://www.reginfo.gov/public/do/PRAMain.*

SUPPLEMENTARY INFORMATION: In accordance with the Paperwork Reduction Act of 1995 (PRA, 44 U.S.C. 3501 *et seq.*) and 5 CFR 1320.8(d)(1), all information collections require approval under the PRA. We may not conduct or sponsor, and you are not required to respond to, a collection of information unless it displays a currently valid OMB control number.

As part of our continuing effort to reduce paperwork and respondent burdens, we invite the public and other Federal agencies to comment on new, proposed, revised, and continuing collections of information. This helps us assess the impact of our information collection requirements and minimize the public's reporting burden. It also helps the public understand our information collection requirements and provide the requested data in the desired format.

We are especially interested in public comment addressing the following:

(1) Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

(2) The accuracy of our estimate of the burden for this collection of information, including the validity of the methodology and assumptions used;

(3) Ways to enhance the quality, utility, and clarity of the information to be collected; and

(4) How the agency might minimize the burden of the collection of information on those who are to respond, including the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.,* permitting electronic submission of response.

Comments that you submit in response to this notice are a matter of public record. We will include or summarize each comment in our request to OMB to approve this ICR. Before including your address, phone number, email address, or other personally identifiable information in your comment, you should be aware that your entire comment—including your personally identifiable information—may be made publicly available at any time. While you can ask us in your comment to withhold your personally identifiable information from public review, we cannot guarantee that we will be able to do so.

Abstract: Under OMB Control Number 1004–0009, private citizens, State and local governments, and businesses submit information that the BLM uses to determine whether such people are qualified to use, occupy, or develop the public lands under certain conditions. The land use authorizations

to which the information collected under OMB Control Number 1004–0009 are relevant include those for agricultural development, residential use, recreation concessions, business use, industrial use, and commercial use. This OMB Control Number is currently scheduled to expire on September 30, 2026. The BLM plans to request that OMB renew this OMB Control Number for an additional three (3) years.

Title of Collection: Land Use Application and Permit (43 CFR part 2920).

OMB Control Number: 1004–0009.

Form Numbers: Form 2920–1.

Type of Review: Extension of a currently approved collection.

Respondents/Affected Public: Individuals, State and local governments, and businesses that wish to use public lands.

Total Estimated Number of Annual Respondents: 407.

Total Estimated Number of Annual Responses: 407.

Estimated Completion Time per Response: Varies from 1 to 120 hours, depending on activity.

Total Estimated Number of Annual Burden Hours: 2,455.

Respondent's Obligation: Required to obtain or retain a benefit.

Frequency of Collection: On occasion.

Total Estimated Annual Nonhour Burden Cost: $145,760.

The authority for this action is the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*).

Darrin A. King,

Information Collection Clearance Officer.

[FR Doc. 2026–05354 Filed 3–18–26; 8:45 am]

BILLING CODE 4310–84–P

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[A2407–014–004–065516, #O2509–014–004–125222]

Agency Information Collection Activities; Grazing Management: Range Improvement Agreements and Permits Materials

AGENCY: Bureau of Land Management, Interior.

ACTION: Notice of information collection; request for comment.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, the Bureau of Land Management (BLM) proposes extending an information collection.

DATES: Interested persons are invited to submit comments on or before May 18, 2026.

ADDRESSES: Send your written comments on this information collection request (ICR) by mail to Darrin King, Information Collection Clearance Officer, U.S. Department of the Interior, Bureau of Land Management, Attention PRA Office, 440 W 200 S #500, Salt Lake City, UT 84101; or by email to *BLM_HQ_PRA_Comments@blm.gov.* Please reference Office of Management and Budget (OMB) Control Number 1004–0019 in the subject line of your comments. The electronic submission of comments is recommended.

FOR FURTHER INFORMATION CONTACT: To request additional information about this ICR, contact Jessica Phillips by email at *jmphillips@blm.gov,* or by telephone at (406) 490–5654. Individuals in the United States who are deaf, deafblind, hard of hearing, or have a speech disability may dial 711 (TTY, TDD, or TeleBraille) to access telecommunications relay services. Individuals outside the United States should use the relay services offered within their country to make international calls to the point-of-contact in the United States. You may also view the ICR at *http://www.reginfo.gov/public/do/PRAMain.*

SUPPLEMENTARY INFORMATION: In accordance with the Paperwork Reduction Act of 1995 (PRA, 44 U.S.C. 3501 *et seq.*) and 5 CFR 1320.8(d)(1), all information collections require approval under the PRA. We may not conduct or sponsor, and you are not required to respond to, a collection of information unless it displays a currently valid OMB control number.

As part of our continuing effort to reduce paperwork and respondent burdens, we invite the public and other Federal agencies to comment on new, proposed, revised, and continuing collections of information. This helps us assess the impact of our information collection requirements and minimize the public's reporting burden. It also helps the public understand our information collection requirements and provide the requested data in the desired format.

We are especially interested in public comment addressing the following:

(1) Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

(2) The accuracy of our estimate of the burden for this collection of information, including the validity of the methodology and assumptions used;

(3) Ways to enhance the quality, utility, and clarity of the information to be collected; and

(4) How might the agency minimize the burden of the collection of information on those who are to respond, including the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.,* permitting electronic submission of response.

Comments that you submit in response to this notice are a matter of public record. We will include or summarize each comment in our request to OMB to approve this ICR. Before including your address, phone number, email address, or other personally identifiable information in your comment, you should be aware that your entire comment—including your personally identifiable information—may be made publicly available at any time. While you can ask us in your comment to withhold your personally identifiable information from public review, we cannot guarantee that we will be able to do so.

Abstract: OMB Control Number 1004–0019 authorizes the collection of information concerning range improvements to improve livestock grazing management, improve watershed conditions, enhance wildlife habitat on BLM lands, or serve similar purposes. Under 43 CFR 4120.3–1(b), the BLM requires that an operator enter into a Cooperative Range Improvement Agreement, or obtain a Range Improvement Permit, before installing, using, maintaining, and/or modifying a range improvement. The BLM uses Form 4120–6, Cooperative Range Improvement Agreement, to document cooperative range improvement construction arrangements with grazing operators. This OMB Control Number is currently scheduled to expire on August 31, 2026. The BLM plans to request that OMB renew this OMB Control Number for an additional three (3) years.

Title of Collection: Grazing Management: Range Improvements Agreements and Permits (43 CFR Subpart 4120).

OMB Control Number: 1004–0019.

Form Numbers: 4120–6, Cooperative Range Improvement Agreement; and 4120–7, Range Improvement Permit.

Type of Review: Extension of a currently approved collection.

Respondents/Affected Public: Holders of BLM grazing permits or grazing leases.

Total Estimated Number of Annual Respondents: 530.

Total Estimated Number of Annual Responses: 530.

Estimated Completion Time per Response: Varies from 1 to 2 hours per response.

Total Estimated Number of Annual Burden Hours: 1,060.

Respondent's Obligation: Required to obtain or retain a benefit.

Frequency of Collection: On occasion.

Total Estimated Annual Nonhour Burden Cost: $0.

The authority for this action is the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*).

Darrin A. King,

Information Collection Clearance Officer.

[FR Doc. 2026–05406 Filed 3–18–26; 8:45 am]

BILLING CODE 4310–84–P

DEPARTMENT OF THE INTERIOR

National Park Service

[N7000; NPS–WASO–NAGPRA–NPS0042354; PPWOCRADN0–PCU00RP14.R50000]

Notice of Inventory Completion: Mercyhurst University, Erie, PA

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), Mercyhurst University has completed an inventory of human remains and has determined that there is a cultural affiliation between the human remains and Indian Tribes or Native Hawaiian organizations in this notice.

DATES: Repatriation of the human remains in this notice may occur on or after April 20, 2026.

ADDRESSES: Send written requests for repatriation of the human remains in this notice to Anne Marjenin, Mercyhurst University, 501 East 38th Street, Erie, PA 16546, email *nagpra@mercyhurst.edu.*

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of Mercyhurst University, and additional information on the determinations in this notice, including the results of consultation, can be found in its inventory or related records. The National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

Human remains representing, at least, two individuals have been identified. No associated funerary objects are present. On an unknown date, the individuals (V–PI–011, VM–053) were removed from a location in the vicinity of Nashville, Davidson County, Tennessee, likely by Dr. T. Hugh Young. On an unknown date, the individuals were obtained by Raymond C. Vietzen (1907–1995). Vietzen, an avocational archaeologist, collector, and author, established the Indian Ridge Museum in Elyria, Ohio, and the Archaeological Society of Ohio (formerly the Ohio Indian Relic Collectors Society). The Indian Ridge Museum, founded in the 1930s, served as Vietzen's laboratory and repository, and it remained in operation until the mid-1990s. After Vietzen's death, the facility fell into disrepair, and most of the items he had acquired and housed at the museum were sold. In 1998, the Ohio Historical Society (presently the Ohio History Connection) removed ancestral human remains and some of the remaining items from the facility and temporarily housed them at the Ohio Historical Society. In October of 2003, these remains were transferred from the Ohio Historical Society to Mercyhurst College (presently Mercyhurst University).

While there is no record regarding potentially hazardous substances having been used to treat the human remains, an unidentified adhesive is present. It is unknown when the adhesive was applied. The human remains may have been treated with an unidentified preservative coating, consolidant, or sealant. It is unknown when this unidentified substance may have been applied.

Cultural Affiliation

Based on the information available and the results of consultation, cultural affiliation is clearly identified by the information available about the human remains described in this notice.

Determinations

Mercyhurst University has determined that:

- The human remains described in this notice represent the physical remains of two individuals of Native American ancestry.
- There is a connection between the human remains described in this notice and the Absentee-Shawnee Tribe of Indians of Oklahoma; Cherokee Nation; Eastern Band of Cherokee Indians; Eastern Shawnee Tribe of Oklahoma; Shawnee Tribe; The Muscogee (Creek) Nation; and the United Keetoowah Band of Cherokee Indians in Oklahoma.

Requests for Repatriation

Written requests for repatriation of the human remains in this notice must be sent to the authorized representative identified in this notice under **ADDRESSES**. Requests for repatriation may be submitted by:

1. Any one or more of the Indian Tribes or Native Hawaiian organizations identified in this notice.

2. Any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows, by a preponderance of the evidence, that the requestor is a lineal descendant or an Indian Tribe or Native Hawaiian organization with cultural affiliation.

Repatriation of the human remains described in this notice to a requestor may occur on or after April 20, 2026. If competing requests for repatriation are received, Mercyhurst University must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the human remains are considered a single request and not competing requests. Mercyhurst University is responsible for sending a copy of this notice to the Indian Tribes and Native Hawaiian organizations identified in this notice and any other consulting parties.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3003, and the implementing regulations, 43 CFR 10.10.

Dated: March 11, 2026.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2026–05379 Filed 3–18–26; 8:45 am]

BILLING CODE 4312–52–P

DEPARTMENT OF THE INTERIOR

National Park Service

[N7002; NPS–WASO–NAGPRA–NPS0042356; PPWOCRADN0–PCU00RP14.R50000]

Notice of Intended Repatriation: Museum of Natural History and Planetarium, Providence, RI

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), the Museum of Natural History and Planetarium intends to repatriate certain cultural items that meet the definition of sacred objects and that have a cultural affiliation with the Indian Tribes or Native Hawaiian organizations in this notice.

DATES: Repatriation of the cultural items in this notice may occur on or after April 20, 2026.

ADDRESSES: Send additional, written requests for repatriation of the cultural

items in this notice to Matthew Becker, Curator of Collections, Museum of Natural History and Planetarium, 1000 Elmwood Avenue, Providence, RI 02907, email *mbecker@providenceri.gov.*

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of the Museum of Natural History and Planetarium and additional information on the determinations in this notice, including the results of consultation, can be found in the summary or related records. The National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

A total of 28 cultural items have been requested for repatriation. The 28 cultural items include a collection of tapa cloths and tapa decorating tools, fish hooks and lines, stone pounders, small figurines, a ukulele, a fan, a wooden spear, a bowl, and a necklace. The 28 items were donated between 1909 and 1956. The majority of the items, particularly the tapa cloths and tapa decorating tools, were received during the 1950s from Brown University and the Bishop Museum as gifts or as part of exchange. The remaining items fall into two camps: either they were singular items donated by individual collectors residing in Rhode Island, or they lack donor data entirely and are listed as ''Donor Unknown.'' All items are listed as being from Hawaii.

Determinations

The Museum of Natural History and Planetarium has determined that:

- The 28 sacred objects described in this notice are specific ceremonial objects needed by a traditional Native American religious leader for present-day adherents to practice traditional Native American religion, according to the Native American traditional knowledge of a lineal descendant, Indian Tribe, or Native Hawaiian organization.
- There is a connection between the cultural items described in this notice and the Hui Iwi Kuamo'o.

Requests for Repatriation

Additional, written requests for repatriation of the cultural items in this notice must be sent to the authorized representative identified in this notice under **ADDRESSES**. Requests for repatriation may be submitted by any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows, by a preponderance of the evidence, that the requestor is a lineal descendant or a culturally affiliated Indian Tribe or Native Hawaiian organization.

Repatriation of the cultural items in this notice to a requestor may occur on or after April 20, 2026. If competing requests for repatriation are received, the Museum of Natural History and Planetarium must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the cultural items are considered a single request and not competing requests. The Museum of Natural History and Planetarium is responsible for sending a copy of this notice to the Indian Tribes and Native Hawaiian organizations identified in this notice and to any other consulting parties.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3004 and the implementing regulations, 43 CFR 10.9.

Dated: March 11, 2026.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2026–05381 Filed 3–18–26; 8:45 am]

BILLING CODE 4312–52–P

DEPARTMENT OF THE INTERIOR

National Park Service

[N6999; NPS–WASO–NAGPRA–NPS0042353; PPWOCRADN0–PCU00RP14.R50000]

Notice of Inventory Completion: Robert S. Peabody Institute of Archaeology, Andover, MA

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), the Robert S. Peabody Institute of Archaeology (RSPI) has completed an inventory of human remains and associated funerary objects and has determined that there is a cultural affiliation between the human remains and associated funerary objects and Indian Tribes or Native Hawaiian organizations in this notice.

DATES: Repatriation of the human remains and associated funerary objects in this notice may occur on or after April 20, 2026.

ADDRESSES: Send written requests for repatriation of the human remains and associated funerary objects in this notice to Ryan Wheeler, Robert S. Peabody Institute of Archaeology, 180 Main Street, Andover, MA 01810, email *rwheeler@andover.edu.*

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of the RSPI, and additional information on the determinations in this notice, including the results of consultation, can be found in its inventory or related records. The National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

Human remains representing, at least, one adult individual have been identified. The four associated funerary objects are one faunal bone fragment, two incised bone awls, and one bone bead. In 1915, Charles Peabody of the Department of Archaeology at Phillips Academy (now the RSPI) and E.H. Jacobs visited Ash Cave in Barry County, Missouri. Peabody and Jacobs conducted an excavation disturbing the ash layers within the cave. The excavated material was brought to Andover for research and storage.

There is no known presence of any potentially hazardous substances.

Cultural Affiliation

Based on the information available and the results of consultation, cultural affiliation is clearly identified by the information available about the human remains and associated funerary objects described in this notice.

Determinations

The RSPI has determined that:

- The human remains described in this notice represent the physical remains of one individual of Native American ancestry.
- The four objects described in this notice are reasonably believed to have been placed intentionally with or near individual human remains at the time of death or later as part of the death rite or ceremony.
- There is a connection between the human remains and associated funerary objects described in this notice and The Osage Nation.

Requests for Repatriation

Written requests for repatriation of the human remains and associated funerary objects in this notice must be sent to the authorized representative identified in this notice under **ADDRESSES**. Requests for repatriation may be submitted by:

1. Any one or more of the Indian Tribes or Native Hawaiian organizations identified in this notice.

2. Any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows,

by a preponderance of the evidence, that the requestor is a lineal descendant or an Indian Tribe or Native Hawaiian organization with cultural affiliation.

Repatriation of the human remains and associated funerary objects described in this notice to a requestor may occur on or after April 20, 2026. If competing requests for repatriation are received, the RSPI must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the human remains and associated funerary objects are considered a single request and not competing requests. The RSPI is responsible for sending a copy of this notice to the Indian Tribes and Native Hawaiian organizations identified in this notice and any other consulting parties.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3003, and the implementing regulations, 43 CFR 10.10.

Dated: March 11, 2026.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2026–05377 Filed 3–18–26; 8:45 am]

BILLING CODE 4312–52–P

DEPARTMENT OF THE INTERIOR

National Park Service

[N6951; NPS–WASO–NAGPRA–NPS0042342; PPWOCRADN0–PCU00RP14.R50000]

Notice of Inventory Completion: Edge of the Cedars State Park Museum, Blanding, UT

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), the Edge of the Cedars State Park Museum (ECSPM) has completed an inventory of human remains and associated funerary objects and has determined that there is a cultural affiliation between the human remains and associated funerary objects and Indian Tribes or Native Hawaiian organizations in this notice.

DATES: Repatriation of the human remains and associated funerary objects in this notice may occur on or after April 20, 2026.

ADDRESSES: Send written requests for repatriation of the human remains and associated funerary objects in this notice to Chris Hanson, Manager, Edge of the Cedars State Park Museum, 660 W 400 N, Blanding, UT 84511–4000, email *chanson@utah.gov*.

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of the ECSPM, and additional information on the determinations in this notice, including the results of consultation, can be found in its inventory or related records. The National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

Human remains representing at least, 48 individuals have been identified. The 820 associated funerary objects are pottery jars and bowls, pottery sherds, stone tools, stone tool flakes and debitage, feathers, fur, and hide blankets, soil, flotation, and pollen samples, and mineral specimens.

The human remains and funerary objects were recovered primarily from archaeological sites in San Juan County, Utah. The sites were determined to be Ancestral Puebloan and affiliated with Tribes claiming Ancestral Puebloan heritage.

Cultural Affiliation

Based on the information available and the results of consultation, cultural affiliation is reasonably identified by the geographical location or acquisition history of the human remains and associated funerary objects described in this notice.

Determinations

The ECSPM has determined that:

- The human remains described in this notice represent the physical remains of 48 individuals of Native American ancestry.
- The 820 objects described in this notice are reasonably believed to have been placed intentionally with or near individual human remains at the time of death or later as part of the death rite or ceremony.
- There is a connection between the human remains and associated funerary objects described in this notice and the Hopi Tribe of Arizona; Navajo Nation, Arizona, New Mexico, & Utah; Ohkay Owingeh, New Mexico; Paiute Tribe of Utah (Cedar Band of Paiutes, Kanosh Band of Paiutes, Koosharem Band of Paiutes, Indian Peaks Band of Paiutes, and Shivwits Band of Paiutes); Pueblo of Acoma, New Mexico; Pueblo of Cochiti, New Mexico; Pueblo of Isleta, New Mexico; Pueblo of Jemez, New Mexico; Pueblo of Laguna, New Mexico; Pueblo of Nambe, New Mexico; Pueblo of Picuris, New Mexico; Pueblo of Pojoaque, New Mexico; Pueblo of San Felipe, New Mexico; Pueblo of San Ildefonso, New Mexico; Pueblo of Sandia, New Mexico; Pueblo of Santa Ana, New Mexico; Pueblo of Santa Clara, New Mexico; Pueblo of Taos, New Mexico; Pueblo of Tesuque, New Mexico; Pueblo of Zia, New Mexico; San Juan Southern Paiute Tribe of Arizona; Santo Domingo Pueblo; Southern Ute Indian Tribe of the Southern Ute Reservation, Colorado; Ute Indian Tribe of the Uintah & Ouray Reservation, Utah; Ute Mountain Ute Tribe; and the Zuni Tribe of the Zuni Reservation, New Mexico.

Requests for Repatriation

Written requests for repatriation of the human remains and associated funerary objects in this notice must be sent to the authorized representative identified in this notice under **ADDRESSES**. Requests for repatriation may be submitted by:

1. Any one or more of the Indian Tribes or Native Hawaiian organizations identified in this notice.

2. Any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows, by a preponderance of the evidence, that the requestor is a lineal descendant or an Indian Tribe or Native Hawaiian organization with cultural affiliation.

Repatriation of the human remains and associated funerary objects described in this notice to a requestor may occur on or after April 20, 2026. If competing requests for repatriation are received, the ECSPM must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the human remains and associated funerary objects are considered a single request and not competing requests. The ECSPM is responsible for sending a copy of this notice to the Indian Tribes and Native Hawaiian organizations identified in this notice.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3003, and the implementing regulations, 43 CFR 10.10.

Dated: March 11, 2026.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2026–05369 Filed 3–18–26; 8:45 am]

BILLING CODE 4312–52–P

DEPARTMENT OF THE INTERIOR

National Park Service

[N6998; NPS–WASO–NAGPRA–NPS0042352; PPWOCRADN0–PCU00RP14.R50000]

Notice of Inventory Completion: University of Hawai'i-West O'ahu, Kapolei, HI

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), the University of Hawai'i-West O'ahu has completed an inventory of human remains and has determined that there is no lineal descendant and no Indian Tribe or Native Hawaiian organization with cultural affiliation.

DATES: Upon request, repatriation of the human remains in this notice may occur on or after April 20, 2026.

ADDRESSES: Send written requests for repatriation of the human remains in this notice to Dr. Ariel Gruenthal-Rankin, University of Hawai'i-West O'ahu, 91–1001 Farrington Highway, Kapolei, HI 96707, email *arielgr@hawaii.edu.*

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of the University of Hawai'i-West O'ahu, and additional information on the determinations in this notice, including the results of consultation, can be found in its inventory or related records. The National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

Human remains representing, at least, three individuals have been identified within a laboratory at the University of Hawai'i—West O'ahu. No associated funerary objects are present. No records are present and no provenance information has been located or generated from discussions with previous laboratory directors or managers.

Consultation

Invitations to consult were sent to the State Historic Preservation Department—O'ahu Island Burial Specialist, the O'ahu Island Burial Council, and the Hui Iwi Kuamo'o.

Cultural Affiliation

The following types of information about the cultural affiliation of the human remains in this notice are available: none. The information, including the results of consultation, identified:

1. No earlier group connected to the human remains.
2. No Indian Tribe or Native Hawaiian organizations connected to the human remains.
3. No relationship of shared group identity between the earlier group and the Indian Tribe or Native Hawaiian organization that can be reasonably traced through time.

Determinations

The University of Hawai'i-West O'ahu has determined that:

- The human remains described in this notice represent the physical remains of three individuals who may be of Native Hawaiian or Native American ancestry.
- No known lineal descendant who can trace ancestry to the human remains in this notice has been identified.
- No Indian Tribe or Native Hawaiian organization with cultural affiliation to the human remains in this notice has been clearly or reasonably identified.

Requests for Repatriation

Written requests for repatriation of the human remains in this notice must be sent to the authorized representative identified in this notice under **ADDRESSES**. Requests for repatriation may be submitted by any lineal descendant, Indian Tribe, or Native Hawaiian organization who shows, by a preponderance of the evidence, that the requestor is a lineal descendant or an Indian Tribe or Native Hawaiian organization with cultural affiliation.

Upon request, repatriation of the human remains described in this notice may occur on or after April 20, 2026. If competing requests for repatriation are received, the University of Hawai'i-West O'ahu must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the human remains are considered a single request and not competing requests. The University of Hawai'i-West O'ahu is responsible for sending a copy of this notice to the Indian Tribes or Native Hawaiian organizations identified in this notice.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3003, and the implementing regulations, 43 CFR 10.10.

Dated: March 11, 2026.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2026–05378 Filed 3–18–26; 8:45 am]

BILLING CODE 4312–52–P

DEPARTMENT OF THE INTERIOR

National Park Service

[N7001; NPS–WASO–NAGPRA–NPS0042355; PPWOCRADN0–PCU00RP14.R50000]

Notice of Intended Repatriation: Kalamazoo Valley Museum, Kalamazoo, MI

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), the Kalamazoo Valley Museum intends to repatriate certain cultural items that meet the definition of sacred objects/objects of cultural patrimony and that have a cultural affiliation with the Indian Tribes or Native Hawaiian organizations in this notice.

DATES: Repatriation of the cultural items in this notice may occur on or after April 20, 2026.

ADDRESSES: Send additional, written requests for repatriation of the cultural items in this notice to Regina Gorham, Collections Manager for the Kalamazoo Valley Museum, 230 N Rose Street, Kalamazoo, MI 49007, email *rgorham@kvcc.edu.*

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of the Kalamazoo Valley Museum, and additional information on the determinations in this notice, including the results of consultation, can be found in the summary or related records. The National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

A total of one lot of cultural items have been requested for repatriation. The one lot of sacred objects/objects of cultural patrimony are baskets. The donor of the objects is the Kalamazoo Institute of Arts, who received the baskets from Donald S. Gilmore. Donald S. Gilmore and Genevieve Upjohn are members of two families that have for decades been involved in businesses, arts and culture and more in Kalamazoo and the surrounding area. Donald comes from the Gilmore Brother's Department Store family, where he worked before joining his step-father at the Upjohn Company (now Pfizer) in 1929. He and Genevieve married in 1916. The pair spent much of their time and money in philanthropic pursuits in Kalamazoo, donating money and time to a variety of

institutions. Their art collection makes up a large portion of the collection of the Kalamazoo Institute of Arts having donated 2,400 pieces over the years. Genevieve enjoyed painting and photography and the couple had a home at Smoke Tree Ranch in Palm Springs, California where she photographed the landscape. In the Museum's collection, other donation from the couple including photos of themselves, and some furniture pieces made in Japan.

Determinations

The Kalamazoo Valley Museum has determined that:

- The one lot of sacred objects/objects of cultural patrimony described in this notice are, according to the Native American traditional knowledge of an Indian Tribe or Native Hawaiian organization, specific ceremonial objects needed by a traditional Native American religious leader for present-day adherents to practice traditional Native American religion, and have ongoing historical, traditional, or cultural importance central to the Native American group, including any constituent sub-group (such as a band, clan, lineage, ceremonial society, or other subdivision).
- There is a connection between the cultural items described in this notice and the Agua Caliente Band of Cahuilla Indians of the Agua Caliente Indian Reservation, California.

Requests for Repatriation

Additional, written requests for repatriation of the cultural items in this notice must be sent to the authorized representative identified in this notice under **ADDRESSES**. Requests for repatriation may be submitted by any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows, by a preponderance of the evidence, that the requestor is a lineal descendant or a culturally affiliated Indian Tribe or Native Hawaiian organization.

Repatriation of the cultural items in this notice to a requestor may occur on or after April 20, 2026. If competing requests for repatriation are received, the Kalamazoo Valley Museum must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the cultural items are considered a single request and not competing requests. The Kalamazoo Valley Museum is responsible for sending a copy of this notice to the Indian Tribes and Native Hawaiian organizations identified in this notice and to any other consulting parties.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3004 and the implementing regulations, 43 CFR 10.9.

Dated: March 11, 2026.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2026–05380 Filed 3–18–26; 8:45 am]

BILLING CODE 4312–52–P

DEPARTMENT OF THE INTERIOR

National Park Service

[N6994; NPS–WASO–NAGPRA–NPS0042346; PPWOCRADN0–PCU00RP14.R50000]

Notice of Intended Disposition: U.S. Department of Agriculture, Forest Service, Beaverhead-Deerlodge National Forest, Butte, MT

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), the U.S. Department of Agriculture, Forest Service, Beaverhead-Deerlodge National Forest intends to carry out the disposition of human remains and associated funerary objects removed from Federal or Tribal lands to the lineal descendants, Indian Tribe, or Native Hawaiian organization with priority for disposition in this notice.

DATES: Disposition of the human remains and associated funerary objects in this notice may occur on or after April 20, 2026. If no claim for disposition is received by March 19, 2027, the human remains and associated funerary objects in this notice will become unclaimed human remains and associated funerary objects.

ADDRESSES: Send written claims for disposition of the human remains and associated funerary objects in this notice to Corey Lewellen, USFS Beaverhead Deerlodge NF, 420 Barrett Street, Dillon, MT 59725, email *corey.lewellen@usda.gov.*

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of the Beaverhead-Deerlodge National Forest, and additional information on the human remains and associated funerary objects in this notice, including the results of consultation, can be found in the related records. The National Park Service is not responsible for the identifications in this notice.

Abstract of Information Available

Based on the information available, human remains representing at least one individual have been reasonably identified. The two associated funerary objects are one shell and one lot of bow fragments of flat dense material thought to be horn. These were removed on June 11, 2014 from Deerlodge County, Montana.

Determinations

The Beaverhead-Deerlodge National Forest has determined that:

- The human remains described in this notice represent the physical remains of one individual of Native American ancestry.
- The two objects described in this notice are reasonably believed to have been placed intentionally with or near individual human remains at the time of death or later as part of the death rite or ceremony.
- The Confederated Salish and Kootenai Tribes of the Flathead Reservation and the Shoshone-Bannack Tribes of the Fort Hall Reservation have priority for disposition of the human remains and associated funerary objects described in this notice.

Claims for Disposition

Written claims for disposition of the human remains and associated funerary objects in this notice must be sent to the appropriate official identified in this notice under **ADDRESSES**. If no claim for disposition is received by March 19, 2027, the human remains and associated funerary objects in this notice will become unclaimed human remains and associated funerary objects. Claims for disposition may be submitted by:

1. Any lineal descendant, Indian Tribe, or Native Hawaiian organization identified in this notice.
2. Any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows that they have priority for disposition.

Disposition of the human remains and associated funerary objects in this notice may occur on or after April 20, 2026. If competing claims for disposition are received, the Beaverhead-Deerlodge National Forest must determine the most appropriate claimant prior to disposition. Claims for joint disposition of the human remains and associated funerary objects are considered a single claim and not competing claims. The Beaverhead-Deerlodge National Forest is responsible for sending a copy of this notice to the lineal descendants, Indian Tribes, and Native Hawaiian organizations identified in this notice and to any other consulting parties.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3002, and the implementing regulations, 43 CFR 10.7.

Dated: March 11, 2026.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2026–05373 Filed 3–18–26; 8:45 am]

BILLING CODE 4312–52–P

DEPARTMENT OF THE INTERIOR

National Park Service

[N6997; NPS–WASO–NAGPRA–NPS0042351; PPWOCRADN0–PCU00RP14.R50000]

Notice of Intended Repatriation: Museum of Fine Arts, Boston, Boston, MA

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), the Museum of Fine Arts, Boston intends to repatriate certain cultural items that meet the definition of unassociated funerary objects, sacred objects, and/or objects of cultural patrimony and that have a cultural affiliation with the Indian Tribes or Native Hawaiian organizations in this notice.

DATES: Repatriation of the cultural items in this notice may occur on or after April 20, 2026.

ADDRESSES: Send additional, written requests for repatriation of the cultural items in this notice to Victoria Reed, Bettina Burr Chair for Provenance, Museum of Fine Arts, Boston, 465 Huntington Avenue, Boston, MA 02115, email *vreed@mfa.org.*

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of the Museum of Fine Arts, Boston, and additional information on the determinations in this notice, including the results of consultation, can be found in the summary or related records. The National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

A total of eight cultural items have been requested for repatriation. The six sacred objects include one war bonnet, two pairs of moccasins (four moccasins total) and three pairs of leggings (six leggings total). The two objects of cultural patrimony are eagle whistles. The moccasins were given to the MFA by collectors Sarah Spooner and Denman Waldo Ross in 1893 and 1902, respectively, and have been catalogued as Sioux. The leggings were gifts of Ross in 1902 and were likewise catalogued as Sioux. No earlier collecting history for these items is available. The war bonnet was given to the MFA by Gretel Anspach in 2003 and catalogued as Plains. It had been acquired by the donor's family from a New York dealer or collector, and its provenance before the 1960s is not known. The eagle whistles were purchased by the MFA in 1984 and catalogued as Great Plains. They were said to come from sources in New England but otherwise have no documented ownership history.

Determinations

The Museum of Fine Arts, Boston has determined that:

- The six sacred objects described in this notice are specific ceremonial objects needed by a traditional Native American religious leader for present-day adherents to practice traditional Native American religion, according to the Native American traditional knowledge of a lineal descendant, Indian Tribe, or Native Hawaiian organization.
- The two objects of cultural patrimony described in this notice have ongoing historical, traditional, or cultural importance central to the Native American group, including any constituent sub-group (such as a band, clan, lineage, ceremonial society, or other subdivision), according to the Native American traditional knowledge of an Indian Tribe or Native Hawaiian organization.
- There is a connection between the cultural items described in this notice and the Assiniboine and Sioux Tribes of the Fort Peck Indian Reservation, Montana.

Requests for Repatriation

Additional, written requests for repatriation of the cultural items in this notice must be sent to the authorized representative identified in this notice under **ADDRESSES**. Requests for repatriation may be submitted by any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows, by a preponderance of the evidence, that the requestor is a lineal descendant or a culturally affiliated Indian Tribe or Native Hawaiian organization.

Repatriation of the cultural items in this notice to a requestor may occur on or after April 20, 2026. If competing requests for repatriation are received, the Museum of Fine Arts, Boston must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the cultural items are considered a single request and not competing requests. The Museum of Fine Arts, Boston is responsible for sending a copy of this notice to the Indian Tribes and Native Hawaiian organizations identified in this notice and to any other consulting parties.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3004 and the implementing regulations, 43 CFR 10.9.

Dated: March 11, 2026.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2026–05376 Filed 3–18–26; 8:45 am]

BILLING CODE 4312–52–P

DEPARTMENT OF THE INTERIOR

National Park Service

[N6992; NPS–WASO–NAGPRA–NPS0042344; PPWOCRADN0–PCU00RP14.R50000]

Notice of Inventory Completion: Santa Barbara Museum of Natural History, Santa Barbara, CA

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), the Santa Barbara Museum of Natural History, Santa Barbara, CA has completed an inventory of human remains and has determined that there is a cultural affiliation between the human remains and Indian Tribes or Native Hawaiian organizations in this notice.

DATES: Repatriation of the human remains in this notice may occur on or after April 20, 2026.

ADDRESSES: Send written requests for repatriation of the human remains in this notice to Luke Swetland, President and CEO, Santa Barbara Museum of Natural History, 2559 Puesta del Sol, Santa Barbara, CA 93105, email *lswetland@sbnature2.org.*

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of the Santa Barbara Museum of Natural History, and additional information on the determinations in this notice, including the results of consultation, can be found in its inventory or related records. The

National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

Human remains representing, at least, one individual have been identified. No associated funerary objects are present. The human remains include one reconstructed/repaired cranium and mandible donated by Miss Gladys Hodges, of Santa Barbara, CA, in 1980. This skull was likely discovered by Miss Hodges' tenant, William Thomas Frey (an art restoration enthusiast) while hiking in the hills around the Santa Barbara/Ventura region.

Human remains representing, at least, 19 individuals have been identified. No associated funerary objects are present. The human remains include four crania, and more than 36 bones and bone fragments. These Ancestral remains are of unknown provenience and most likely have been in the Museum's possession since the early 1900s.

Human remains representing, at least, one individual have been identified. No associated funerary objects are present. The human remains include one cranium donated by the Santa Barbara State Teachers College in 1925.

Cultural Affiliation

Based on the information available and the results of consultation, cultural affiliation is reasonably identified by the geographical location or acquisition history of the human remains described in this notice.

Determinations

The Santa Barbara Museum of Natural History has determined that:

- The human remains described in this notice represent the physical remains of at least 21 individuals of Native American ancestry.
- There is a connection between the human remains described in this notice and the Santa Ynez Band of Chumash Mission Indians of the Santa Ynez Reservation, California.

Requests for Repatriation

Written requests for repatriation of the human remains in this notice must be sent to the authorized representative identified in this notice under **ADDRESSES**. Requests for repatriation may be submitted by:

1. Any one or more of the Indian Tribes or Native Hawaiian organizations identified in this notice.

2. Any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows, by a preponderance of the evidence, that the requestor is a lineal descendant or an Indian Tribe or Native Hawaiian organization with cultural affiliation.

Repatriation of the human remains described in this notice to a requestor may occur on or after April 20, 2026. If competing requests for repatriation are received, the Santa Barbara Museum of Natural History must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the human remains are considered a single request and not competing requests. The Santa Barbara Museum of Natural History is responsible for sending a copy of this notice to the Indian Tribes and Native Hawaiian organizations identified in this notice.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3003, and the implementing regulations, 43 CFR 10.10.

Dated: March 11, 2026.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2026–05370 Filed 3–18–26; 8:45 am]

BILLING CODE 4312–52–P

DEPARTMENT OF THE INTERIOR

National Park Service

[N6993; NPS–WASO–NAGPRA–NPS0042345; PPWOCRADN0–PCU00RP14.R50000]

Notice of Inventory Completion: U.S. Department of Agriculture, Forest Service, Chattahoochee-Oconee National Forest, Gainesville, GA

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), the Chattahoochee-Oconee National Forest has completed an inventory of human remains and associated funerary objects and has determined that there is a cultural affiliation between the human remains and associated funerary objects and Indian Tribes or Native Hawaiian organizations in this notice.

DATES: Repatriation of the human remains and associated funerary objects in this notice may occur on or after April 20, 2026.

ADDRESSES: Send written requests for repatriation of the human remains and associated funerary objects in this notice to Judy Toppins, Forest Supervisor, Chattahoochee-Oconee National Forest, 1755 Cleveland Highway, Gainesville, GA 30501, email *judy.toppins@usda.gov.*

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of the Chattahoochee-Oconee National Forest, and additional information on the determinations in this notice, including the results of consultation, can be found in its inventory or related records. The National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

Human remains representing at least three individuals have been identified from three different sites in Greene County, Georgia.

Scull Shoals Mounds (site 9GE4) was excavated from 1983 to 1985 and the level where the ancestor was found dates to the Middle Mississippian Savannah period. One individual and 154 associated funerary objects were removed from the site. The 154 associated funerary objects include 143 pottery sherds, one quartz point tip, nine quartz flakes, and one chert flake tool.

Cold Springs (site 9GE10) was excavated from 1977 to1978 and this burial dates to the Late Mississippian Lamar period. One individual and one associated funerary object, a partial pottery vessel, were removed from the site.

Site 9GE1227 was excavated in 1989 and dates to the Late Mississippian Lamar period. One individual and 580 associated funerary objects were removed from the site. The 580 associated funerary objects include five quartz flakes, one quartz shatter, 497 pottery sherds, 63 daub, six pebbles, six unmodified rocks, one fire cracked rock, and one mussel shell.

Cultural Affiliation

Based on the information available and the results of consultation, cultural affiliation is clearly identified by the information available about the human remains and associated funerary objects described in this notice.

Determinations

The Chattahoochee-Oconee National Forest has determined that:

- The human remains described in this notice represent the physical remains of three individuals of Native American ancestry.
- The 735 objects described in this notice are reasonably believed to have been placed intentionally with or near individual human remains at the time of death or later as part of the death rite or ceremony.

• There is a connection between the human remains and associated funerary objects described in this notice and the Coushatta Tribe of Louisiana; Kialegee Tribal Town; Poarch Band of Creek Indians; Seminole Tribe of Florida; The Muscogee (Creek) Nation; The Seminole Nation of Oklahoma; and the Thlopthlocco Tribal Town.

Requests for Repatriation

Written requests for repatriation of the human remains and associated funerary objects in this notice must be sent to the authorized representative identified in this notice under **ADDRESSES**. Requests for repatriation may be submitted by:

1. Any one or more of the Indian Tribes or Native Hawaiian organizations identified in this notice.

2. Any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows, by a preponderance of the evidence, that the requestor is a lineal descendant or an Indian Tribe or Native Hawaiian organization with cultural affiliation.

Repatriation of the human remains and associated funerary objects described in this notice to a requestor may occur on or after April 20, 2026. If competing requests for repatriation are received, the Chattahoochee-Oconee National Forest must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the human remains and associated funerary objects are considered a single request and not competing requests. The Chattahoochee-Oconee National Forest is responsible for sending a copy of this notice to the Indian Tribes and Native Hawaiian organizations identified in this notice and any other consulting parties.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3003, and the implementing regulations, 43 CFR 10.10.

Dated: March 11, 2026.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2026–05372 Filed 3–18–26; 8:45 am]

BILLING CODE 4312–52–P

DEPARTMENT OF THE INTERIOR

National Park Service

[N6996; NPS–WASO–NAGPRA–NPS0042350; PPWOCRADN0–PCU00RP14.R50000]

Notice of Inventory Completion: Rutgers, The State University of New Jersey, New Brunswick, NJ

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), Rutgers, the State University of New Jersey has completed an inventory of human remains and associated funerary objects and has determined that there is a cultural affiliation between the human remains and Indian Tribes or Native Hawaiian organizations in this notice.

DATES: Repatriation of the human remains and associated funerary objects in this notice may occur on or after April 20, 2026.

ADDRESSES: Send written requests for repatriation of the human remains and associated funerary objects in this notice to Carol McCarty, Rutgers, the State University of New Jersey, 85 Somerset Street, New Brunswick, NJ 08904, email *nagpra_runb@rutgers.edu.*

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of the Rutgers, the State University of New Jersey, and additional information on the determinations in this notice, including the results of consultation, can be found in its inventory or related records. The National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

Human remains representing one individual have been identified. The 29 associated funerary objects are a projectile point, nodules of red ochre, non-human bone awl, deer antler tip, turtle shells, small stones, tube of soil. In 1874/5, a collection was donated and housed at Rutgers University in New Brunswick, NJ. In April 2024, these ancestral remains were identified in the collection. An original letter from James Petit to George Cook of Rutgers College shows that in November 1872 ancestral remains were found on the premises of James J. Petit in Salem County, NJ. Documentation shows that this ancestor was transferred to the Cabinet of Rutgers College in 1874/5 by William Lawson, Esq.

Cultural Affiliation

Based on the information available and the results of consultation, cultural affiliation is clearly identified by the information available about the human remains and associated funerary objects described in this notice.

Determinations

The Rutgers, the State University of New Jersey has determined that:

• The human remains described in this notice represent the physical remains of one individual of Native American ancestry.

• The 29 objects described in this notice are reasonably believed to have been placed intentionally with or near individual human remains at the time of death or later as part of the death rite or ceremony.

• There is a connection between the human remains and associated funerary objects described in this notice and the Delaware Nation, Oklahoma and the Delaware Tribe of Indians.

Requests for Repatriation

Written requests for repatriation of the human remains and associated funerary objects in this notice must be sent to the authorized representative identified in this notice under **ADDRESSES**. Requests for repatriation may be submitted by:

1. Any one or more of the Indian Tribes or Native Hawaiian organizations identified in this notice.

2. Any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows, by a preponderance of the evidence, that the requestor is a lineal descendant or an Indian Tribe or Native Hawaiian organization with cultural affiliation.

Repatriation of the human remains and associated funerary objects described in this notice to a requestor may occur on or after April 20, 2026. If competing requests for repatriation are received, Rutgers, the State University of New Jersey must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the human remains and associated funerary objects are considered a single request and not competing requests. Rutgers, the State University of New Jersey is responsible for sending a copy of this notice to the Indian Tribes and Native Hawaiian organizations identified in this notice and any other consulting parties.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3003, and the implementing regulations, 43 CFR 10.10.

Dated: March 11, 2026.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2026–05375 Filed 3–18–26; 8:45 am]

BILLING CODE 4312–52–P

DEPARTMENT OF THE INTERIOR

National Park Service

[N6995; NPS–WASO–NAGPRA–NPS0042347; PPWOCRADN0–PCU00RP14.R50000]

Notice of Intended Repatriation: Ohio History Connection, Columbus, OH

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), the Ohio History Connection intends to repatriate a certain cultural item that meets the definition of an object of cultural patrimony and that has a cultural affiliation with the Indian Tribes or Native Hawaiian organizations in this notice.

DATES: Repatriation of the cultural item in this notice may occur on or after April 20, 2026.

ADDRESSES: Send additional, written requests for repatriation of the cultural item in this notice to Stephanie Kline, Ohio History Connection, 800 E 17th Avenue, Columbus, OH 43211, email *nagpra@ohiohistory.org.*

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of the Ohio History Connection, and additional information on the determinations in this notice, including the results of consultation, can be found in the summary or related records. The National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

A total of one cultural item has been requested for repatriation. The one object of cultural patrimony is a Treaty Pipe from 1842. Wyandot Indian tribal representatives and John Johnston, representing the United States, used the pipe in 1842 at a treaty council. As a result of that treaty, Wyandot Indians were removed in 1843 to land west of the Mississippi River. Johnston and his descendants retained the pipe. It was passed to additional owners, and finally to Leonard U. Hill, of Piqua, who donated it to the Ohio Historical Society (now Ohio History Connection) ca. 1970–1973. This Treaty Pipe has been impacted by mold and is set to undergo conservation treatment to mitigate all known biohazards. Additionally, it appears that an epoxy or other type of adhesive was applied to fasten the head to the stem, likely applied within 20 years prior to donation to Ohio History Connection.

Determinations

The Ohio History Connection has determined that:

- The one object of cultural patrimony described in this notice has ongoing historical, traditional, or cultural importance central to the Native American group, including any constituent sub-group (such as a band, clan, lineage, ceremonial society, or other subdivision), according to the Native American traditional knowledge of an Indian Tribe or Native Hawaiian organization.
- There is a connection between the cultural item described in this notice and the Wyandotte Nation.

Requests for Repatriation

Additional, written requests for repatriation of the cultural item in this notice must be sent to the authorized representative identified in this notice under **ADDRESSES**. Requests for repatriation may be submitted by any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows, by a preponderance of the evidence, that the requestor is a lineal descendant or a culturally affiliated Indian Tribe or Native Hawaiian organization.

Repatriation of the cultural item in this notice to a requestor may occur on or after April 20, 2026. If competing requests for repatriation are received, the Ohio History Connection must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the cultural item are considered a single request and not competing requests. The Ohio History Connection is responsible for sending a copy of this notice to the Indian Tribes and Native Hawaiian organizations identified in this notice and to any other consulting parties.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3004 and the implementing regulations, 43 CFR 10.9.

Dated: March 11, 2026.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2026–05374 Filed 3–18–26; 8:45 am]

BILLING CODE 4312–52–P

DEPARTMENT OF THE INTERIOR

National Park Service

[N6991; NPS–WASO–NAGPRA–NPS0042343; PPWOCRADN0–PCU00RP14.R50000]

Notice of Inventory Completion: University of California, Davis, Davis, CA

AGENCY: National Park Service, Interior.

ACTION: Notice.

SUMMARY: In accordance with the Native American Graves Protection and Repatriation Act (NAGPRA), University of California, Davis (UC Davis) has completed an inventory of human remains and associated funerary objects and has determined that there is a cultural affiliation between the human remains and associated funerary objects and Indian Tribes or Native Hawaiian organizations in this notice.

DATES: Repatriation of the human remains and associated funerary objects in this notice may occur on or after April 20, 2026.

ADDRESSES: Send written requests for repatriation of the human remains and associated funerary objects in this notice to Megon Noble, NAGPRA Project Manager, University of California, Davis, 412 Mrak Hall, One Shields Avenue, Davis, CA 95616, email *mnoble@ucdavis.edu.*

SUPPLEMENTARY INFORMATION: This notice is published as part of the National Park Service's administrative responsibilities under NAGPRA. The determinations in this notice are the sole responsibility of UC Davis, and additional information on the determinations in this notice, including the results of consultation, can be found in its inventory or related records. The National Park Service is not responsible for the determinations in this notice.

Abstract of Information Available

Human remains representing, at least, four individuals have been identified from the Capay Valley Site (UCD Accession 40). There is a total of 1,039 lots of associated funerary objects (10 of which are currently missing). The 1,029 lots of present associated funerary objects are 445 lots of chipped stone, 191 lots of unmodified shell, 172 lots of shell ornaments and beads, 83 lots of unmodified bone, 36 lots of organic material, 32 lots of ground stone, 27 lots of worked bone, 15 lots of worked stone, 12 lots of projectile points, seven lots of minerals, four lots of ceramics, two lots of unmodified stone, two lots of trade beads, and one lot of shaped wood. The 10 lots of currently missing associated

funerary objects are five lots of chipped stone, two lots of worked bone, one lot of minerals, one lot of unmodified bone, and one lot of unidentified missing material. UC Davis's 1968 Spring Archaeological Field School, led by graduate student Patricia Johnson, excavated at the Capay Valley Site (YOL–D17) near Capay, California, resulting in the acquisition of Accession 40. The cultural affiliation is with the Patwin Tribes: Cachil DeHe Band of Wintun Indians of the Colusa Indian Community of the Colusa Rancheria, California; Kletsel Dehe Wintun Nation of the Cortina Rancheria; and Yocha Dehe Wintun Nation, California. The University is unaware of any treatment of the associated funerary objects with pesticides, preservatives, or other substances that represent a potential hazard to the objects or to persons handling the objects.

Human remains representing at least 26 individuals have been identified from CA–YOL–110 (UCD Accession 41). There is a total of 4,619 lots of associated funerary objects (387 of which are currently missing). The 4,232 lots of present associated funerary objects are 2,365 lots of chipped stone, 422 lots of unmodified shell, 247 lots of shell ornaments and beads, 508 lots of unmodified bone, 27 lots of organic material, 130 lots of ground stone, 146 lots of worked bone, 61 lots of worked stone, 87 lots of projectile points, 47 lots of miscellaneous minerals, 93 lots of ochre, 19 lots of ceramics, 19 lots of unmodified stone, six quartz crystals, and 55 soil samples. The 387 lots of missing associated funerary objects are 183 chipped stone, eight lots of unmodified shell, 15 lots of shell ornaments and beads, five lots of unmodified bone, one lot of organic material, 87 lots of ground stone, 20 lots of worked bone, 21 lots of worked stone, 16 lots of projectile points, six lots of miscellaneous minerals, 10 lots of ochre, three lots of ceramics, eight lots of unmodified stone, three lots of soil samples, and one lot of unidentified missing materials. UC Davis's 1968 Spring Archaeological Field School, led by graduate student Patricia Johnson, excavated at CA–YOL–110 in the Capay Valley of California, resulting in the acquisition of Accession 41. The cultural affiliation is with the Patwin Tribes: Cachil DeHe Band of Wintun Indians of the Colusa Indian Community of the Colusa Rancheria, California; Kletsel Dehe Wintun Nation of the Cortina Rancheria; and Yocha Dehe Wintun Nation, California. The University is unaware of any treatment of the associated funerary objects with pesticides, preservatives, or other substances that represent a potential hazard to the objects or to persons handling the objects.

Cultural Affiliation

Based on the information available and the results of consultation, cultural affiliation is clearly identified by the information available about the human remains and associated funerary objects described in this notice.

Determinations

UC Davis has determined that:

- The human remains described in this notice represent the physical remains of 30 individuals of Native American ancestry.
- The 5,658 objects described in this notice are reasonably believed to have been placed intentionally with or near individual human remains at the time of death or later as part of the death rite or ceremony.
- There is a connection between the human remains and associated funerary objects described in this notice and the Cachil DeHe Band of Wintun Indians of the Colusa Indian Community of the Colusa Rancheria, California; Kletsel Dehe Wintun Nation of the Cortina Rancheria (previously listed as Kletsel Dehe Band of Wintun Indians); and the Yocha Dehe Wintun Nation, California.

Requests for Repatriation

Written requests for repatriation of the human remains and associated funerary objects in this notice must be sent to the authorized representative identified in this notice under **ADDRESSES**. Requests for repatriation may be submitted by:

1. Any one or more of the Indian Tribes or Native Hawaiian organizations identified in this notice.

2. Any lineal descendant, Indian Tribe, or Native Hawaiian organization not identified in this notice who shows, by a preponderance of the evidence, that the requestor is a lineal descendant or an Indian Tribe or Native Hawaiian organization with cultural affiliation.

Repatriation of the human remains and associated funerary objects described in this notice to a requestor may occur on or after April 20, 2026. If competing requests for repatriation are received, UC Davis must determine the most appropriate requestor prior to repatriation. Requests for joint repatriation of the human remains and associated funerary objects are considered a single request and not competing requests. UC Davis is responsible for sending a copy of this notice to the Indian Tribes and Native Hawaiian organizations identified in this notice and any other consulting parties.

Authority: Native American Graves Protection and Repatriation Act, 25 U.S.C. 3003, and the implementing regulations, 43 CFR 10.10.

Dated: March 11, 2026.

Melanie O'Brien,

Manager, National NAGPRA Program.

[FR Doc. 2026–05371 Filed 3–18–26; 8:45 am]

BILLING CODE 4312–52–P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 731–TA–1046 (Fourth Review)]

Tetrahydrofurfuryl Alcohol From China; Scheduling of an Expedited Five-Year Review

AGENCY: United States International Trade Commission.

ACTION: Notice.

SUMMARY: The Commission hereby gives notice of the scheduling of an expedited review pursuant to the Tariff Act of 1930 (''the Act'') to determine whether revocation of the antidumping duty order on tetrahydrofurfuryl alcohol from China would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.

DATES: February 23, 2026.

FOR FURTHER INFORMATION CONTACT: Alec Resch (202–708–1448), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its internet server (*https://www.usitc.gov*). The public record for this proceeding may be viewed on the Commission's electronic docket (EDIS) at *https://edis.usitc.gov.*

SUPPLEMENTARY INFORMATION:

Background.—On February 23, 2026, the Commission determined that the domestic interested party group response to its notice of institution (90 FR 47328, October 1, 2025) of the subject five-year review was adequate and that the respondent interested party group response was inadequate. The Commission did not find any other

circumstances that would warrant conducting a full review.[1] Accordingly, the Commission determined that it would conduct an expedited review pursuant to section 751(c)(3) of the Act (19 U.S.C. 1675(c)(3)).[2]

For further information concerning the conduct of this review and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A and B (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

Staff report.—A staff report containing information concerning the subject matter of the review has been placed in the nonpublic record, and will be made available to persons on the Administrative Protective Order service list for this review on March 27, 2026. A public version will be issued thereafter, pursuant to § 207.62(d)(4) of the Commission's rules.

Written submissions.—As provided in § 207.62(d) of the Commission's rules, interested parties that are parties to the review and that have provided individually adequate responses to the notice of institution,[3] and any party other than an interested party to the review may file written comments with the Secretary on what determination the Commission should reach in the review. Comments are due on or before 5:15 p.m. on April 2, 2026 and may not contain new factual information. Any person that is neither a party to the five-year review nor an interested party may submit a brief written statement (which shall not contain any new factual information) pertinent to the review by April 2, 2026. However, should the Department of Commerce (''Commerce'') extend the time limit for its completion of the final results of its review, the deadline for comments (which may not contain new factual information) on Commerce's final results is three business days after the issuance of Commerce's results. If comments contain business proprietary information (BPI), they must conform with the requirements of §§ 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's *Handbook on Filing Procedures,* available on the Commission's website at *https://www.usitc.gov/documents/handbook_on_filing_procedures.pdf,* elaborates upon the Commission's procedures with respect to filings.

In accordance with §§ 201.16(c) and 207.3 of the rules, each document filed by a party to the review must be served on all other parties to the review (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Determination.—The Commission has determined this review is extraordinarily complicated and therefore has determined to exercise its authority to extend the review period by up to 90 days pursuant to 19 U.S.C. 1675(c)(5)(B).

Authority: This review is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to § 207.62 of the Commission's rules.

By order of the Commission.

Issued: March 17, 2026.

Lisa Barton,

Secretary to the Commission.

[FR Doc. 2026–05411 Filed 3–18–26; 8:45 am]

BILLING CODE 7020–02–P

[1] A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements will be available from the Office of the Secretary and at the Commission's website.

[2] Commissioner David S. Johanson voted to conduct a full review.

[3] The Commission has found the response submitted on behalf of Minasolve LLC to be individually adequate. Comments from other interested parties will not be accepted (*see* 19 CFR 207.62(d)(2)).

INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 701–TA–631 and 731–TA–1463–1464 (Review)]

Forged Steel Fittings From India and South Korea; Notice of Commission Determination To Conduct Full Five-Year Reviews

AGENCY: United States International Trade Commission.

ACTION: Notice.

SUMMARY: The Commission hereby gives notice that it will proceed with full reviews pursuant to the Tariff Act of 1930 to determine whether revocation of the countervailing duty order on forged steel fittings from India and the antidumping duty orders on forged steel fittings from India and South Korea would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. A schedule for the reviews will be established and announced at a later date.

DATES: March 6, 2026.

FOR FURTHER INFORMATION CONTACT: Alexis Yim (202–708–1446), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its internet server (*https://www.usitc.gov*). The public record for these reviews may be viewed on the Commission's electronic docket (EDIS) at *https://edis.usitc.gov.*

For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

SUPPLEMENTARY INFORMATION: On March 6, 2026, the Commission determined that it should proceed to full reviews in the subject five-year reviews pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)). The Commission found that both the domestic and respondent interested party group responses from South Korea to its notice of institution (90 FR 55170, December 1, 2025) were adequate and determined to conduct a full review of the order on imports from South Korea. The Commission also found that the respondent interested party group response from India was inadequate but determined to conduct full reviews of the orders on imports from that country in order to promote administrative efficiency in light of its determinations to conduct a full review of the order with respect to South Korea. A record of the Commissioners' votes will be available from the Office of the Secretary and at the Commission's website.

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to § 207.62 of the Commission's rules.

By order of the Commission.

Issued: March 16, 2026.

Lisa Barton,

Secretary to the Commission.

[FR Doc. 2026–05331 Filed 3–18–26; 8:45 am]

BILLING CODE 7020–02–P

DEPARTMENT OF JUSTICE

Drug Enforcement Administration

[Docket No. DEA–1687]

Importer of Controlled Substances Application: Siegfried Grafton, Inc.

AGENCY: Drug Enforcement Administration, Justice.

ACTION: Notice of application.

SUMMARY: Siegfried Grafton, Inc. has applied to be registered as an importer of basic class(es) of controlled substance(s). Refer to **SUPPLEMENTARY INFORMATION** listed below for further drug information.

DATES: Registered bulk manufacturers of the affected basic class(es), and applicants, therefore, may submit electronic comments on or objections to the issuance of the proposed registration on or before April 20, 2026. Such persons may also file a written request for a hearing on the application on or before April 20, 2026.

ADDRESSES: The Drug Enforcement Administration requires that all comments be submitted electronically through the Federal eRulemaking Portal, which provides the ability to type short comments directly into the comment field on the web page or attach a file for lengthier comments. Please go to *https://www.regulations.gov* and follow the online instructions at that site for submitting comments. Upon submission of your comment, you will receive a Comment Tracking Number. Please be aware that submitted comments are not instantaneously available for public view on *https://www.regulations.gov.* If you have received a Comment Tracking Number, your comment has been successfully submitted and there is no need to resubmit the same comment. All requests for a hearing must be sent to: (1) Drug Enforcement Administration, Attn: Hearing Clerk/OALJ, 8701 Morrissette Drive, Springfield, Virginia 22152; and (2) Drug Enforcement Administration, Attn: DEA Federal Register Representative/DPW, 8701 Morrissette Drive, Springfield, Virginia 22152. All requests for a hearing should also be sent to: Drug Enforcement Administration, Attn: Administrator, 8701 Morrissette Drive, Springfield, Virginia 22152.

SUPPLEMENTARY INFORMATION: In accordance with 21 CFR 1301.34(a), this is notice that on February 25, 2026, Siegfried Grafton, Inc., 870 Badger Circle, Grafton, Wisconsin 53024–9436, applied to be registered as an importer of the following basic class(es) of controlled substance(s):

Controlled substance	Drug code	Schedule
Gamma Hydroxybutyric Acid.	2010	I
Marihuana Extract	7350	I
Marihuana	7360	I
3,4-Methylenedio-xymethamphetamine.	7405	I
Dimethyltryptamine	7435	I

The company plans to import the listed controlled substances for analytical testing or distribution. No other activities for these drug codes are authorized for this registration.

Approval of permit applications will occur only when the registrant's business activity is consistent with what is authorized under 21 U.S.C. 952(a)(2). Authorization will not extend to the import of Food and Drug Administration-approved or non-approved finished dosage forms for commercial sale.

Thomas Prevoznik,

Deputy Assistant Administrator

[FR Doc. 2026–05356 Filed 3–18–26; 8:45 am]

BILLING CODE P

DEPARTMENT OF JUSTICE

Drug Enforcement Administration

[Docket No. DEA–1683]

Importer of Controlled Substances Application: SpecGx LLC

AGENCY: Drug Enforcement Administration, Justice.

ACTION: Notice of application.

SUMMARY: SpecGx LLC has applied to be registered as an importer of basic class(es) of controlled substance(s). Refer to **SUPPLEMENTARY INFORMATION** listed below for further drug information.

DATES: Registered bulk manufacturers of the affected basic class(es), and applicants, therefore, may submit electronic comments on or objections to the issuance of the proposed registration on or before April 20, 2026. Such persons may also file a written request for a hearing on the application on or before April 20, 2026.

ADDRESSES: The Drug Enforcement Administration requires that all comments be submitted electronically through the Federal eRulemaking Portal, which provides the ability to type short comments directly into the comment field on the web page or attach a file for lengthier comments. Please go to *https://www.regulations.gov* and follow the online instructions at that site for submitting comments. Upon submission of your comment, you will receive a Comment Tracking Number. Please be aware that submitted comments are not instantaneously available for public view on *https://www.regulations.gov.* If you have received a Comment Tracking Number, your comment has been successfully submitted and there is no need to resubmit the same comment. All requests for a hearing must be sent to: (1) Drug Enforcement Administration, Attn: Hearing Clerk/OALJ, 8701 Morrissette Drive, Springfield, Virginia 22152; and (2) Drug Enforcement Administration, Attn: DEA Federal Register Representative/DPW, 8701 Morrissette Drive, Springfield, Virginia 22152. All requests for a hearing should also be sent to: Drug Enforcement Administration, Attn: Administrator, 8701 Morrissette Drive, Springfield, Virginia 22152.

SUPPLEMENTARY INFORMATION: In accordance with 21 CFR 1301.34(a), this is notice that on February 3, 2026, SpecGx LLC, 3600 North 2nd Street, Saint Louis, Missouri 63147–3457, applied to be registered as an importer of the following basic class(es) of controlled substance(s):

Controlled substance	Drug code	Schedule
Phenylacetone	8501	II
Coca Leaves	9040	II
Thebaine	9333	II
Opium, raw	9600	II
Poppy Straw Con-centrate.	9670	II
Tapentadol	9780	II

The company plans to import the listed controlled substances for bulk manufacture into Active Pharmaceutical Ingredients for distribution to its customers. In reference to Tapentadol (9780) and Thebaine (9333), the company plans to import intermediate forms of these controlled substances for further manufacturing prior to distribution to its customers. No other activities for these drug codes are authorized for this registration.

Approval of permit applications will occur only when the registrant's business activity is consistent with what is authorized under 21 U.S.C. 952(a)(2). Authorization will not extend to the import of Food and Drug Administration-approved or non-approved finished dosage forms for commercial sale.

Thomas Prevoznik,

Deputy Assistant Administrator.

[FR Doc. 2026–05353 Filed 3–18–26; 8:45 am]

BILLING CODE 4410–09–P

DEPARTMENT OF JUSTICE

Drug Enforcement Administration

[Docket No. DEA–1685]

Importer of Controlled Substances Application: Patheon API Services, Inc.

AGENCY: Drug Enforcement Administration, Justice.

ACTION: Notice of application.

SUMMARY: Patheon API Services, Inc. has applied to be registered as an importer of basic class(es) of controlled substance(s). Refer to **SUPPLEMENTARY INFORMATION** listed below for further drug information.

DATES: Registered bulk manufacturers of the affected basic class(es), and applicants, therefore, may submit electronic comments on or objections to the issuance of the proposed registration on or before April 20, 2026. Such persons may also file a written request for a hearing on the application on or before April 20, 2026.

ADDRESSES: The Drug Enforcement Administration requires that all comments be submitted electronically through the Federal eRulemaking Portal, which provides the ability to type short comments directly into the comment field on the web page or attach a file for lengthier comments. Please go to *https://www.regulations.gov* and follow the online instructions at that site for submitting comments. Upon submission of your comment, you will receive a Comment Tracking Number. Please be aware that submitted comments are not instantaneously available for public view on *https://www.regulations.gov.* If you have received a Comment Tracking Number, your comment has been successfully submitted and there is no need to resubmit the same comment. All requests for a hearing must be sent to: (1) Drug Enforcement Administration, Attn: Hearing Clerk/OALJ, 8701 Morrissette Drive, Springfield, Virginia 22152; and (2) Drug Enforcement Administration, Attn: DEA Federal Register Representative/DPW, 8701 Morrissette Drive, Springfield, Virginia 22152. All requests for a hearing should also be sent to: Drug Enforcement Administration, Attn: Administrator, 8701 Morrissette Drive, Springfield, Virginia 22152.

SUPPLEMENTARY INFORMATION: In accordance with 21 CFR 1301.34(a), this is notice that on February 19, 2026, Patheon API Services, Inc., 101 Technology Place, Florence, South Carolina 29501, applied to be registered as an importer of the following basic class(es) of controlled substance(s):

Controlled substance	Drug code	Schedule
Dimethyltryptamine	7435	I
Psilocybin	7437	I
Psilocyn	7438	I
Amphetamine	1100	II
Methadone	9250	II

The company plans to import the listed controlled substances as reference standards for research and development as part of API Manufacturing. No other activities for these drug codes are authorized for this registration.

Approval of permit applications will occur only when the registrant's business activity is consistent with what is authorized under 21 U.S.C. 952(a)(2). Authorization will not extend to the import of Food and Drug Administration-approved or non-approved finished dosage forms for commercial sale.

Thomas Prevoznik,

Deputy Assistant Administrator.

[FR Doc. 2026–05355 Filed 3–18–26; 8:45 am]

BILLING P

DEPARTMENT OF JUSTICE

Drug Enforcement Administration

[Docket No. DEA–1682]

Bulk Manufacturer of Controlled Substances Application: Siegfried Grafton, Inc.

AGENCY: Drug Enforcement Administration, Justice.

ACTION: Notice of application.

SUMMARY: Siegfried Grafton, Inc. has applied to be registered as a bulk manufacturer of basic class(es) of controlled substance(s). Refer to **SUPPLEMENTARY INFORMATION** listed below for further drug information.

DATES: Registered bulk manufacturers of the affected basic class(es), and applicants, therefore, may submit electronic comments on or objections to the issuance of the proposed registration on or before May 18, 2026. Such persons may also file a written request for a hearing on the application on or before May 18, 2026.

ADDRESSES: The Drug Enforcement Administration requires that all comments be submitted electronically through the Federal eRulemaking Portal, which provides the ability to type short comments directly into the comment field on the web page or attach a file for lengthier comments. Please go to *https://www.regulations.gov* and follow the online instructions at that site for submitting comments. Upon submission of your comment, you will receive a Comment Tracking Number. Please be aware that submitted comments are not instantaneously available for public view on *https://www.regulations.gov.* If you have received a Comment Tracking Number, your comment has been successfully submitted and there is no need to resubmit the same comment.

SUPPLEMENTARY INFORMATION: In accordance with 21 CFR 1301.33(a), this is notice that on February 25, 2026, Siegfried Grafton, Inc., 870 Badger Circle, Grafton, Wisconsin 53024–0000, applied to be registered as a bulk manufacturer of the following basic class(es) of controlled substance(s):

Controlled substance	Drug code	Schedule
Lysergic acid diethylamide.	7315	I
Marihuana Extract	7350	I
Marihuana	7360	I
Tetrahydrocannabinols	7370	I
4-Bromo-2,5-dimethoxy-phenethylamine.	7392	I
3,4-Methylenedioxy-amphetamine.	7400	I
3,4-Methylenedioxy-methamphetamine.	7405	I
5-Methoxy-N-N-dimethyltryptamine.	7431	I
Dimethyltryptamine	7435	I
Psilocybin	7437	I
Psilocyn	7438	I
Lisdexamfetamine	1205	II
Methylphenidate	1724	II
Amobarbital	2125	II
Nabilone	7379	II
ANPP (4-Anilino-N-phenethyl-4-piperidine).	8333	II
Hydrocodone	9193	II
Opium extracts	9610	II
Opium, powdered	9639	II
Opium, granulated	9640	II
Opium poppy	9650	II
Noroxymorphone	9668	II
Remifentanil	9739	II
Fentanyl	9801	II

The company plans to bulk manufacture the listed controlled substances for purpose of analytical reference standards or for sale to its customers. In reference to drug codes 7360 (Marihuana), and 7370 (Tetrahydrocannabinols), the company plans to bulk manufacture these drugs as synthetic. No other activities for these drug codes are authorized for this registration.

Thomas Prevoznik,

Deputy Assistant Administrator.

[FR Doc. 2026–05358 Filed 3–18–26; 8:45 am]

BILLING CODE 4410–09–P

DEPARTMENT OF JUSTICE

Drug Enforcement Administration

[Docket No. DEA–1684]

Importer of Controlled Substances Application: United States Pharmacopeial Convention

AGENCY: Drug Enforcement Administration, Justice.

ACTION: Notice of application.

SUMMARY: United States Pharmacopeial Convention has applied to be registered as an importer of basic class(es) of controlled substance(s). Refer to **SUPPLEMENTARY INFORMATION** listed below for further drug information.

DATES: Registered bulk manufacturers of the affected basic class(es), and applicants, therefore, may submit electronic comments on, or objections to the issuance of the proposed registration on or before April 20, 2026. Such persons may also file a written request for a hearing on the application on or before April 20, 2026.

ADDRESSES: The Drug Enforcement Administration requires that all comments be submitted electronically through the Federal eRulemaking Portal, which provides the ability to type short comments directly into the comment field on the web page or attach a file for lengthier comments. Please go to *https://www.regulations.gov* and follow the online instructions at that site for submitting comments. Upon submission of your comment, you will receive a Comment Tracking Number. Please be aware that submitted comments are not instantaneously available for public view on *https://www.regulations.gov.* If you have received a Comment Tracking Number, your comment has been successfully submitted and there is no need to resubmit the same comment. All requests for a hearing must be sent to: (1) Drug Enforcement Administration, Attn: Hearing Clerk/OALJ, 8701 Morrissette Drive, Springfield, Virginia 22152; and (2) Drug Enforcement Administration, Attn: DEA Federal Register Representative/DPW, 8701 Morrissette Drive, Springfield, Virginia 22152. All requests for a hearing should also be sent to: Drug Enforcement Administration, Attn: Administrator, 8701 Morrissette Drive, Springfield, Virginia 22152.

SUPPLEMENTARY INFORMATION: In accordance with 21 CFR 1301.34(a), this is notice that on February 11, 2026, United States Pharmacopeial Convention, 7135 English Muffin Way, Frederick, Maryland 21704, applied to be registered as an importer of the following basic class(es) of controlled substance(s):

Controlled substance	Drug code	Schedule
Cathinone	1235	I
Methcathinone	1237	I
Methaqualone	2565	I
Lysergic acid diethylamide.	7315	I
4-Methyl-2,5-dimethoxyamphetamine.	7395	I
3,4-Methylenedioxyamphetamine.	7400	I
4-Methoxyamphetamine	7411	I
Codeine-N-oxide	9053	I
Difenoxin	9168	I
Heroin	9200	I
Morphine-N-oxide	9307	I
Norlevorphanol	9634	I
Butyryl Fentanyl	9822	I
Fentanyl-Related Substance.	9850	I
Methamphetamine	1105	II
Lisdexamfetamine	1205	II
Phenmetrazine	1631	II
Methylphenidate	1724	II
Amobarbital	2125	II
Pentobarbital	2270	II
Secobarbital	2315	II
Glutethimide	2550	II
Phencyclidine	7471	II
4-Anilino-N-phenethyl-4-piperidine (ANPP).	8333	II
Phenylacetone	8501	II
Alphaprodine	9010	II
Anileridine	9020	II
Cocaine	9041	II
Dihydrocodeine	9120	II
Diphenoxylate	9170	II
Levomethorphan	9210	II
Levorphanol	9220	II
Meperidine	9230	II
Dextropropoxyphene, bulk (non-dosage forms).	9273	II
Thebaine	9333	II
Oxymorphone	9652	II
Noroxymorphone	9668	II
Alfentanil	9737	II
Sufentanil	9740	II
Tapentadol	9780	II

The company plans to import the listed controlled substances for distribution as analytical reference standards to its customers for analytical testing of raw materials. No other activities for these drug codes are authorized for this registration.

Approval of permit applications will occur only when the registrant's business activity is consistent with what is authorized under 21 U.S.C. 952(a)(2). Authorization will not extend to the import of Food and Drug Administration-approved or non-approved finished dosage forms for commercial sale.

Thomas Prevoznik,

Deputy Assistant Administrator.

[FR Doc. 2026–05359 Filed 3–18–26; 8:45 am]

BILLING CODE 4410–09–P

DEPARTMENT OF JUSTICE

Drug Enforcement Administration

[Docket No. DEA–1675]

Bulk Manufacturer of Controlled Substances Application: Sterling Wisconsin, LLC

AGENCY: Drug Enforcement Administration, Justice.

ACTION: Notice of application.

SUMMARY: Sterling Wisconsin, LLC has applied to be registered as a bulk manufacturer of basic class(es) of controlled substance(s). Refer to **SUPPLEMENTARY INFORMATION** listed below for further drug information.

DATES: Registered bulk manufacturers of the affected basic class(es), and applicants, therefore, may submit electronic comments on or objections to the issuance of the proposed registration on or before May 18, 2026. Such persons may also file a written request for a hearing on the application on or before May 18, 2026.

ADDRESSES: The Drug Enforcement Administration requires that all comments be submitted electronically through the Federal eRulemaking Portal, which provides the ability to type short comments directly into the comment field on the web page or attach a file for lengthier comments. Please go to *https://www.regulations.gov* and follow the online instructions at that site for submitting comments. Upon submission of your comment, you will receive a Comment Tracking Number. Please be aware that submitted comments are not instantaneously available for public view on *https://www.regulations.gov.* If you have received a Comment Tracking Number, your comment has been successfully submitted and there is no need to resubmit the same comment.

SUPPLEMENTARY INFORMATION: In accordance with 21 CFR 1301.33(a), this is notice that on January 27, 2026, Sterling Wisconsin, LLC, W130N10497 Washington Drive, Germantown, Wisconsin 53022–4448, applied to be registered as a bulk manufacturer of the following basic class(es) of controlled substance(s):

Controlled substance	Drug code	Schedule
Lysergic Acid Diethylamide.	7315	I
Marihuana Extract	7350	I
Marihuana	7360	I
Tetrahydrocannabinols	7370	I
Mescaline	7381	I
5-Methoxy-N-N-Dimethyltryptamine.	7431	I
Psilocybin	7437	I
Oliceridine	9245	II
Thebaine	9333	II
Alfentanil	9737	II

The company plans to bulk manufacture the listed controlled substances for commercial sale to its customers. In reference to drug codes 7350 (Marihuana Extract), 7360 (Marihuana), and 7370 (Tetrahydrocannabinols), the company plans to bulk manufacture these drugs as synthetic. No other activities for these drug codes are authorized for this registration.

Thomas Prevoznik,

Deputy Assistant Administrator.

[FR Doc. 2026–05357 Filed 3–18–26; 8:45 am]

BILLING CODE P

DEPARTMENT OF JUSTICE

Drug Enforcement Administration

[Docket No. DEA–1686]

Importer of Controlled Substances Application: Pisgah Laboratories Inc

AGENCY: Drug Enforcement Administration, Justice.

ACTION: Notice of application.

SUMMARY: Pisgah Laboratories Inc has applied to be registered as an importer of basic class(es) of controlled substance(s). Refer to **SUPPLEMENTARY INFORMATION** listed below for further drug information.

DATES: Registered bulk manufacturers of the affected basic class(es), and applicants, therefore, may submit electronic comments on or objections to the issuance of the proposed registration on or before April 20, 2026. Such persons may also file a written request for a hearing on the application on or before April 20, 2026.

ADDRESSES: The Drug Enforcement Administration requires that all comments be submitted electronically through the Federal eRulemaking Portal, which provides the ability to type short comments directly into the comment field on the web page or attach a file for lengthier comments. Please go to *https://www.regulations.gov* and follow the online instructions at that site for submitting comments. Upon submission of your comment, you will receive a Comment Tracking Number. Please be aware that submitted comments are not instantaneously available for public view on *https://www.regulations.gov.* If you have received a Comment Tracking Number, your comment has been successfully submitted and there is no need to resubmit the same comment. All requests for a hearing must be sent to: (1) Drug Enforcement Administration, Attn: Hearing Clerk/OALJ, 8701 Morrissette Drive, Springfield, Virginia 22152; and (2) Drug Enforcement Administration, Attn: DEA Federal Register Representative/DPW, 8701 Morrissette Drive, Springfield, Virginia 22152. All requests for a hearing should also be sent to: Drug Enforcement Administration, Attn: Administrator, 8701 Morrissette Drive, Springfield, Virginia 22152.

SUPPLEMENTARY INFORMATION: In accordance with 21 CFR 1301.34(a), this is notice that on January 23, 2026, Pisgah Laboratories Inc, 3222 Old Hendersonville Highway, Pisgah Laboratories Inc, Pisgah Forest, North Carolina 28768, applied to be registered as an importer of the following basic class(es) of controlled substance(s):

Controlled substance	Drug code	Schedule
Phenylacetone	8501	II
Ecgonine	9180	II
Thebaine	9333	II
Tapentadol	9780	II

The company plans to manufacture the above-listed controlled substances in bulk for distribution to its customers. No other activities for these drug codes are authorized for this registration.

Approval of permit applications will occur only when the registrant's business activity is consistent with what is authorized under 21 U.S.C. 952(a)(2). Authorization will not extend to the import of Food and Drug Administration-approved or non-approved finished dosage forms for commercial sale.

Thomas Prevoznik,

Deputy Assistant Administrator.

[FR Doc. 2026–05360 Filed 3–18–26; 8:45 am]

BILLING CODE 4410–09–P

DEPARTMENT OF JUSTICE

[OMB Number 1122–0001]

Agency Information Collection Activities; Extension of Previously Approved eCollection eComments Requested; Certification of Compliance With the Statutory Eligibility Requirements of the Violence Against Women Act as Amended, STOP Formula Grant Program

AGENCY: Office on Violence Against Women, Department of Justice.

ACTION: 30-Day notice.

SUMMARY: The Department of Justice (DOJ), Office on Violence Against Women, will be submitting the following information collection request to the Office of Management and Budget (OMB) for review and approval in accordance with the Paperwork Reduction Act of 1995.

DATES: Comments are encouraged and will be accepted for 30 days until April 20, 2026.

FOR FURTHER INFORMATION CONTACT: If you have comments especially on the estimated public burden or associated response time, suggestions, or need a copy of the proposed information collection instrument with instructions or additional information, please contact: Tiffany Watson, Office on Violence Against Women, at 202–307–6026 or *Tiffany.Watson@usdoj.gov.*

SUPPLEMENTARY INFORMATION: The proposed information collection was previously published in the **Federal Register** on January 15, 2026, allowing a 60-day comment period. Written comments and suggestions from the public and affected agencies concerning the proposed collection of information are encouraged. Your comments should address one or more of the following four points:

—Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

—Evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;

—Evaluate whether and if so, how the quality, utility, and clarity of the information to be collected can be enhanced; and

—Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic,

mechanical, or other technological collection techniques or other forms of information technology, *e.g.,* permitting electronic submission of responses.

Written comments and recommendations for this information collection should be submitted within 30 days of the publication of this notice on the following website *www.reginfo.gov/public/do/PRAMain.* Find this particular information collection by selecting ''Currently under 30-day Review—Open for Public Comments'' or by using the search function and entering either the title of the information collection or the OMB Control Number 1122–0001. This information collection request may be viewed at *www.reginfo.gov.* Follow the instructions to view Department of Justice, information collections currently under review by OMB.

DOJ seeks PRA authorization for this information collection for three (3) years. OMB authorization for an ICR cannot be for more than three (3) years without renewal. The DOJ notes that information collection requirements submitted to the OMB for existing ICRs receive a month-to-month extension while they undergo review.

Overview of This Information Collection

1. *Type of Information Collection:* Extension of a currently approved collection.

2. *Title of the Form/Collection:* Certification of Compliance with the Statutory Eligibility Requirements of the Violence Against Women Act as Amended, STOP Formula Grant Program.

3. *Agency form number, if any, and the applicable component of the Department of Justice sponsoring the collection: Form Number:* 1122–0001. U.S. Department of Justice, Office on Violence Against Women.

4. *Affected public who will be asked or required to respond, as well as a brief abstract:* The affected public includes STOP formula grantees (50 states, the District of Columbia and five territories (Guam, Puerto Rico, American Samoa, Virgin Islands, Northern Mariana Islands)). The STOP Violence Against Women Formula Grant Program was authorized through the Violence Against Women Act of 1994 and reauthorized and amended in 2000, 2005, 2013 and 2022. The purpose of the STOP Formula Grant Program is to promote a coordinated, multi-disciplinary approach to improving the criminal justice system's response to violence against women. It envisions a partnership among law enforcement, prosecution, courts, and victim advocacy organizations to enhance victim safety and hold offenders accountable for their crimes of violence against women. OVW administers the STOP Formula Grant Program funds, which must be distributed by STOP state administrators according to statutory formula (as amended in 2000, 2005, 2013, and 2022).

5. *An estimate of the total number of respondents and the amount of time estimated for an average respondent to respond/reply:* It is estimated that it will take the approximately 56 respondents (state administrators from the STOP Formula Grant Program) less than one hour to complete a Certification of Compliance with the Statutory Eligibility Requirements of the Violence Against Women Act, as amended.

6. *An estimate of the total public burden (in hours) associated with the collection:* The total annual hour burden to complete the Certification is less than 56 hours.

7. *An estimate of the total annual cost burden associated with the collection, if applicable:* The annualized costs to the Federal Government resulting from the OVW staff review of the progress reports submitted by grantees are estimated to be $3,278.00.

8. *Total Burden Hours*

Activity	Estimated number of respondents	Frequency	Total annual responses	Time per response (hours)	Total annual burden (hours)
Performance Reporting Form	56	Annually	1 time	1	56
Total					56

If additional information is required contact: Darwin Arceo, Department Clearance Officer, United States Department of Justice, Justice Management Division, Enterprise Portfolio Management, Two Constitution Square, 145 N Street NE, 4W–218, Washington, DC.

Dated: March 17, 2026.

Darwin Arceo,

Department Clearance Officer for PRA, U.S. Department of Justice.

[FR Doc. 2026–05397 Filed 3–18–26; 8:45 am]

BILLING CODE 4410–FX–P

DEPARTMENT OF JUSTICE

[OMB Number 1122–0032]

Agency Information Collection Activities; Extension of Previously Approved eCollection eComments Requested; Title—Semi-Annual Progress Report for Justice for Families Program

AGENCY: Office on Violence Against Women, Department of Justice.

ACTION: 30-Day notice.

SUMMARY: The Department of Justice (DOJ), Office on Violence Against Women, will be submitting the following information collection request to the Office of Management and Budget (OMB) for review and approval in accordance with the Paperwork Reduction Act of 1995.

DATES: Comments are encouraged and will be accepted for 30 days until April 20, 2026.

FOR FURTHER INFORMATION CONTACT: If you have comments especially on the estimated public burden or associated response time, suggestions, or need a copy of the proposed information collection instrument with instructions or additional information, please contact: Tiffany Watson, Office on Violence Against Women, at 202–307–6026 or *Tiffany.Watson@usdoj.gov.*

SUPPLEMENTARY INFORMATION: The proposed information collection was previously published in the **Federal Register** on January 15, 2026, allowing a 60-day comment period. Written comments and suggestions from the public and affected agencies concerning the proposed collection of information are encouraged. Your comments should

address one or more of the following four points:

—Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;
—Evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;
—Evaluate whether and if so, how the quality, utility, and clarity of the information to be collected can be enhanced; and
—Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.,* permitting electronic submission of responses.

Written comments and recommendations for this information collection should be submitted within 30 days of the publication of this notice on the following website *www.reginfo.gov/public/do/PRAMain.* Find this particular information collection by selecting ''Currently under 30-day Review—Open for Public Comments'' or by using the search function and entering either the title of the information collection or the OMB Control Number 1122–0032. This information collection request may be viewed at *www.reginfo.gov.* Follow the instructions to view Department of Justice, information collections currently under review by OMB.

DOJ seeks PRA authorization for this information collection for three (3) years. OMB authorization for an ICR cannot be for more than three (3) years without renewal. The DOJ notes that information collection requirements submitted to the OMB for existing ICRs receive a month-to-month extension while they undergo review.

Overview of This Information Collection

1. *Type of Information Collection:* Extension of a currently approved collection.

2. *Title of the Form/Collection:* Semi-Annual Progress Report for Justice for Families Program.

3. *Agency form number, if any, and the applicable component of the Department of Justice sponsoring the collection:* Form: 1122 1122–0032. U.S. Department of Justice, Office on Violence Against Women.

4. *Affected public who will be asked or required to respond, as well as a brief abstract:* The affected public includes the current grantees under the Justice for Families Program. The Justice for Families Program improves the response of all aspects of the civil and criminal justice system to families with a history of domestic violence, dating violence, sexual assault and stalking, or in cases involving allegations of child sexual abuse. Eligible applicants are states, units of local government, courts, Indian tribal governments, nonprofit organizations, legal service providers, and victim services providers. The affected public includes the approximately 28 Justice for Families Program grantees.

5. *An estimate of the total number of respondents and the amount of time estimated for an average respondent to respond/reply:* It is estimated that it will take the approximately 28 respondents (Justice for Families Program grantees) approximately one hour to complete a semi-annual progress report. The semi-annual progress report is divided into sections that pertain to the different types of activities in which grantees may engage. A Justice for Families Program grantee will only be required to complete the sections of the form that pertain to its own specific activities.

6. *An estimate of the total public burden (in hours) associated with the collection:* The total annual hour burden to complete the data collection forms is 56 hours, that is 28 grantees completing a form twice a year with an estimated completion time for the form being one hour.

7. *An estimate of the total annual cost burden associated with the collection, if applicable:* The annualized costs to the Federal Government resulting from the OVW staff review of the progress reports submitted by grantees are estimated to be $3,278.00.

8. *Total Burden Hours*

Activity	Estimated number of respondents	Frequency	Total annual responses	Time per response (hours)	Total annual burden (hours)
Performance Reporting Form	28	Semi-annually ..	2 times	1	56
Total					56

If additional information is required contact: Darwin Arceo, Department Clearance Officer, United States Department of Justice, Justice Management Division, Enterprise Portfolio Management, Two Constitution Square, 145 N Street NE, 4W–218, Washington, DC.

Dated: March 17, 2026.

Darwin Arceo,

Department Clearance Officer for PRA, U.S. Department of Justice.

[FR Doc. 2026–05396 Filed 3–18–26; 8:45 am]

BILLING CODE 4410–FX–P

NUCLEAR REGULATORY COMMISSION

Advisory Committee on the Medical Uses of Isotopes: Call for Nominations

AGENCY: U.S. Nuclear Regulatory Commission.

ACTION: Call for Nominations.

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC) is soliciting nominations for the position of Agreement State Representative on the Advisory Committee on the Medical Uses of Isotopes (ACMUI). Nominees must be a current employee of an Agreement State Radiation Control Program.

DATES: Nominations are due on or before May 18, 2026.

FOR FURTHER INFORMATION CONTACT: Ally Marra, U.S Nuclear Regulatory Commission, Office of Nuclear Material Safety and Safeguards; 301–415–2509; *Alessandra.marra@nrc.gov.*

SUPPLEMENTAL INFORMATION:

Nomination Process: Submit an electronic copy of resume or curriculum vitae, along with a cover letter, to Ms. Ally Marra, *Alessandra.marra@nrc.gov.* The cover letter should describe the nominee's current duties and responsibilities and express the nominee's interest in the position. Please ensure that the resume or curriculum vitae includes the following information, if applicable: education;

certification(s); professional association and committee membership activities; duties and responsibilities in current and previous clinical, research, and/or academic position(s).

ACMUI members possess the medical and technical skills needed to address evolving issues. The current membership is comprised of the following professionals: (a) nuclear medicine physician; (b) nuclear cardiologist; (c) two radiation oncologists; (d) diagnostic radiologist; (e) therapy medical physicist; (f) nuclear medicine physicist; (g) nuclear pharmacist; (h) radiation safety officer; (i) patients' rights advocate; (j) Food and Drug Administration representative; and (k) Agreement State representative. For additional information about membership on the ACMUI, visit the ACMUI Membership web page, *https://www.nrc.gov/about-nrc/regulatory/advisory/acmui/membership.html.*

The ACMUI Agreement State Representative provides advice to NRC staff on regulatory issues associated with medical applications of byproduct material. This advice includes providing input on NRC proposed rules and guidance documents; providing recommendations on the training and experience requirements for all specialties; evaluating non-routine uses of byproduct material; bringing key issues from the Agreement States to the attention of NRC staff; evaluating the compatibility of federal and state regulations, and other issues as they relate to radiation safety and NRC medical-use policy. This individual is appointed based on his or her educational background, certification(s), work experience, involvement and/or leadership in professional society activities, and other information obtained in letters or during the selection process.

Nominees must be U.S. citizens and be able to devote approximately 160 hours per year to ACMUI business. Members are expected to attend semi-annual full-day virtual meetings and to participate in other shorter teleconferences or virtual meetings, as needed. Committee members currently serve a four-year term and may be considered for reappointment to an additional term. Members who are not Federal employees at the time of their appointment are compensated for their service. In addition, members are reimbursed for travel (including per diem in lieu of subsistence) and are reimbursed secretarial and correspondence expenses. Full-time Federal employees are reimbursed for travel expenses only.

Security Background Check: The selected nominee will undergo a thorough security background check. Security paperwork may take the nominee several weeks to complete. Nominees will also be required to complete a financial disclosure statement to avoid conflicts of interest.

Dated at Rockville, Maryland this 17th day of March, 2026.

For the U.S. Nuclear Regulatory Commission.

Russell E. Chazell,

Federal Advisory Committee Management Officer.

[FR Doc. 2026–05402 Filed 3–18–26; 8:45 am]

BILLING CODE 7590–01–P

POSTAL REGULATORY COMMISSION

[Docket No. K2025–729]

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:* March 24, 2026.

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

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

[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).

request public comment in proceedings to review such requests.

II. Public Proceeding(s)

1. *Docket No(s).:* K2025–729; *Filing Title:* USPS Request Concerning Amendment One to Priority Mail Express, Priority Mail & USPS Ground Advantage Contract 985, with Materials Filed Under Seal; *Filing Acceptance Date:* March 16, 2026; *Filing Authority:* 39 CFR 3035.105 and 39 CFR 3041.505; *Public Representative:* Kenneth Moeller; *Comments Due:* March 24, 2026.

III. Summary Proceeding(s)

None. See Section II for public proceedings.

This Notice will be published in the **Federal Register**.

Danielle LeFlore,

Legal Assistant.

[FR Doc. 2026–05404 Filed 3–18–26; 8:45 am]

BILLING CODE 7710–FW–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–105000; File No. SR–PEARL–2026–12]

Self-Regulatory Organizations; MIAX PEARL, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Temporarily Decrease the Options Regulatory Fee (ORF)

March 16, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the ''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on March 6, 2026, MIAX PEARL, LLC (''MIAX Pearl'' or ''Exchange'') filed with the Securities and Exchange Commission (the ''Commission'') a proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend the fee schedule applicable to the options trading platform of MIAX Pearl (the ''Fee Schedule'') regarding the Options Regulatory Fee (''ORF'').

The text of the proposed rule change is available on the Exchange's website at *https://www.miaxglobal.com/markets/us-options/pearl-options/rule-filings* and at MIAX Pearl's principal office.

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend the Fee Schedule to temporarily decrease the ORF from $0.0016 per contract to $0.0013 per contract between March 1, 2026 and June 30, 2026.[3] In the event that the industry does not move to the new ORF model effective July 1, 2026, the Exchange would revert back to $0.0016 per contract side.

Background

The ORF is designed to recover a material portion of the costs to the Exchange of the supervision and regulation of Members'[4] customer options business, including performing routine surveillances and investigations, as well as policy, rulemaking, interpretive and enforcement activities. The Exchange believes that revenue generated from the ORF, when combined with all of the Exchange's other regulatory fees and fines, will cover a material portion, but not all, of the Exchange's regulatory costs.

Collection of ORF

Currently, the Exchange assesses the per-contract ORF to each Member for all options transactions cleared or ultimately cleared by the Member, which are cleared by the Options Clearing Corporation (''OCC'') in the ''customer'' range,[5] regardless of the exchange on which the transaction occurs. The ORF is collected by OCC on behalf of the Exchange from either: (1) a Member that was the ultimate clearing firm for the transaction; or (2) a non-Member that was the ultimate clearing firm where a Member was the executing clearing firm for the transaction. The Exchange uses reports from OCC to determine the identity of the executing clearing firm and ultimate clearing firm.

ORF Revenue and Monitoring of ORF

The Exchange monitors the amount of revenue collected from the ORF to ensure that it, in combination with other regulatory fees and fines, does not exceed regulatory costs. In determining whether an expense is considered a regulatory cost, the Exchange reviews all costs and makes determinations if there is a nexus between the expense and a regulatory function. The Exchange notes that fines collected by the Exchange in connection with a disciplinary matter offset ORF.

Revenue generated from ORF, when combined with all of the Exchange's other regulatory fees and fines, is designed to cover a material portion of the regulatory costs to the Exchange of the supervision and regulation of Members' customer options business including performing routine surveillances, investigations, examinations, financial monitoring, and policy, rulemaking, interpretive, and enforcement activities. Regulatory costs include direct regulatory expenses and certain indirect expenses in support of the regulatory function. The direct expenses include in-house and third party service provider costs to support the day-to-day regulatory work such as surveillances, investigations and examinations.

The ORF revenue is based on options transactions volume, thus the amount of ORF collected is variable. For example, if options transactions reported to OCC in a given month increase, the ORF collected from Members will likely increase as well. Similarly, if options transactions reported to OCC in a given month decrease, the ORF collected from Members will likely decrease as well. Accordingly, the Exchange monitors the amount of ORF collected to ensure that it does not exceed a material portion of

[3] On January 20, 2026, the Exchange filed a separate rule filing to adopt a new ORF model, effective July 1, 2026 (subject to adoption of a similar model by all options exchanges). *See* Securities Exchange Act Release No. 104711 (January 28, 2026), 91 FR 4771 (February 2, 2026) (SR–PEARL–2026–01) (Self-Regulatory Organizations; MIAX PEARL, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Adopt a New Methodology for Assessment and Collection of the Options Regulatory Fee (ORF)).

[4] The term ''Member'' means an individual or organization that is registered with the Exchange pursuant to Chapter II of Exchange Rules for purposes of trading on the Exchange as an ''Electronic Exchange Member'' or ''Market Maker.'' Members are deemed ''members'' under the Exchange Act. *See* the Definitions section of the Fee Schedule and Exchange Rule 100.

[5] Exchange participants must record the appropriate account origin code on all orders at the time of entry in order. The Exchange represents that it has surveillances in place to verify that Members mark orders with the correct account origin code.

regulatory costs. If the Exchange determines the amount of ORF collected exceeds or may exceed a material portion of regulatory costs, the Exchange will, as appropriate, adjust the ORF by submitting a fee change filing to the Securities and Exchange Commission (the ''Commission'').

Proposal

Based on the Exchange's recent review of regulatory costs, ORF revenue, and options transaction volume, the Exchange proposes to temporarily decrease the ORF from $0.0016 per contract to $0.0013 per contract, between March 1, 2026 and June 30, 2026. In the event that the industry does not move to the new ORF model effective July 1, 2026, the Exchange would revert back to $0.0016 per contract side. This proposed temporary decrease will help ensure that the amount collected from the ORF, in combination with other regulatory fees and fines, does not exceed the Exchange's total regulatory costs. On January 30, 2026, the Exchange notified Members of the proposed temporary decrease to the ORF via a Regulatory Circular to afford market participants sufficient opportunity to configure their systems to account properly for the modified ORF.[6]

The proposed change to the ORF is based on the Exchange's analysis of recent options volumes and its regulatory costs. The Exchange believes that, if the ORF is not temporarily reduced between March 1, 2026 and June 30, 2026, the ORF revenue to the Exchange could exceed a material portion of the Exchange's 2026 regulatory costs.

Over the past few years, the options industry has experienced high options trading volumes and volatility and the persisting increased options volumes have impacted the Exchange's ORF collection.

As shown in the table below, during the first half of 2025, options trading volumes have remained elevated and volatility has persisted.[7]

	Jan. 2025	Feb. 2025	Mar. 2025	Apr. 2025	May 2025	June 2025
Customer ADV	46,758,284	48,508,333	46,281,134	47,786,196	46,234,519	45,453,082
Total ADV	53,134,932	54,563,396	53,182,376	55,339,630	51,351,579	50,576,203

In addition, as shown in the table below, during the second half of 2025, options trading volumes have remained elevated and volatility has persisted.[8]

	July 2025	August 2025	September 2025	October 2025	November 2025	December 2025
Customer ADV	47,244,127	50,273,952	56,005,046	61,209,858	55,296,579	47,490,683
Total ADV	51,516,242	54,909,360	61,298,900	67,192,745	62,132,472	53,703,207

Because of the sustained impact of the trading volumes that have persisted through December 2025, along with the difficulty of predicting whether and when volumes may return to historical levels, the Exchange proposes to temporarily decrease the ORF between March 1, 2026 and June 30, 2026, to help ensure that ORF collection will not exceed the Exchange's 2026 regulatory costs. The Exchange cannot predict whether options volumes will remain at these levels going forward and projections for future regulatory costs are estimated. Particularly, based on the Exchange's estimated projections for its regulatory costs, the revenue generated by ORF using the temporarily reduced rate, would result in projected revenue that is insufficient to cover a material portion of its regulatory costs. Further, when combined with the Exchange's projected other non-ORF regulatory fees and fines, the revenue generated by ORF using the temporarily reduced rate is projected to result in a combined revenue that is less than the Exchange's estimated regulatory costs for the year. The Exchange will notify Members of the proposed change via a Regulatory Circular at least 30 calendar days prior to the effective date of the change.

Potential ORF Reform

The Exchange appreciates the evolving changes in the markets and regulatory environment and has been evaluating its options while considering industry and regulatory feedback. In light of this, the Exchange has been reviewing its current methodologies and practices for the assessment and collection of ORF. As a result of this review, the Exchange submitted a filing to the Commission that proposes to adopt a modified ORF model, effective July 1, 2026, that updates the Exchange's process of assessing and collecting ORF, in which model ORF would be assessed to only on-Exchange transactions that clear in the customer range at the OCC.[9] Under the proposed modified model, the Exchange expects to continue its current practice that revenue generated from ORF will cover a material portion, but not all, of the Exchange's regulatory costs.

To create real ORF reform, moving to a new ORF model that only assesses a fee to transactions that occur on one's own options exchange seems to be the industry consensus. However, for a new, modified model to be truly meaningful and fair, a rate limited to transactions on one's own exchange should be adopted by all options exchanges to provide a consistent methodology in assessing and collecting ORF going forward. As set forth in its separate filing that proposes the new, modified ORF model, the Exchange committed to switching to this new model effective July 1, 2026, provided that a consistent framework has been established with the Commission, adopted by all the options exchanges and necessary regulatory filings submitted. Until that time, the Exchange believes it's fair and reasonable to continue to charge ORF under the current model as other options exchanges currently do.

2. Statutory Basis

The Exchange believes that its proposal to amend its Fee Schedule is

[6] *See https://www.miaxglobal.com/sites/default/files/circular-files/MIAX_Pearl_Options_RC_2026_10.pdf.*

[7] The OCC publishes options and futures volume in a variety of formats, including daily and monthly volume by exchange, available here: *https://www.theocc.com/Market-Data/Market-Data-Reports/Volume-and-Open-Interest/Monthly-Weekly-Volume-Statistics.* The volume discussed in this filing is based on a compilation of OCC data for monthly volume of equity-based options and monthly volume of ETF-based options, in contract sides.

[8] *See id.*

[9] *See supra* note 3.

consistent with Section 6(b) of the Act [10] in general, and furthers the objectives of Section 6(b)(4) of the Act [11] in particular, in that it is an equitable allocation of reasonable dues, fees, and other charges among its members and issuers and other persons using its facilities. The Exchange also believes the proposal furthers the objectives of Section 6(b)(5) of the Act [12] in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest and is not designed to permit unfair discrimination between customers, issuers, brokers and dealers.

The Proposal Is Reasonable

The Exchange believes the proposed fee changes are reasonable because customer transactions will be subject to a lower ORF fee than the current rate. Moreover, the proposed temporary reduction to $0.0013 per contract is reasonable because it would help ensure that collections from the ORF do not exceed a material portion of the Exchange's projected regulatory costs for 2026. As noted above, the ORF is designed to recover a material portion, but not all, of the Exchange's regulatory costs.

Although there can be no assurance that the Exchange's final costs for 2026 will not differ materially from its expectations and prior practice, nor can the Exchange predict with certainty whether options volume will remain at current or similar levels going forward, the Exchange believes that the amount collected based on the current ORF rate, when combined with regulatory fees and fines, may result in collections in excess of the projected regulatory costs for the year. Particularly, as noted above, the options market has continued to experience elevated volumes and volatility in 2025, and if such elevated levels persist in 2026 could result in higher ORF collections than projected. The Exchange therefore believes that the proposed temporary decrease to the ORF is reasonable because it would help ensure that ORF collection does not exceed the projected regulatory costs for 2026. Particularly, the Exchange believes that this temporary reduction in the ORF, taken together with the Exchange's other regulatory fees and fines, would allow the Exchange to continue covering a material portion of the projected regulatory costs, while lessening the potential for generating excess funds that may otherwise occur using the current rate.

The Proposal Is an Equitable Allocation of Fees

The Exchange also believes the proposed fee change is equitable and not unfairly discriminatory in that it is charged to all Members on all their transactions that clear in the customer range at the OCC.[13] The Exchange believes the ORF ensures fairness by assessing higher fees to those members that require more Exchange regulatory services based on the amount of customer options business they conduct. Regulating customer trading activity is much more labor intensive and requires greater expenditure of human and technical resources than regulating non-customer trading activity, which tends to be more automated and less labor-intensive. For example, there are costs associated with main office and branch office examinations (*e.g.,* staff expenses), as well as investigations into customer complaints and the terminations of registered persons. As a result, the costs associated with administering the customer component of the Exchange's overall regulatory program are materially higher than the costs associated with administering the non-customer component (*e.g.,* member proprietary transactions) of its regulatory program. In addition to its own surveillance programs, the Exchange also works with other SROs and exchanges on intermarket surveillance related issues. Through its participation in the Intermarket Surveillance Group (''ISG'') [14] the Exchange shares information and coordinates inquiries and investigations with other exchanges designed to address potential intermarket manipulation and trading abuses. Accordingly, there is a strong nexus between the ORF and the Exchange's regulatory activities with respect to customer trading activity of its Members.

The Proposal Is Not Unfairly Discriminatory

The Exchange believes that the proposal is not unfairly discriminatory. The Exchange believes that the proposed temporary decrease to the ORF rate would not place certain market participants at an unfair disadvantage because it would apply to all Members subject to the ORF and would allow the Exchange to continue to monitor the amount collected from the ORF to help ensure that ORF collection, in combination with other regulatory fees and fines, does not exceed regulatory costs. The Exchange also has provided all such Members with advance notice of the planned change to the ORF.[15]

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

Intramarket Competition

The Exchange believes the proposed change would not impose an undue burden on intramarket competition because the ORF is charged to all Members on all their transactions that clear in the ''customer'' range at the OCC; thus, the amount of ORF imposed is based on the amount of customer volume transacted. The Exchange believes that the proposed temporary decrease of the ORF would not place certain market participants at an unfair disadvantage because all options transactions must clear via a clearing firm. Such clearing firms can then choose to pass through all, a portion, or none of the cost of the ORF to its customers, *i.e.,* the entering firms. The ORF is collected from Member clearing firms by the OCC on behalf of the Exchange and is assessed on all options transactions cleared at the OCC in the ''customer'' range.

Intermarket Competition

The proposed fee change is not designed to address any competitive issues. Rather, the proposed change is designed to help the Exchange adequately fund its regulatory activities while seeking to ensure that total collections from regulatory fees do not exceed total regulatory costs.

[10] 15 U.S.C. 78f(b).

[11] 15 U.S.C. 78f(b)(4).

[12] 15 U.S.C. 78f(b)(5).

[13] If the OCC clearing member is an Exchange Member, ORF is assessed and collected on all cleared customer contracts (after adjustment for CMTA); and (2) if the OCC clearing member is not an Exchange Member, ORF is collected only on the cleared customer contracts executed at the Exchange, taking into account any CMTA instructions which may result in collecting the ORF from a non-Member. ''CMTA'' or Clearing Member Trade Assignment is a form of ''give-up'' whereby the position will be assigned to a specific clearing firm at OCC.

[14] ISG is an industry organization formed in 1983 to coordinate intermarket surveillance among the SROs by cooperatively sharing regulatory information pursuant to a written agreement between the parties. The goal of the ISG's information sharing is to coordinate regulatory efforts to address potential intermarket trading abuses and manipulations.

[15] *See supra* note 6.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

Written comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act [16] and paragraph (f) of Rule 19b–4 [17] thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include file number SR–PEARL–2026–12 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to file number SR–PEARL–2026–12. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (*https://www.sec.gov/rules/sro.shtml*). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR–PEARL–2026–12 and should be submitted on or before April 9, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[18]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–05333 Filed 3–18–26; 8:45 am]

BILLING CODE 8011–01–P

[16] 15 U.S.C. 78s(b)(3)(A).

[17] 17 CFR 240.19b–4(f).

[18] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–105006; File No. SR–NASDAQ–2026–013]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Expand the Exchange's Co-Location Services

March 16, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on March 3, 2026, The Nasdaq Stock Market LLC (''Nasdaq'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to expand its co-location services by offering new cabinet and power options in the Exchange's expanded data center, as described here below.

The text of the proposed rule change is available on the Exchange's website at *https://listingcenter.nasdaq.com/rulebook/nasdaq/rulefilings,* and at the principal office of the Exchange.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to expand its co-location services by offering new cabinet and power options in the Exchange's expanded data center. The Exchange's current data center consists of the original data center (''NY11''), an expansion area (''NY11–4''), and a future expansion area (''NY11–5'').

The Exchange submits this filing to propose a new service in NY11–5, as described below. The Exchange will submit a fee filing to establish fees for the services described herein.

New Service in NY11–5: Liquid Cooled Cabinet

Currently, co-location customers have the option of obtaining a cabinet capable of accommodating varying power options. Co-location customers may obtain a Cabinet and choose among varying power options as provided under Rule General 8, Section 1.[3]

The Exchange proposes to introduce an additional cabinet option in NY11–5. Specifically, the Exchange proposes to introduce a cabinet featuring liquid cooling,[4] a cooling method that uses liquid, rather than air, to absorb and transfer heat away from equipment, such as servers (''Liquid-Cooled Cabinet'').[5] As proposed, data center

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] *See* Rule General 8, Section 1(a)–(c).

[4] The proposed cabinets would offer liquid versus air cooling. Specifically, the liquid-cooling method uses pipes to circulate chilled water or specialized coolant to client equipment. Liquid cooling facilitates heat dissipation, allowing processors to operate more efficiently than those cooled by air-to-air heat exchange. Liquids have a much higher thermal conductivity and heat capacity, so they can absorb and move heat faster and in smaller volumes.

[5] *See* proposed Rule General 8, Section 1(a). To effect this change, the Exchange proposes to amend Rule General 8, Section 1(a) as follows. First, the Exchange proposes to insert the proposed Liquid-Cooled Cabinet in the table at subparagraph (a) of Rule General 8, Section 1 by inserting the words ''Liquid-Cooled Cabinet—Nasdaq Provided**'' and the words ''Liquid-Cooled Cabinet—Customer Provided**'' immediately following the ''Cabinet'' entry in Rule General 8, Section 1(a). The Exchange further proposes to designate such entries with the symbol ''**'' to make clear, as provided in the proposed footnote to Rule General 8, Section 1(a), that Liquid-Cooled Cabinets, both the Exchange as well as Customer provided, are available only in

customers may either supply their own cabinets or elect to have Nasdaq provide the cabinets for the customer's use in connection with the proposed Liquid-Cooled Cabinet service.[6] Depending on business needs of data center customers, a Liquid-Cooled Cabinet might be more attractive to data center customers because liquid cooling is more efficient and enables space optimization in ways that air cooling methods would struggle to support. For example, a Liquid-Cooled Cabinet could handle greater power densities within a given space than would air cooling. For data center customers, this translates into the ability to deploy more computing power within the same cabinet footprint. In effect, Liquid-Cooled Cabinets would allow data center customers to install more of the computing equipment that data center customers typically use within their cabinet than they would with air cooling methods because liquid cooling is more efficient at dissipating heat from a given cabinet space. The Exchange notes that data center customers prefer denser environments to minimize distance between equipment and thus maximize computing power within a given space. As proposed, the Liquid-Cooled Cabinet option would only be offered in NY11–5 because the required liquid-cooled infrastructure necessary to support the proposed cabinets is not available in other parts of the data center.[7] The Exchange notes that Liquid-Cooled Cabinets are offered as one other option for data center customers to choose from because traditionally cooled cabinets throughout the data center will continue to provide the level of thermal management appropriate for each cabinet offering that the Exchange provides.

As discussed above, the Exchange is offering the Liquid-Cooled Cabinets as a convenience to its customers and notes that use of colocation services, including the proposed Liquid-Cooled Cabinet service, is completely optional. Colocation services, including the proposed offering, are voluntary, and each customer may determine whether any colocation option is appropriate for its business needs.

NY11–5 Cabinet Power Circuits

Rule General 8, Section 1(c) provides that the following five cabinet power circuit options are only available in (and that one of these must be selected for) NY11–4: Phase 1 20 amp 240 volt, Phase 1 32 amp 240 volt, Phase 1 40 amp 240 volt, Phase 3 20 amp 415 volt, and Phase 3 32 amp 415 volt.[8] The Exchange proposes to provide that the foregoing five cabinet power circuit options are also available for Liquid-Cooled Cabinets in NY11–5.[9]

The Exchange further proposes to provide two new power options that will be available only for Liquid-Cooled Cabinets in NY11–5: Phase 3, 40 amp, 415 volt and Phase 3, 60 amp 415 volt.[10] These power circuit options are available only for Liquid-Cooled Cabinets in NY11–5 as an additional offering for customers seeking higher power options for their Liquid-Cooled Cabinets. Although different options will be offered throughout the data center due to differing power configurations, the new cabinet power options are not inherently preferable to the existing cabinet power options because customers have varying preferences for power circuits based on their operational needs and the Exchange does not anticipate material differences in equipment performance based on the power distribution. As between the various power circuit options, customers choose power based on their preferences and capacity needs.

Implementation

Although the timing is subject to change,[11] the Exchange anticipates granting access to NY11–5 during the first quarter of 2026, on or about April 3, 2026. As discussed above, the Exchange will submit a fee filing to establish fees for the services described herein.

In concert with this filing, the Exchange will allow customers to place orders for Liquid-Cooled Cabinets in NY11–5, which orders would not be fee liable until fees for such services are established and customers are provided access to the space for their immediate use, whether to trade or otherwise, on or about April 3, 2026.[12] Allowing customers to place orders in advance of

NY11–5. Pending the submission of a fee filing for the proposed Liquid-Cooled Cabinet, the Exchange proposes a non-substantive change to enter the acronym ''TBD'' under the column titled ''NY11–4/–5 Installation Fee'' as well as the column titled ''Ongoing Monthly Fee.'' The Exchange believes this proposed non-substantive change is appropriate to indicate that all such fees for the proposed Liquid-Cooled Cabinet have yet to be established. Finally, the Exchange proposes to enter ''N/A'' under the column titled ''NY11 Installation Fee'' to clarify that NY–11-related fees are not applicable to Liquid-Cooled Cabinets available only in NY11–5. *See id.*

[6] *See* proposed Rule General 8, Section 1(a). The proposal would permit customers to use either Nasdaq-provided Liquid-Cooled Cabinets or their own, unlike traditional air-cooled cabinets, which must be Nasdaq-provided. Providing the option for customer-provided cabinets is appropriate here because the Liquid-Cooled Cabinet is purpose-built for the customer within a dedicated enclosure specifically designed to suit the customer's liquid-cooling infrastructure requirements for which a self-provided cabinet may, depending on the circumstances, be more appropriate to suit the customer's needs.

[7] To the best of the Exchange's knowledge, no other national securities exchange offers liquid-cooled cabinets as a colocation option.

[8] *See* Rule General 8, Section 1(c).

[9] The five cabinet power circuit options (Phase 1 20A/240V, 32A/240V, 40A/240V; Phase 3 20A/415V, 32A/415V) are available for both air-cooled and Liquid-Cooled Cabinets because the cabinet power they support (approximately 5–23 kW) remains within the thermal capabilities of traditional air-cooling systems. By contrast, the higher-power Phase 3 40A/415V and 60A/415V options (≈29–43 kW) discussed below exceed the threshold at which air cooling is efficient or practicable and therefore are limited to Liquid-Cooled Cabinets. To effect this change, the Exchange proposes to amend the footnotes to Rule General 8, Section 1(c) as follows. The Exchange proposes to modify the footnote designated with a single asterisk (''*'') to add, immediately following the final sentence in that footnote, the following sentence: ''These options are available also for Liquid-Cooled Cabinets in NY11–5.'' In addition, and pending the submission of a proposal to establish fees for proposed Liquid-Cooled Cabinets in NY11–5, the Exchange proposes to clarify, in a new footnote to Rule General 8, Section 1(c) designated with a dagger symbol (''†''), that fees depicted under Rule General 8, Section 1(c) for cabinet power options that are designated with the dagger symbol (''†'') are fees for other than Liquid-Cooled Cabinets in NY11–5. The Exchange believes these proposed changes are appropriate to clarify the applicability of fees under Rule General 8, Section 1(c) and to make clear that fees for cabinet power options applicable to Liquid Cooled Cabinets in NY11–5 have yet to be established. *See* proposed Rule General 8, Section 1(c).

[10] *See* proposed Rule General 8, Section 1(c). To effect this change, the Exchange proposes to enter under subparagraph (c) of Rule General 8, Section 1 the proposed cabinet power circuit options for NY11–5 by inserting ''Phase 3 40 amp 415 volt***'' and ''Phase 3 60 amp 415 volt***'' thereunder. The Exchange proposes to use the symbol triple asterisk (''***'') to clarify that such cabinet power circuits are for use in in Liquid-Cooled Cabinets in NY11–5 only, as provided in the proposed footnote to Rule General 8, Section 1(c). Pending the submission of its fee filing for such Liquid-Cooled Cabinet service, the Exchange further proposes to clarify, in the columns titled ''NY11–4/–5 Installation Fee'' and ''NY11–4/–5 Ongoing Monthly Fee ($550 per kVA)'' and using the acronym ''TBD'' in each instance, that the installation and ongoing monthly fees for such power circuits for Liquid-Cooled Cabinets in NY11–5 have yet to be determined. Finally, the Exchange proposes to enter ''N/A'' under the columns titled ''NY11 Installation Fee'' and ''NY11 Ongoing Monthly Fee ($550 per kVA)'' to clarify that that NY11-specific fees are not applicable to power circuits available only for Liquid-Cooled Cabinets in NY11–5. The Exchange believes the foregoing changes are appropriate to clarify that fees for the proposed services have yet to be determined as well as to provide greater specificity with respect to the applicability of certain fees to the Exchange's offerings, thereby facilitating comprehension of the Exchange's connectivity schedule as well as its use. *See id. See also supra* note 10 and accompanying text (explaining the rationale for limiting these offerings to Liquid-Cooled Cabinets).

[11] The Exchange will announce modifications to the proposed timing via the Nasdaq Customer Portal, which is the web portal used for order and inventory management of colocation services, and email communication to all colocation customers.

[12] Charging customers once access is provided is consistent with current practice and allows customers to set up equipment and begin using power.

opening its doors will allow the Exchange to plan ahead for capacity and demand for services, as well as procure necessary equipment.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[13] in general, and furthers the objectives of Section 6(b)(5) of the Act,[14] in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest. Today, the Exchange offers a cabinet option and varying power options for its data center colocation customers. The Exchange's proposal would expand these cabinet and power circuit options by introducing an additional cabinet featuring liquid cooling, as well as several options for powering such cabinet. Specifically, the proposal would benefit the public interest by providing colocation customers with a Liquid-Cooled Cabinet not offered by other exchanges, and one which offers customers the ability to deploy greater computing power with a defined cabinet space, as compared to air-cooled cabinets. Liquid-Cooled Cabinets are optional, however, because for many data center customers, air-cooled cabinets may be better suited to meet the requirements of their business operations. In general, the proposal is consistent with the Act because the Exchange's expansion of the data center, including the expansion of available cabinet options and related power will enable the Exchange to meet customer preferences and address customer demand for such services. In lieu of collocating directly with the Exchange, market participants may choose not to collocate at all or to collocate indirectly through a vendor.

The Exchange also believes that the proposal will not be unfairly discriminatory, consistent with the objectives of Section 6(b)(5) of the Act[15] because the expanded cabinet and related power options in the data center would be offered equally to all customers. Although optionality varies due to differing power configurations across the data center, any customer may order cabinets and power across the data center on the same terms as any other customer.

[13] 15 U.S.C. 78f(b).

[14] 15 U.S.C. 78f(b)(5).

[15] *Id.*

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange notes that this proposal does not concern itself with the speed at which customers can trade or the Equalization Project[16] because its scope is limited to introducing a liquid-cooled cabinet option in NY11–5 and does not extend to data communications networks.[17]

Nothing in the proposal imposes any burden on the ability of other exchanges to compete. The Exchange operates in a highly competitive market in which exchanges and other vendors offer colocation services as a means to facilitate the trading and other market activities of those market participants who believe that colocation enhances the efficiency of their operations.

Nothing in the Proposal burdens intra-market competition because the Exchange's colocation services, including those proposed herein, are available to any customer that wishes to order cabinets and power, and all such customers can do so on a non-discriminatory basis. Use of any colocation service is completely voluntary, and each market participant is able to determine whether to use colocation services based on the requirements of its business operations.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(iii)[18] of the Act and Rule 19b–4(f)(6) thereunder[19] in that it effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov*. Please include file number SR–NASDAQ–2026–013 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to file number SR–NASDAQ–2026–013. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (*https://www.sec.gov/rules/sro.shtml*). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR–NASDAQ–2026–013 and should be submitted on or before April 9, 2026.

[16] The Equalization Project is an Exchange initiative to equalize cross connects across the Exchange's entire data center campus. *See* Securities Exchange Act Release No. 34–101078 (Sep. 18, 2024), 89 FR 77937 (Sept. 24, 2024) (SR–NASDAQ–2024–054).

[17] *See supra* note 15 and accompanying text.

[18] 15 U.S.C. 78s(b)(3)(A)(iii).

[19] 17 CFR 240.19b–4(f)(6). Furthermore, Rule 19b–4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file a proposed rule change under that subsection at least five business days prior to the date of filing, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[20]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–05337 Filed 3–18–26; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–105017; File No. SR–Phlx–2026–13]

Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Introduce TNO Cross Connect, a Colocation Telecommunications Carrier Connectivity Service

March 16, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on March 10, 2026, Nasdaq PHLX LLC (''Phlx'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to introduce ''TNO Cross Connect,'' a telecommunications network operator (telco'' or ''TNO'') connectivity service, throughout its data center campus. The Exchange will submit a separate filing to establish fees for the service proposed herein.

The text of the proposed rule change is available on the Exchange's website at *https://listingcenter.nasdaq.com/rulebook/phlx/rulefilings,* and at the principal office of the Exchange.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to introduce ''TNO Cross Connect,'' a telecommunications network operator[3] (telco'' or ''TNO'') connectivity service, throughout its data center campus. The Exchange will submit a separate filing to establish fees for the service proposed herein.

Background

The Exchange's data center campus consists of the original data center (''NY11''), an expansion area (''NY11–4''), and a future expansion area (''NY11–5''). In a data center, a telco provider operates within a physical network infrastructure that enables external connectivity for data center customers, transporting customer data into and out of the facility through equipment the telco maintains onsite. In this role, the telco provides network services that allow customers to reach their broader networks by providing telecommunications access to external destinations.

Data Center Telco Connectivity

Throughout the Exchange's data center, including as retrofitted in NY11,[4] telco connectivity is implemented using Nasdaq-managed infrastructure[5] in which each telco connectivity proceeds from the telco carrier cage[6] cabinet patch panel[7] through Nasdaq-provided cabling to a Nasdaq-managed distribution point.[8] From there, additional Nasdaq-provided cabling connects the telco to the customer client cabinet patch panel.[9] All telco connectivity in the expansion areas and as scheduled to be retrofitted in NY11 follows this standardized route.[10]

TNO Cross Connect

The Exchange is now proposing to add to its fee schedule in Rule General 8, Section 1(b) a specified component of the telco-to-customer connectivity path and offer that component as a

[20] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] For purposes of this proposal, a Telecommunication Network Operator (TNO) means a provider of telecommunications carrier services that, owns, controls, or has the appropriate rights to use, the infrastructure necessary to sell and/or deliver telecommunications carrier services.

[4] The Exchange is undertaking a campus-wide project to implement equidistant telco connectivity within and among its original data center hall and expansion areas (''Equalization Project''). As part of this initiative, the original data center hall, NY11, is being retrofitted with equalized cabling and updated infrastructure. This model reflects Nasdaq's efforts to enhance the integrity of its data center networks by establishing standardized connectivity requirements for each component of the telco-to-customer connectivity path and exercising greater management oversight over its components. *See* Securities Exchange Act Release No. 34–101078 (Sept. 18, 2024), 89 FR 77937 (Sept. 24, 2024) (SR–NASDAQ–2024–054) (discussing the Equalization Project in greater detail).

[5] In data center halls NY11–4, NY11–5 and (as retrofitted in) NY11, cabling from the telco carrier cabinet to the Nasdaq-provided distribution point and onward to the customer cabinet is provided and managed by Nasdaq. All such connectivity is color-coded, inventoried, and auditable, thereby enhancing transparency and operational consistency across the infrastructure. By maintaining direct contractual and billing relationships with TNOs as it relates to connectivity and fully managing each component of the telco connectivity path, Nasdaq enhances the integrity of the telco-to-customer communications network and strengthens its ability to oversee and control that connectivity. In the legacy NY11 model, such connectivity, as well as contractual relationships with TNOs with respect to such connectivity, are largely provided or established by the data center operator. As discussed below, however, the data center operator has historically maintained (and continues to maintain) contractual relationships with TNOs in connection with other data center-provided products or services, such as the leasing of space by and the provision of power to the telco provider.

[6] The carrier cage is a meshed caged area or section in a data center which houses telco carrier and vendor equipment to which data center clients connect via Nasdaq or data center provided connectivity (the latter as in the case of legacy NY11). Throughout the data center campus, including NY11 and NY11–4, and NY11–5, the telco carrier cage cabinet is operated by the data center operator. The Exchange does not currently assess charges against telco providers, whether for use of such carrier cage space or otherwise.

[7] A patch panel is a passive cabling interface used in data centers to terminate, organize, and route network or fiber connections. It serves as a centralized panel of ports where incoming cables (*e.g.,* from a telco carrier cage or backbone infrastructure) connect on one side, and outgoing cables (*e.g.,* to customer cabinets, distribution points, or equipment racks) connect on the other.

[8] A distribution point is a designated passive cabling node within a data center's structured telecommunications architecture, where backbone or feeder cabling terminates, and from which downstream cabling is routed to customer cabinets or equipment locations. Distribution points serve as standardized, auditable locations used for organizing, patching, and managing connectivity.

[9] That section of the telco-to-customer connectivity path consisting of the connectivity from the Nasdaq-provided distribution point to the customer client cabinet is not the subject or purpose of this proposed rule change. The scope of the telco connectivity service proposed herein is limited to that section of the telco-to-customer connectivity path consisting of the cabling extending from the telco provider carrier cage to the Nasdaq-provided distribution point only.

[10] The Exchange is not proposing to modify its telco connectivity infrastructure. Rather, it seeks to designate a specific component of that infrastructure as a connectivity service, with associated fees to be established in a separate filing.

connectivity offering as described herein.[11] As proposed, the TNO Cross Connect [12] would consist solely of the cabling that runs from the telco's carrier cabinet through to the Nasdaq-provided distribution point.[13] The proposed service would not include the downstream customer-facing connectivity from the Nasdaq-provided distribution point to the customer client cabinet. As proposed, all TNOs seeking to connect with Nasdaq data center clients anywhere inside the data center campus will be required to interface through TNO Cross Connect thus enhancing the consistency of connectivity architecture inside the data center. The TNO Cross Connect would thus promote the integrity and transparency of telco connectivity inside the data center campus and support Nasdaq's ability to provide consistent oversight and maintenance of that connectivity. The Exchange notes that the New York Stock Exchange (NYSE) offers a comparable service at an established fee.[14] The Exchange will submit a filing proposing to establish fees for the TNO Cross Connect service proposed herein.

Impact of the Proposed Changes

The proposed TNO Cross Connect service is specific to TNOs and will be available to all TNOs on an equal basis. As proposed, all TNOs seeking to connect with Nasdaq data center clients anywhere inside the data center campus will be required to interface through TNO Cross Connect thus enhancing the consistency of connectivity architecture inside the data center. The proposed changes are not otherwise intended to address any other items relating to the Exchange's data center campus.

Implementation

The Exchange proposes to offer TNO Cross Connect throughout its data center campus. Although projected dates are subject to change, the Exchange anticipates launching the TNO Cross Connect offering during the second quarter of 2026.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[15] in general, and furthers the objectives of Section 6(b)(5) of the Act,[16] in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest.

As described above, the proposal provides for a defined and Exchange-managed connectivity pathway—the TNO Cross Connect—running from the telco carrier cage to the Nasdaq-managed distribution point. Through this structure, all TNOs interface with the Exchange's infrastructure through a uniformly administered, and auditable pathway, which in turn enhances the operational integrity and reliability of connectivity throughout the interior of the Exchange's data center campus. By establishing a standardized, Nasdaq-managed connectivity path in which the Exchange oversees the cabling, demarcation points, and supporting architecture, the proposal enhances Nasdaq's ability to monitor, maintain, and audit this connectivity. Implementing the proposed TNO Cross Connect thus enhances the integrity of connectivity within the Exchange's data center campus as well as Nasdaq's ability to implement, oversee, maintain, and manage that connectivity. As discussed above, other exchanges offer comparable telco carrier connectivity services at established fees.[17]

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

Nothing in the proposal imposes any burden on the ability of other exchanges to compete. The Exchange operates in a highly competitive market in which exchanges and other vendors offer colocation services to facilitate the trading and other market activities of those market participants who believe that colocation enhances the efficiency of their operations. As discussed above, other exchanges offer comparable telecommunication carrier connectivity services at established fees.

Nothing in the proposal burdens intra-market competition because the TNO Cross Connect will be available to any TNO who wishes to offer its services to the Exchange's data center customers on a non-discriminatory basis and each TNO who wants to offer its services to Nasdaq customers will be subject to the same requirements. As discussed above, any TNO that seeks to provide telecommunications services to Nasdaq's data center customers must use the proposed TNO Cross Connect. This requirement ensures that all TNOs interface with Nasdaq's infrastructure through a uniform, Exchange-managed connectivity path, which enhances the integrity, transparency, and consistency of connectivity throughout the data center campus. Requiring TNOs to use this Exchange-administered pathway does not restrict competition among TNOs; each TNO remains free to determine whether to offer its services to Nasdaq colocation customers and to compete with other TNOs on the basis of price and service quality. The proposal merely ensures that, if a TNO chooses to do business with Nasdaq customers, the TNO must connect through the TNO Cross Connect, which serves as the standardized, regulated point of access. Accordingly, the proposal does not impose any burden on inter-market or intra-market competition that is not necessary or appropriate under the Act.

[11] The Exchange does not currently assess charges against telco providers in the data center, whether for any component of the telco to customer connectivity path or otherwise. The Exchange is now proposing to introduce TNO Cross Connect to designate a certain component of the telco-to-customer cabinet cabling path, as described herein, as a connectivity service. The Exchange will submit a separate filing to establish fees for the service proposed herein.

[12] As discussed below, the Exchange proposes to offer TNO Cross Connect throughout its data center campus, including NY11 (as fully retrofitted), NY11–4, and NY11–5 with implementation to take place during the second quarter of 2026. In the context of the proposed TNO Cross Connect service, a cross-connect refers to the physical, point-to-point cabling that links a telecommunications network operator from its data center-operated carrier cabinet to the Nasdaq-controlled distribution point within the data center. A cross-connect is a direct physical connection between two distinct demarcation points in a data center, typically used to provide a private, reliable path between a customer and a service provider.

[13] To effect this change, the Exchange proposes to amend subparagraph (b) of Rule General 8, Section 1 as follows. The Exchange proposes to insert, immediately below the caption ''Fiber'' the words ''TNO Cross Connect.'' The Exchange further proposes to insert, where the column titled ''Installation Fee'' intersects the proposed entry ''TNO Cross Connect,'' the acronym ''TBD.'' Similarly, the Exchange proposes to enter ''TBD'' where the proposed entry ''TNO Cross Connect'' intersects the column titled ''Ongoing Monthly Fee.'' The Exchange believes the proposed changes are appropriate to indicate the introduction of the proposed connectivity service under subparagraph (b) of Rule General 8, Section 1, and to clarify that the proposed installation and ongoing monthly fees for such proposed service have yet to be established. As discussed above, the Exchange will submit a separate filing proposing fees for the TNO Cross Connect.

[14] *See* New York Stock Exchange LLC, Connectivity Fee Schedule (Jan. 1, 2026) (offering, under Section D (''Meet Me-Room ('MMR') Services'') thereof, a service titled ''Carrier Connection Fee'' to ''[m]aintain Telecom's connections to its non-Telecom data center customers'' for a monthly fee of $1,150) available at *https://www.nyse.com/publicdocs/nyse/Wireless_Connectivity_Fees_and_Charges.pdf.*

[15] 15 U.S.C. 78f(b).

[16] 15 U.S.C. 78f(b)(5).

[17] *See supra* note 14 and accompanying text.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(iii) [18] of the Act and Rule 19b–4(f)(6) thereunder [19] in that it effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include file number SR–Phlx–2026–13 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to file number SR–Phlx–2026–13. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (*https://www.sec.gov/rules/sro.shtml*). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection.

All submissions should refer to file number SR–Phlx–2026–13 and should be submitted on or before April 9, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[20]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–05347 Filed 3–18–26; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–105012; File No. SR–GEMX–2026–08]

Self-Regulatory Organizations; Nasdaq GEMX, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Introduce TNO Cross Connect, a Colocation Telecommunications Carrier Connectivity Service

March 16, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on March 10, 2026, Nasdaq GEMX, LLC (''GEMX'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to introduce ''TNO Cross Connect,'' a telecommunications network operator (telco'' or ''TNO'') connectivity service, throughout its data center campus. The Exchange will submit a separate filing to establish fees for the service proposed herein.

The text of the proposed rule change is available on the Exchange's website at *https://listingcenter.nasdaq.com/rulebook/gemx/rulefilings,* and at the principal office of the Exchange.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to introduce ''TNO Cross Connect,'' a telecommunications network operator [3] (telco'' or ''TNO'') connectivity service, throughout its data center campus. The Exchange will submit a separate filing to establish fees for the service proposed herein.

Background

The Exchange's data center campus consists of the original data center (''NY11''), an expansion area (''NY11–4''), and a future expansion area (''NY11–5''). In a data center, a telco provider operates within a physical network infrastructure that enables external connectivity for data center customers, transporting customer data into and out of the facility through equipment the telco maintains onsite. In this role, the telco provides network services that allow customers to reach

[18] 15 U.S.C. 78s(b)(3)(A)(iii).

[19] 17 CFR 240.19b–4(f)(6). Furthermore, Rule 19b–4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file a proposed rule change under that subsection at least five business days prior to the date of filing, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

[20] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] For purposes of this proposal, a Telecommunication Network Operator (TNO) means a provider of telecommunications carrier services that, owns, controls, or has the appropriate rights to use, the infrastructure necessary to sell and/or deliver telecommunications carrier services.

their broader networks by providing telecommunications access to external destinations.

Data Center Telco Connectivity

Throughout the Exchange's data center, including as retrofitted in NY11,[4] telco connectivity is implemented using Nasdaq-managed infrastructure[5] in which each telco connectivity proceeds from the telco carrier cage[6] cabinet patch panel[7] through Nasdaq-provided cabling to a Nasdaq-managed distribution point.[8] From there, additional Nasdaq-provided cabling connects the telco to the customer client cabinet patch panel.[9] All telco connectivity in the expansion areas and as scheduled to be retrofitted in NY11 follows this standardized route.[10]

TNO Cross Connect

The Exchange is now proposing to add to its fee schedule in Rule General 8, Section 1(b) a specified component of the telco-to-customer connectivity path and offer that component as a connectivity offering as described herein.[11] As proposed, the TNO Cross Connect[12] would consist solely of the cabling that runs from the telco's carrier cabinet through to the Nasdaq-provided distribution point.[13] The proposed service would not include the downstream customer-facing connectivity from the Nasdaq-provided distribution point to the customer client cabinet. As proposed, all TNOs seeking to connect with Nasdaq data center clients anywhere inside the data center campus will be required to interface through TNO Cross Connect thus enhancing the consistency of connectivity architecture inside the data center. The TNO Cross Connect would thus promote the integrity and transparency of telco connectivity inside the data center campus and support Nasdaq's ability to provide consistent oversight and maintenance of that connectivity. The Exchange notes that the New York Stock Exchange (NYSE) offers a comparable service at an established fee.[14] The Exchange will submit a filing proposing to establish fees for the TNO Cross Connect service proposed herein.

Impact of the Proposed Changes

The proposed TNO Cross Connect service is specific to TNOs and will be available to all TNOs on an equal basis. As proposed, all TNOs seeking to connect with Nasdaq data center clients anywhere inside the data center campus will be required to interface through TNO Cross Connect thus enhancing the consistency of connectivity architecture inside the data center. The proposed changes are not otherwise intended to address any other items relating to the Exchange's data center campus.

Implementation

The Exchange proposes to offer TNO Cross Connect throughout its data center campus. Although projected dates are subject to change, the Exchange anticipates launching the TNO Cross Connect offering during the second quarter of 2026.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[15] in general, and furthers the objectives of Section 6(b)(5) of the Act,[16] in particular, in that it is designed to promote just and equitable principles of

[4] The Exchange is undertaking a campus-wide project to implement equidistant telco connectivity within and among its original data center hall and expansion areas (''Equalization Project''). As part of this initiative, the original data center hall, NY11, is being retrofitted with equalized cabling and updated infrastructure. This model reflects Nasdaq's efforts to enhance the integrity of its data center networks by establishing standardized connectivity requirements for each component of the telco-to-customer connectivity path and exercising greater management oversight over its components. *See* Securities Exchange Act Release No. 34–101078 (Sept. 18, 2024), 89 FR 77937 (Sept. 24, 2024) (SR–NASDAQ–2024–054) (discussing the Equalization Project in greater detail).

[5] In data center halls NY11–4, NY11–5 and (as retrofitted in) NY11, cabling from the telco carrier cabinet to the Nasdaq-provided distribution point and onward to the customer cabinet is provided and managed by Nasdaq. All such connectivity is color-coded, inventoried, and auditable, thereby enhancing transparency and operational consistency across the infrastructure. By maintaining direct contractual and billing relationships with TNOs as it relates to connectivity and fully managing each component of the telco connectivity path, Nasdaq enhances the integrity of the telco-to-customer communications network and strengthens its ability to oversee and control that connectivity. In the legacy NY11 model, such connectivity, as well as contractual relationships with TNOs with respect to such connectivity, are largely provided or established by the data center operator. As discussed below, however, the data center operator has historically maintained (and continues to maintain) contractual relationships with TNOs in connection with other data center-provided products or services, such as the leasing of space by and the provision of power to the telco provider.

[6] The carrier cage is a meshed caged area or section in a data center which houses telco carrier and vendor equipment to which data center clients connect via Nasdaq or data center provided connectivity (the latter as in the case of legacy NY11). Throughout the data center campus, including NY11 and NY11–4, and NY11–5, the telco carrier cage cabinet is operated by the data center operator. The Exchange does not currently assess charges against telco providers, whether for use of such carrier cage space or otherwise.

[7] A patch panel is a passive cabling interface used in data centers to terminate, organize, and route network or fiber connections. It serves as a centralized panel of ports where incoming cables (*e.g.,* from a telco carrier cage or backbone infrastructure) connect on one side, and outgoing cables (*e.g.,* to customer cabinets, distribution points, or equipment racks) connect on the other.

[8] A distribution point is a designated passive cabling node within a data center's structured telecommunications architecture, where backbone or feeder cabling terminates, and from which downstream cabling is routed to customer cabinets or equipment locations. Distribution points serve as standardized, auditable locations used for organizing, patching, and managing connectivity.

[9] That section of the telco-to-customer connectivity path consisting of the connectivity from the Nasdaq-provided distribution point to the customer client cabinet is not the subject or purpose of this proposed rule change. The scope of the telco connectivity service proposed herein is limited to that section of the telco-to-customer connectivity path consisting of the cabling extending from the telco provider carrier cage to the Nasdaq-provided distribution point only.

[10] The Exchange is not proposing to modify its telco connectivity infrastructure. Rather, it seeks to designate a specific component of that infrastructure as a connectivity service, with associated fees to be established in a separate filing.

[11] The Exchange does not currently assess charges against telco providers in the data center, whether for any component of the telco to customer connectivity path or otherwise. The Exchange is now proposing to introduce TNO Cross Connect to designate a certain component of the telco-to-customer cabinet cabling path, as described herein, as a connectivity service. The Exchange will submit a separate filing to establish fees for the service proposed herein.

[12] As discussed below, the Exchange proposes to offer TNO Cross Connect throughout its data center campus, including NY11 (as fully retrofitted), NY11–4, and NY11–5 with implementation to take place during the second quarter of 2026. In the context of the proposed TNO Cross Connect service, a cross-connect refers to the physical, point-to-point cabling that links a telecommunications network operator from its data center-operated carrier cabinet to the Nasdaq-controlled distribution point within the data center. A cross-connect is a direct physical connection between two distinct demarcation points in a data center, typically used to provide a private, reliable path between a customer and a service provider.

[13] To effect this change, the Exchange proposes to amend subparagraph (b) of Rule General 8, Section 1 as follows. The Exchange proposes to insert, immediately below the caption ''Fiber'' the words ''TNO Cross Connect.'' The Exchange further proposes to insert, where the column titled ''Installation Fee'' intersects the proposed entry ''TNO Cross Connect,'' the acronym ''TBD.'' Similarly, the Exchange proposes to enter ''TBD'' where the proposed entry ''TNO Cross Connect'' intersects the column titled ''Ongoing Monthly Fee.'' The Exchange believes the proposed changes are appropriate to indicate the introduction of the proposed connectivity service under subparagraph (b) of Rule General 8, Section 1, and to clarify that the proposed installation and ongoing monthly fees for such proposed service have yet to be established. As discussed above, the Exchange will submit a separate filing proposing fees for the TNO Cross Connect.

[14] *See* New York Stock Exchange LLC, Connectivity Fee Schedule (Jan. 1, 2026) (offering, under Section D (''Meet Me-Room ('MMR') Services'') thereof, a service titled ''Carrier Connection Fee'' to ''[m]aintain Telecom's connections to its non-Telecom data center customers'' for a monthly fee of $1,150) available at *https://www.nyse.com/publicdocs/nyse/Wireless_Connectivity_Fees_and_Charges.pdf.*

[15] 15 U.S.C. 78f(b).

[16] 15 U.S.C. 78f(b)(5).

trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest.

As described above, the proposal provides for a defined and Exchange-managed connectivity pathway—the TNO Cross Connect—running from the telco carrier cage to the Nasdaq-managed distribution point. Through this structure, all TNOs interface with the Exchange's infrastructure through a uniformly administered, and auditable pathway, which in turn enhances the operational integrity and reliability of connectivity throughout the interior of the Exchange's data center campus. By establishing a standardized, Nasdaq-managed connectivity path in which the Exchange oversees the cabling, demarcation points, and supporting architecture, the proposal enhances Nasdaq's ability to monitor, maintain, and audit this connectivity. Implementing the proposed TNO Cross Connect thus enhances the integrity of connectivity within the Exchange's data center campus as well as Nasdaq's ability to implement, oversee, maintain, and manage that connectivity. As discussed above, other exchanges offer comparable telco carrier connectivity services at established fees.[17]

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

Nothing in the proposal imposes any burden on the ability of other exchanges to compete. The Exchange operates in a highly competitive market in which exchanges and other vendors offer colocation services to facilitate the trading and other market activities of those market participants who believe that colocation enhances the efficiency of their operations. As discussed above, other exchanges offer comparable telecommunication carrier connectivity services at established fees.

Nothing in the proposal burdens intra-market competition because the TNO Cross Connect will be available to any TNO who wishes to offer its services to the Exchange's data center customers on a non-discriminatory basis and each TNO who wants to offer its services to Nasdaq customers will be subject to the same requirements. As discussed above, any TNO that seeks to provide telecommunications services to Nasdaq's data center customers must use the proposed TNO Cross Connect. This requirement ensures that all TNOs interface with Nasdaq's infrastructure through a uniform, Exchange-managed connectivity path, which enhances the integrity, transparency, and consistency of connectivity throughout the data center campus. Requiring TNOs to use this Exchange-administered pathway does not restrict competition among TNOs; each TNO remains free to determine whether to offer its services to Nasdaq colocation customers and to compete with other TNOs on the basis of price and service quality. The proposal merely ensures that, if a TNO chooses to do business with Nasdaq customers, the TNO must connect through the TNO Cross Connect, which serves as the standardized, regulated point of access. Accordingly, the proposal does not impose any burden on inter-market or intra-market competition that is not necessary or appropriate under the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(iii) [18] of the Act and Rule 19b–4(f)(6) thereunder [19] in that it effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include file number SR–GEMX–2026–08 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to file number SR–GEMX–2026–08. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (*https://www.sec.gov/rules/sro.shtml*). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection.

All submissions should refer to file number SR–GEMX–2026–08 and should be submitted on or before April 9, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[20]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–05342 Filed 3–18–26; 8:45 am]

BILLING CODE 8011–01–P

[17] *See supra* note 14 and accompanying text.

[18] 15 U.S.C. 78s(b)(3)(A)(iii).

[19] 17 CFR 240.19b–4(f)(6). Furthermore, Rule 19b–4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file a proposed rule change under that subsection at least five business days prior to the date of filing, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

[20] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 36019; 812–15984]

First Trust Portfolios L.P. and FTP Series

March 17, 2026.

AGENCY: Securities and Exchange Commission (''Commission'').

ACTION: Notice.

Notice of an application under (a) section 6(c) of the Investment Company Act of 1940 (''Act'') for an exemption from sections 2(a)(32), 2(a)(35), 14(a), 19(b), 22(d) and 26(a)(2)(C) of the Act and rules 19b–1 and rule 22c–1 thereunder and (b) sections 11(a) and 11(c) of the Act for approval of certain exchange and rollover privileges.

SUMMARY OF APPLICATION: Applicants request an order to permit certain unit investment trusts (''UIT'') to: (a) impose sales charges on a deferred basis and waive the deferred sales charge in certain cases; (b) offer unitholders certain exchange and rollover options; (c) publicly offer units without requiring the Depositor to take for its own account $100,000 worth of units; and (d) distribute capital gains resulting from the sale of portfolio securities within a reasonable time after receipt.

APPLICANTS: First Trust Portfolios L.P. (''First Trust'') and FTP Series.

FILING DATES: The application was filed on February 6, 2026.

HEARING OR NOTIFICATION OF HEARING: An order granting the requested relief will be issued unless the Commission orders a hearing. Interested persons may request a hearing on any application by emailing the SEC's Secretary at *Secretarys-Office@sec.gov* and serving the Applicants with a copy of the request by email, if an email address is listed for the relevant Applicant below, or personally or by mail, if a physical address is listed for the relevant Applicant below. The email should include the file number referenced above. Hearing requests should be received by the Commission by 5:30 p.m., Eastern Time, on April 10, 2026, and should be accompanied by proof of service on the Applicants, in the form of an affidavit, or, for lawyers, a certificate of service. Pursuant to rule 0–5 under the Act, hearing requests should state the nature of the writer's interest, any facts bearing upon the desirability of a hearing on the matter, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by emailing the Commission's Secretary at *Secretarys-Office@sec.gov.*

ADDRESSES: The Commission: *Secretarys-Office@sec.gov.* Applicants: W. Scott Jardine, First Trust Portfolios L.P. and FTP Series, 120 East Liberty Drive, Suite 400, Wheaton, Illinois 60187; Felice Foundos, Brian D. Free, and Daniel J. Fallon, Chapman and Cutler LLP, 320 South Canal Street, Chicago, IL 60606.

FOR FURTHER INFORMATION CONTACT: Jacob Krawitz, Senior Special Counsel, or Kaitlin C. Bottock, Assistant Director, at (202) 551–6825 (Division of Investment Management, Chief Counsel's Office).

SUPPLEMENTARY INFORMATION: For Applicants' representations, legal analysis, and conditions, please refer to Applicants' application, dated February 6, 2026, which may be obtained via the Commission's website by searching for the file number at the top of this document, or for an Applicant using the Company name search field on the SEC's EDGAR system. The SEC's EDGAR system may be searched at *https://www.sec.gov/edgar/search/.* You may also call the SEC's Office of Investor Education and Advocacy at (202) 551–8090.

For the Commission, by the Division of Investment Management, under delegated authority.

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–05432 Filed 3–18–26; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–105005; File No. SR–MRX–2026–07]

Self-Regulatory Organizations; Nasdaq MRX, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Expand the Exchange's Co-Location Services

March 16, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on March 3, 2026, Nasdaq MRX, LLC (''MRX'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to expand its co-location services by offering new cabinet and power options in the Exchange's expanded data center, as described here below.

The text of the proposed rule change is available on the Exchange's website at *https://listingcenter.nasdaq.com/rulebook/mrx/rulefilings,* and at the principal office of the Exchange.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to expand its co-location services by offering new cabinet and power options in the Exchange's expanded data center. The Exchange's current data center consists of the original data center (''NY11''), an expansion area (''NY11–4''), and a future expansion area (''NY11–5'').

The Exchange submits this filing to propose a new service in NY11–5, as described below. The Exchange will submit a fee filing to establish fees for the services described herein.

New Service in NY11–5: Liquid Cooled Cabinet

Currently, co-location customers have the option of obtaining a cabinet capable of accommodating varying power options. Co-location customers may obtain a Cabinet and choose among varying power options as provided under Rule General 8, Section 1.[3]

The Exchange proposes to introduce an additional cabinet option in NY11–5. Specifically, the Exchange proposes to introduce a cabinet featuring liquid

[3] *See* Rule General 8, Section 1(a)–(c).

cooling,[4] a cooling method that uses liquid, rather than air, to absorb and transfer heat away from equipment, such as servers (''Liquid-Cooled Cabinet'').[5] As proposed, data center customers may either supply their own cabinets or elect to have Nasdaq provide the cabinets for the customer's use in connection with the proposed Liquid-Cooled Cabinet service.[6] Depending on business needs of data center customers, a Liquid-Cooled Cabinet might be more attractive to data center customers because liquid cooling is more efficient and enables space optimization in ways that air cooling methods would struggle to support. For example, a Liquid-Cooled Cabinet could handle greater power densities within a given space than would air cooling. For data center customers, this translates into the ability to deploy more computing power within the same cabinet footprint. In effect, Liquid-Cooled Cabinets would allow data center customers to install more of the computing equipment that data center customers typically use within their cabinet than they would with air cooling methods because liquid cooling is more efficient at dissipating heat from a given cabinet space. The Exchange notes that data center customers prefer denser environments to minimize distance between equipment and thus maximize computing power within a given space. As proposed, the Liquid-Cooled Cabinet option would only be offered in NY11–5 because the required liquid-cooled infrastructure necessary to support the proposed cabinets is not available in other parts of the data center.[7] The Exchange notes that Liquid-Cooled Cabinets are offered as one other option for data center customers to choose from because traditionally cooled cabinets throughout the data center will continue to provide the level of thermal management appropriate for each cabinet offering that the Exchange provides.

As discussed above, the Exchange is offering the Liquid-Cooled Cabinets as a convenience to its customers and notes that use of colocation services, including the proposed Liquid-Cooled Cabinet service, is completely optional. Colocation services, including the proposed offering, are voluntary, and each customer may determine whether any colocation option is appropriate for its business needs.

NY11–5 Cabinet Power Circuits

Rule General 8, Section 1(c) provides that the following five cabinet power circuit options are only available in (and that one of these must be selected for) NY11–4: Phase 1 20 amp 240 volt, Phase 1 32 amp 240 volt, Phase 1 40 amp 240 volt, Phase 3 20 amp 415 volt, and Phase 3 32 amp 415 volt.[8] The Exchange proposes to provide that the foregoing five cabinet power circuit options are also available for Liquid-Cooled Cabinets in NY11–5.[9]

The Exchange further proposes to provide two new power options that will be available only for Liquid-Cooled Cabinets in NY11–5: Phase 3, 40 amp, 415 volt and Phase 3, 60 amp 415 volt.[10] These power circuit options are available only for Liquid-Cooled Cabinets in NY11–5 as an additional offering for customers seeking higher power options for their Liquid-Cooled Cabinets. Although different options will be offered throughout the data center due to differing power configurations, the new cabinet power options are not inherently preferable to the existing cabinet power options because customers have varying preferences for power circuits based on their operational needs and the Exchange does not anticipate material differences in equipment performance based on the power distribution. As between the various power circuit options, customers choose power based on their preferences and capacity needs.

[4] The proposed cabinets would offer liquid versus air cooling. Specifically, the liquid-cooling method uses pipes to circulate chilled water or specialized coolant to client equipment. Liquid cooling facilitates heat dissipation, allowing processors to operate more efficiently than those cooled by air-to-air heat exchange. Liquids have a much higher thermal conductivity and heat capacity, so they can absorb and move heat faster and in smaller volumes.

[5] *See* proposed Rule General 8, Section 1(a). To effect this change, the Exchange proposes to amend Rule General 8, Section 1(a) as follows. First, the Exchange proposes to insert the proposed Liquid-Cooled Cabinet in the table at subparagraph (a) of Rule General 8, Section 1 by inserting the words ''Liquid-Cooled Cabinet—Nasdaq Provided**'' and the words ''Liquid-Cooled Cabinet—Customer Provided**'' immediately following the ''Cabinet'' entry in Rule General 8, Section 1(a). The Exchange further proposes to designate such entries with the symbol ''**'' to make clear, as provided in the proposed footnote to Rule General 8, Section 1(a), that Liquid-Cooled Cabinets, both the Exchange as well as Customer provided, are available only in NY11–5. Pending the submission of a fee filing for the proposed Liquid-Cooled Cabinet, the Exchange proposes a non-substantive change to enter the acronym ''TBD'' under the column titled ''NY11–4/–5 Installation Fee'' as well as the column titled ''Ongoing Monthly Fee.'' The Exchange believes this proposed non-substantive change is appropriate to indicate that all such fees for the proposed Liquid-Cooled Cabinet have yet to be established. Finally, the Exchange proposes to enter ''N/A'' under the column titled ''NY11 Installation Fee'' to clarify that NY–11-related fees are not applicable to Liquid-Cooled Cabinets available only in NY11–5. *See id.*

[6] *See* proposed Rule General 8, Section 1(a). The proposal would permit customers to use either Nasdaq-provided Liquid-Cooled Cabinets or their own, unlike traditional air-cooled cabinets, which must be Nasdaq-provided. Providing the option for customer-provided cabinets is appropriate here because the Liquid-Cooled Cabinet is purpose-built for the customer within a dedicated enclosure specifically designed to suit the customer's liquid-cooling infrastructure requirements for which a self-provided cabinet may, depending on the circumstances, be more appropriate to suit the customer's needs.

[7] To the best of the Exchange's knowledge, no other national securities exchange offers liquid-cooled cabinets as a colocation option.

[8] *See* Rule General 8, Section 1(c).

[9] The five cabinet power circuit options (Phase 1 20A/240V, 32A/240V, 40A/240V; Phase 3 20A/415V, 32A/415V) are available for both air-cooled and Liquid-Cooled Cabinets because the cabinet power they support (approximately 5–23 kW) remains within the thermal capabilities of traditional air-cooling systems. By contrast, the higher-power Phase 3 40A/415V and 60A/415V options (≈29–43 kW) discussed below exceed the threshold at which air cooling is efficient or practicable and therefore are limited to Liquid-Cooled Cabinets. To effect this change, the Exchange proposes to amend the footnotes to Rule General 8, Section 1(c) as follows. The Exchange proposes to modify the footnote designated with a single asterisk (''*'') to add, immediately following the final sentence in that footnote, the following sentence: ''These options are available also for Liquid-Cooled Cabinets in NY11–5.'' In addition, and pending the submission of a proposal to establish fees for proposed Liquid-Cooled Cabinets in NY11–5, the Exchange proposes to clarify, in a new footnote to Rule General 8, Section 1(c) designated with a dagger symbol (''†''), that fees depicted under Rule General 8, Section 1(c) for cabinet power options that are designated with the dagger symbol (''†'') are fees for other than Liquid-Cooled Cabinets in NY11–5. The Exchange believes these proposed changes are appropriate to clarify the applicability of fees under Rule General 8, Section 1(c) and to make clear that fees for cabinet power options applicable to Liquid Cooled Cabinets in NY11–5 have yet to be established. *See* proposed Rule General 8, Section 1(c).

[10] *See* proposed Rule General 8, Section 1(c). To effect this change, the Exchange proposes to enter under subparagraph (c) of Rule General 8, Section 1 the proposed cabinet power circuit options for NY11–5 by inserting ''Phase 3 40 amp 415 volt***'' and ''Phase 3 60 amp 415 volt***'' thereunder. The Exchange proposes to use the symbol triple asterisk (''***'') to clarify that such cabinet power circuits are for use in in Liquid-Cooled Cabinets in NY11–5 only, as provided in the proposed footnote to Rule General 8, Section 1(c). Pending the submission of its fee filing for such Liquid-Cooled Cabinet service, the Exchange further proposes to clarify, in the columns titled ''NY11–4/–5 Installation Fee'' and ''NY11–4/–5 Ongoing Monthly Fee ($550 per kVA)'' and using the acronym ''TBD'' in each instance, that the installation and ongoing monthly fees for such power circuits for Liquid-Cooled Cabinets in NY11–5 have yet to be determined. Finally, the Exchange proposes to enter ''N/A'' under the columns titled ''NY11 Installation Fee'' and ''NY11 Ongoing Monthly Fee ($550 per kVA)'' to clarify that that NY11-specific fees are not applicable to power circuits available only for Liquid-Cooled Cabinets in NY11–5. The Exchange believes the foregoing changes are appropriate to clarify that fees for the proposed services have yet to be determined as well as to provide greater specificity with respect to the applicability of certain fees to the Exchange's offerings, thereby facilitating comprehension of the Exchange's connectivity schedule as well as its use. *See id. See also supra* note 10 and accompanying text (explaining the rationale for limiting these offerings to Liquid-Cooled Cabinets).

Implementation

Although the timing is subject to change,[11] the Exchange anticipates granting access to NY11–5 during the first quarter of 2026, on or about April 3, 2026. As discussed above, the Exchange will submit a fee filing to establish fees for the services described herein.

In concert with this filing, the Exchange will allow customers to place orders for Liquid-Cooled Cabinets in NY11–5, which orders would not be fee liable until fees for such services are established and customers are provided access to the space for their immediate use, whether to trade or otherwise, on or about April 3, 2026.[12] Allowing customers to place orders in advance of opening its doors will allow the Exchange to plan ahead for capacity and demand for services, as well as procure necessary equipment.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[13] in general, and furthers the objectives of Section 6(b)(5) of the Act,[14] in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest. Today, the Exchange offers a cabinet option and varying power options for its data center colocation customers. The Exchange's proposal would expand these cabinet and power circuit options by introducing an additional cabinet featuring liquid cooling, as well as several options for powering such cabinet. Specifically, the proposal would benefit the public interest by providing colocation customers with a Liquid-Cooled Cabinet not offered by other exchanges, and one which offers customers the ability to deploy greater computing power with a defined cabinet space, as compared to air-cooled cabinets. Liquid-Cooled Cabinets are optional, however, because for many data center customers, air-cooled cabinets may be better suited to meet the requirements of their business operations. In general, the proposal is consistent with the Act because the Exchange's expansion of the data center, including the expansion of available cabinet options and related power will enable the Exchange to meet customer preferences and address customer demand for such services. In lieu of collocating directly with the Exchange, market participants may choose not to collocate at all or to collocate indirectly through a vendor.

The Exchange also believes that the proposal will not be unfairly discriminatory, consistent with the objectives of Section 6(b)(5) of the Act[15] because the expanded cabinet and related power options in the data center would be offered equally to all customers. Although optionality varies due to differing power configurations across the data center, any customer may order cabinets and power across the data center on the same terms as any other customer.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange notes that this proposal does not concern itself with the speed at which customers can trade or the Equalization Project[16] because its scope is limited to introducing a liquid-cooled cabinet option in NY11–5 and does not extend to data communications networks.[17]

Nothing in the proposal imposes any burden on the ability of other exchanges to compete. The Exchange operates in a highly competitive market in which exchanges and other vendors offer colocation services as a means to facilitate the trading and other market activities of those market participants who believe that colocation enhances the efficiency of their operations.

Nothing in the Proposal burdens intra-market competition because the Exchange's colocation services, including those proposed herein, are available to any customer that wishes to order cabinets and power, and all such customers can do so on a non-discriminatory basis. Use of any colocation service is completely voluntary, and each market participant is able to determine whether to use colocation services based on the requirements of its business operations.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(iii)[18] of the Act and Rule 19b–4(f)(6) thereunder[19] in that it effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov*. Please include file number SR–MRX–2026–07 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange

[11] The Exchange will announce modifications to the proposed timing via the Nasdaq Customer Portal, which is the web portal used for order and inventory management of colocation services, and email communication to all colocation customers.

[12] Charging customers once access is provided is consistent with current practice and allows customers to set up equipment and begin using power.

[13] 15 U.S.C. 78f(b).

[14] 15 U.S.C. 78f(b)(5).

[15] *Id.*

[16] The Equalization Project is an Exchange initiative to equalize cross connects across the Exchange's entire data center campus. *See* Securities Exchange Act Release No. 34–101078 (Sep. 18, 2024), 89 FR 77937 (Sept. 24, 2024) (SR–NASDAQ–2024–054).

[17] *See supra* note 15 and accompanying text.

[18] 15 U.S.C. 78s(b)(3)(A)(iii).

[19] 17 CFR 240.19b–4(f)(6). Furthermore, Rule 19b–4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file a proposed rule change under that subsection at least five business days prior to the date of filing, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to file number SR–MRX–2026–07. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (*https://www.sec.gov/rules/sro.shtml*). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR–MRX–2026–07 and should be submitted on or before April 9, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[20]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–05336 Filed 3–18–26; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–105008; File No. SR–NasdaqTX–2026–004]

Self-Regulatory Organizations; Nasdaq Texas, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Expand the Exchange's Co-Location Services

March 16, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on March 3, 2026, Nasdaq Texas, LLC (''Nasdaq Texas'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to expand its co-location services by offering new cabinet and power options in the Exchange's expanded data center, as described here below.

The text of the proposed rule change is available on the Exchange's website at *https://listingcenter.nasdaq.com/rulebook/nasdaqtx/rulefilings,* and at the principal office of the Exchange.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to expand its co-location services by offering new cabinet and power options in the Exchange's expanded data center. The Exchange's current data center consists of the original data center (''NY11''), an expansion area (''NY11–4''), and a future expansion area (''NY11–5'').

The Exchange submits this filing to propose a new service in NY11–5, as described below. The Exchange will submit a fee filing to establish fees for the services described herein.

New Service in NY11–5: Liquid Cooled Cabinet

Currently, co-location customers have the option of obtaining a cabinet capable of accommodating varying power options. Co-location customers may obtain a Cabinet and choose among varying power options as provided under Rule General 8, Section 1.[3]

The Exchange proposes to introduce an additional cabinet option in NY11–5. Specifically, the Exchange proposes to introduce a cabinet featuring liquid cooling,[4] a cooling method that uses liquid, rather than air, to absorb and transfer heat away from equipment, such as servers (''Liquid-Cooled Cabinet'').[5] As proposed, data center customers may either supply their own cabinets or elect to have Nasdaq provide the cabinets for the customer's use in connection with the proposed Liquid-Cooled Cabinet service.[6] Depending on business needs of data center customers, a Liquid-Cooled Cabinet might be more attractive to data center customers because liquid cooling is more efficient and enables space optimization in ways that air cooling methods would struggle to support. For example, a Liquid-Cooled Cabinet could handle greater power densities within a given space than would air cooling. For data center customers, this translates into the ability to deploy more computing power within the same cabinet footprint. In effect, Liquid-Cooled Cabinets would allow data center customers to install more of the computing equipment that data center customers typically use within their cabinet than they would with air

[20] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] *See* Rule General 8, Section 1(a)–(c).

[4] The proposed cabinets would offer liquid versus air cooling. Specifically, the liquid-cooling method uses pipes to circulate chilled water or specialized coolant to client equipment. Liquid cooling facilitates heat dissipation, allowing processors to operate more efficiently than those cooled by air-to-air heat exchange. Liquids have a much higher thermal conductivity and heat capacity, so they can absorb and move heat faster and in smaller volumes.

[5] *See* proposed Rule General 8, Section 1(a). To effect this change, the Exchange proposes to amend Rule General 8, Section 1(a) as follows. First, the Exchange proposes to insert the proposed Liquid-Cooled Cabinet in the table at subparagraph (a) of Rule General 8, Section 1 by inserting the words ''Liquid-Cooled Cabinet—Nasdaq Provided**'' and the words ''Liquid-Cooled Cabinet—Customer Provided**'' immediately following the ''Cabinet'' entry in Rule General 8, Section 1(a). The Exchange further proposes to designate such entries with the symbol ''**'' to make clear, as provided in the proposed footnote to Rule General 8, Section 1(a), that Liquid-Cooled Cabinets, both the Exchange as well as Customer provided, are available only in NY11–5. Pending the submission of a fee filing for the proposed Liquid-Cooled Cabinet, the Exchange proposes a non-substantive change to enter the acronym ''TBD'' under the column titled ''NY11–4/–5 Installation Fee'' as well as the column titled ''Ongoing Monthly Fee.'' The Exchange believes this proposed non-substantive change is appropriate to indicate that all such fees for the proposed Liquid-Cooled Cabinet have yet to be established. Finally, the Exchange proposes to enter ''N/A'' under the column titled ''NY11 Installation Fee'' to clarify that NY–11-related fees are not applicable to Liquid-Cooled Cabinets available only in NY11–5. *See id.*

[6] *See* proposed Rule General 8, Section 1(a). The proposal would permit customers to use either Nasdaq-provided Liquid-Cooled Cabinets or their own, unlike traditional air-cooled cabinets, which must be Nasdaq-provided. Providing the option for customer-provided cabinets is appropriate here because the Liquid-Cooled Cabinet is purpose-built for the customer within a dedicated enclosure specifically designed to suit the customer's liquid-cooling infrastructure requirements for which a self-provided cabinet may, depending on the circumstances, be more appropriate to suit the customer's needs.

cooling methods because liquid cooling is more efficient at dissipating heat from a given cabinet space. The Exchange notes that data center customers prefer denser environments to minimize distance between equipment and thus maximize computing power within a given space. As proposed, the Liquid-Cooled Cabinet option would only be offered in NY11–5 because the required liquid-cooled infrastructure necessary to support the proposed cabinets is not available in other parts of the data center.[7] The Exchange notes that Liquid-Cooled Cabinets are offered as one other option for data center customers to choose from because traditionally cooled cabinets throughout the data center will continue to provide the level of thermal management appropriate for each cabinet offering that the Exchange provides.

As discussed above, the Exchange is offering the Liquid-Cooled Cabinets as a convenience to its customers and notes that use of colocation services, including the proposed Liquid-Cooled Cabinet service, is completely optional. Colocation services, including the proposed offering, are voluntary, and each customer may determine whether any colocation option is appropriate for its business needs.

NY11–5 Cabinet Power Circuits

Rule General 8, Section 1(c) provides that the following five cabinet power circuit options are only available in (and that one of these must be selected for) NY11–4: Phase 1 20 amp 240 volt, Phase 1 32 amp 240 volt, Phase 1 40 amp 240 volt, Phase 3 20 amp 415 volt, and Phase 3 32 amp 415 volt.[8] The Exchange proposes to provide that the foregoing five cabinet power circuit options are also available for Liquid-Cooled Cabinets in NY11–5.[9]

The Exchange further proposes to provide two new power options that will be available only for Liquid-Cooled Cabinets in NY11–5: Phase 3, 40 amp, 415 volt and Phase 3, 60 amp 415 volt.[10] These power circuit options are available only for Liquid-Cooled Cabinets in NY11–5 as an additional offering for customers seeking higher power options for their Liquid-Cooled Cabinets. Although different options will be offered throughout the data center due to differing power configurations, the new cabinet power options are not inherently preferable to the existing cabinet power options because customers have varying preferences for power circuits based on their operational needs and the Exchange does not anticipate material differences in equipment performance based on the power distribution. As between the various power circuit options, customers choose power based on their preferences and capacity needs.

Implementation

Although the timing is subject to change,[11] the Exchange anticipates granting access to NY11–5 during the first quarter of 2026, on or about April 3, 2026. As discussed above, the Exchange will submit a fee filing to establish fees for the services described herein.

In concert with this filing, the Exchange will allow customers to place orders for Liquid-Cooled Cabinets in NY11–5, which orders would not be fee liable until fees for such services are established and customers are provided access to the space for their immediate use, whether to trade or otherwise, on or about April 3, 2026.[12] Allowing customers to place orders in advance of opening its doors will allow the Exchange to plan ahead for capacity and demand for services, as well as procure necessary equipment.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[13] in general, and furthers the objectives of Section 6(b)(5) of the Act,[14] in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest. Today, the Exchange offers a cabinet option and varying power options for its data center colocation customers. The Exchange's proposal would expand these cabinet and power circuit options by introducing an additional cabinet featuring liquid cooling, as well as several options for powering such cabinet. Specifically, the proposal would benefit the public interest by providing colocation customers with a Liquid-Cooled Cabinet not offered by other exchanges, and one which offers customers the ability to deploy greater computing power with a defined cabinet space, as compared to air-cooled cabinets. Liquid-Cooled Cabinets are optional, however, because for many data center customers, air-cooled cabinets may be better suited to meet the requirements of their business operations. In general, the proposal is consistent with the Act because the Exchange's expansion of the data center, including the expansion of available cabinet options and related power will enable the Exchange to meet customer

[7] To the best of the Exchange's knowledge, no other national securities exchange offers liquid-cooled cabinets as a colocation option.

[8] *See* Rule General 8, Section 1(c).

[9] The five cabinet power circuit options (Phase 1 20A/240V, 32A/240V, 40A/240V; Phase 3 20A/415V, 32A/415V) are available for both air-cooled and Liquid-Cooled Cabinets because the cabinet power they support (approximately 5–23 kW) remains within the thermal capabilities of traditional air-cooling systems. By contrast, the higher-power Phase 3 40A/415V and 60A/415V options (≈29–43 kW) discussed below exceed the threshold at which air cooling is efficient or practicable and therefore are limited to Liquid-Cooled Cabinets. To effect this change, the Exchange proposes to amend the footnotes to Rule General 8, Section 1(c) as follows. The Exchange proposes to modify the footnote designated with a single asterisk (''*'') to add, immediately following the final sentence in that footnote, the following sentence: ''These options are available also for Liquid-Cooled Cabinets in NY11–5.'' In addition, and pending the submission of a proposal to establish fees for proposed Liquid-Cooled Cabinets in NY11–5, the Exchange proposes to clarify, in a new footnote to Rule General 8, Section 1(c) designated with a dagger symbol (''†''), that fees depicted under Rule General 8, Section 1(c) for cabinet power options that are designated with the dagger symbol (''†'') are fees for other than Liquid-Cooled Cabinets in NY11–5. The Exchange believes these proposed changes are appropriate to clarify the applicability of fees under Rule General 8, Section 1(c) and to make clear that fees for cabinet power options applicable to Liquid Cooled Cabinets in NY11–5 have yet to be established. *See* proposed Rule General 8, Section 1(c).

[10] *See* proposed Rule General 8, Section 1(c). To effect this change, the Exchange proposes to enter under subparagraph (c) of Rule General 8, Section 1 the proposed cabinet power circuit options for NY11–5 by inserting ''Phase 3 40 amp 415 volt***'' and ''Phase 3 60 amp 415 volt***'' thereunder. The Exchange proposes to use the symbol triple asterisk (''***'') to clarify that such cabinet power circuits are for use in in Liquid-Cooled Cabinets in NY11–5 only, as provided in the proposed footnote to Rule General 8, Section 1(c). Pending the submission of its fee filing for such Liquid-Cooled Cabinet service, the Exchange further proposes to clarify, in the columns titled ''NY11–4/–5 Installation Fee'' and ''NY11–4/–5 Ongoing Monthly Fee ($550 per kVA)'' and using the acronym ''TBD'' in each instance, that the installation and ongoing monthly fees for such power circuits for Liquid-Cooled Cabinets in NY11–5 have yet to be determined. Finally, the Exchange proposes to enter ''N/A'' under the columns titled ''NY11 Installation Fee'' and ''NY11 Ongoing Monthly Fee ($550 per kVA)'' to clarify that that NY11-specific fees are not applicable to power circuits available only for Liquid-Cooled Cabinets in NY11–5. The Exchange believes the foregoing changes are appropriate to clarify that fees for the proposed services have yet to be determined as well as to provide greater specificity with respect to the applicability of certain fees to the Exchange's offerings, thereby facilitating comprehension of the Exchange's connectivity schedule as well as its use. *See id. See also supra* note 10 and accompanying text (explaining the rationale for limiting these offerings to Liquid-Cooled Cabinets).

[11] The Exchange will announce modifications to the proposed timing via the Nasdaq Customer Portal, which is the web portal used for order and inventory management of colocation services, and email communication to all colocation customers.

[12] Charging customers once access is provided is consistent with current practice and allows customers to set up equipment and begin using power.

[13] 15 U.S.C. 78f(b).

[14] 15 U.S.C. 78f(b)(5).

preferences and address customer demand for such services. In lieu of collocating directly with the Exchange, market participants may choose not to collocate at all or to collocate indirectly through a vendor.

The Exchange also believes that the proposal will not be unfairly discriminatory, consistent with the objectives of Section 6(b)(5) of the Act [15] because the expanded cabinet and related power options in the data center would be offered equally to all customers. Although optionality varies due to differing power configurations across the data center, any customer may order cabinets and power across the data center on the same terms as any other customer.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange notes that this proposal does not concern itself with the speed at which customers can trade or the Equalization Project [16] because its scope is limited to introducing a liquid-cooled cabinet option in NY11–5 and does not extend to data communications networks.[17]

Nothing in the proposal imposes any burden on the ability of other exchanges to compete. The Exchange operates in a highly competitive market in which exchanges and other vendors offer colocation services as a means to facilitate the trading and other market activities of those market participants who believe that colocation enhances the efficiency of their operations.

Nothing in the Proposal burdens intra-market competition because the Exchange's colocation services, including those proposed herein, are available to any customer that wishes to order cabinets and power, and all such customers can do so on a non-discriminatory basis. Use of any colocation service is completely voluntary, and each market participant is able to determine whether to use colocation services based on the requirements of its business operations.

[15] *Id.*

[16] The Equalization Project is an Exchange initiative to equalize cross connects across the Exchange's entire data center campus. *See* Securities Exchange Act Release No. 34–101078 (Sep. 18, 2024), 89 FR 77937 (Sept. 24, 2024) (SR–NASDAQ–2024–054).

[17] *See supra* note 15 and accompanying text.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(iii) [18] of the Act and Rule 19b–4(f)(6) thereunder [19] in that it effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include file number SR–NasdaqTX–2026–004 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

[18] 15 U.S.C. 78s(b)(3)(A)(iii).

[19] 17 CFR 240.19b–4(f)(6). Furthermore, Rule 19b–4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file a proposed rule change under that subsection at least five business days prior to the date of filing, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

All submissions should refer to file number SR–NasdaqTX–2026–004. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (*https://www.sec.gov/rules/sro.shtml*). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR–NasdaqTX–2026–004 and should be submitted on or before April 9, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[20]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–05339 Filed 3–18–26; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–105001; File No. SR–SAPPHIRE–2026–10]

Self-Regulatory Organizations; MIAX Sapphire, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Temporarily Decrease the Options Regulatory Fee (ORF)

March 16, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the ''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on March 6, 2026, MIAX Sapphire, LLC (''MIAX Sapphire'' or ''Exchange'') filed with the Securities and Exchange Commission (the ''Commission'') a proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange is filing a proposal to amend the MIAX Sapphire Options Exchange Fee Schedule (the ''Fee

[20] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

Schedule'') relating to the Options Regulatory Fee (''ORF'').

The text of the proposed rule change is available on the Exchange's website at *https://www.miaxglobal.com/markets/us-options/all-options-exchanges/rule-filings,* and at MIAX Sapphire's principal office.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend the Fee Schedule to temporarily decrease the ORF from $0.0013 per contract to $0.0011 per contract between March 1, 2026 and June 30, 2026.[3] In the event that the industry does not move to the new ORF model effective July 1, 2026, the Exchange would file a proposal to extend the ORF sunset date beyond June 30, 2026, and revert back to $0.0013 per contract side.

Background

The ORF is designed to recover a material portion of the costs to the Exchange of the supervision and regulation of Members'[4] customer options business, including performing routine surveillances and investigations, as well as policy, rulemaking, interpretive and enforcement activities. The Exchange believes that revenue generated from the ORF, when combined with all of the Exchange's other regulatory fees and fines, will cover a material portion, but not all, of the Exchange's regulatory costs.

Collection of ORF

Currently, the Exchange assesses the per-contract ORF to each Member for all options transactions cleared or ultimately cleared by the Member, which are cleared by the Options Clearing Corporation (''OCC'') in the ''customer'' range,[5] regardless of the exchange on which the transaction occurs. The ORF is collected by OCC on behalf of the Exchange from either: (1) a Member that was the ultimate clearing firm for the transaction; or (2) a non-Member that was the ultimate clearing firm where a Member was the executing clearing firm for the transaction. The Exchange uses reports from OCC to determine the identity of the executing clearing firm and ultimate clearing firm.

ORF Revenue and Monitoring of ORF

The Exchange monitors the amount of revenue collected from the ORF to ensure that it, in combination with other regulatory fees and fines, does not exceed regulatory costs. In determining whether an expense is considered a regulatory cost, the Exchange reviews all costs and makes determinations if there is a nexus between the expense and a regulatory function. The Exchange notes that fines collected by the Exchange in connection with a disciplinary matter offset ORF.

Revenue generated from ORF, when combined with all of the Exchange's other regulatory fees and fines, is designed to cover a material portion of the regulatory costs to the Exchange of the supervision and regulation of Members' customer options business including performing routine surveillances, investigations, examinations, financial monitoring, and policy, rulemaking, interpretive, and enforcement activities. Regulatory costs include direct regulatory expenses and certain indirect expenses in support of the regulatory function. The direct expenses include in-house and third party service provider costs to support the day-to-day regulatory work such as surveillances, investigations and examinations.

The ORF revenue is based on options transactions volume, thus the amount of ORF collected is variable. For example, if options transactions reported to OCC in a given month increase, the ORF collected from Members will likely increase as well. Similarly, if options transactions reported to OCC in a given month decrease, the ORF collected from Members will likely decrease as well. Accordingly, the Exchange monitors the amount of ORF collected to ensure that it does not exceed a material portion of regulatory costs. If the Exchange determines the amount of ORF collected exceeds or may exceed a material portion of regulatory costs, the Exchange will, as appropriate, adjust the ORF by submitting a fee change filing to the Securities and Exchange Commission (the ''Commission'').

Proposal

Based on the Exchange's recent review of regulatory costs, ORF revenue, and options transaction volume, the Exchange proposes to temporarily decrease the ORF from $0.0013 per contract to $0.0011 per contract, between March 1, 2026 and June 30, 2026. In the event that the industry does not move to the new ORF model effective July 1, 2026, the Exchange would file a proposal to extend the ORF sunset date beyond June 30, 2026, and revert back to $0.0013 per contract side. This proposed temporary decrease will help ensure that the amount collected from the ORF, in combination with other regulatory fees and fines, does not exceed the Exchange's total regulatory costs. On January 30, 2026, the Exchange notified Members of the proposed temporary decrease to the ORF via a Regulatory Circular to afford market participants sufficient opportunity to configure their systems to account properly for the modified ORF.[6]

The proposed change to the ORF is based on the Exchange's analysis of recent options volumes and its regulatory costs. The Exchange believes that, if the ORF is not temporarily reduced between March 1, 2026 and June 30, 2026, the ORF revenue to the Exchange could exceed a material portion of the Exchange's 2026 regulatory costs.

Over the past few years, the options industry has experienced high options trading volumes and volatility and the persisting increased options volumes have impacted the Exchange's ORF collection.

As shown in the table below, during the first half of 2025, options trading

[3] On January 21, 2026, the Exchange filed a separate rule filing to adopt a new ORF model, effective July 1, 2026 (subject to adoption of a similar model by all options exchanges). *See* Securities Exchange Act Release No. 104713 (January 28, 2026), 91 FR 4750 (February 2, 2026) (SR–SAPPHIRE–2026–01) (Self-Regulatory Organizations; MIAX Sapphire, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Adopt a New Methodology for Assessment and Collection of the Options Regulatory Fee (ORF)).

[4] The term ''Member'' means an individual or organization that is registered with the Exchange pursuant to Chapter II of MIAX Sapphire Rules for purposes of trading on the Exchange as an ''Electronic Exchange Member'' or ''Market Maker.'' Members are deemed ''members'' under the Exchange Act. *See* Exchange Rule 100.

[5] Exchange participants must record the appropriate account origin code on all orders at the time of entry in order. The Exchange represents that it has surveillances in place to verify that Members mark orders with the correct account origin code.

[6] *See https://www.miaxglobal.com/sites/default/files/circular-files/MIAX_Sapphire_Options_RC_2026_10.pdf.*

volumes have remained elevated and volatility has persisted.[7]

	Jan. 2025	Feb. 2025	Mar. 2025	Apr. 2025	May 2025	June 2025
Customer ADV	46,758,284	48,508,333	46,281,134	47,786,196	46,234,519	45,453,082
Total ADV	53,134,932	54,563,396	53,182,376	55,339,630	51,351,579	50,576,203

In addition, as shown in the table below, during the second half of 2025, options trading volumes have remained elevated and volatility has persisted.[8]

	July 2025	August 2025	September 2025	October 2025	November 2025	December 2025
Customer ADV	47,244,127	50,273,952	56,005,046	61,209,858	55,296,579	47,490,683
Total ADV	51,516,242	54,909,360	61,298,900	67,192,745	62,132,472	53,703,207

Because of the sustained impact of the trading volumes that have persisted through December 2025, along with the difficulty of predicting whether and when volumes may return to historical levels, the Exchange proposes to temporarily decrease the ORF between March 1, 2026 and June 30, 2026, to help ensure that ORF collection will not exceed the Exchange's 2026 regulatory costs. The Exchange cannot predict whether options volumes will remain at these levels going forward and projections for future regulatory costs are estimated. Particularly, based on the Exchange's estimated projections for its regulatory costs, the revenue generated by ORF using the temporarily reduced rate, would result in projected revenue that is insufficient to cover a material portion of its regulatory costs. Further, when combined with the Exchange's projected other non-ORF regulatory fees and fines, the revenue generated by ORF using the temporarily reduced rate is projected to result in a combined revenue that is less than the Exchange's estimated regulatory costs for the year. The Exchange will notify Members of the proposed change via a Regulatory Circular at least 30 calendar days prior to the effective date of the change.

Potential ORF Reform

The Exchange appreciates the evolving changes in the markets and regulatory environment and has been evaluating its options while considering industry and regulatory feedback. In light of this, the Exchange has been reviewing its current methodologies and practices for the assessment and collection of ORF. As a result of this review, the Exchange submitted a filing to the Commission that proposes to adopt a modified ORF model, effective July 1, 2026, that updates the Exchange's process of assessing and collecting ORF, in which model ORF would be assessed to only on-Exchange transactions that clear in the customer range at the OCC.[9] Under the proposed modified model, the Exchange expects to continue its current practice that revenue generated from ORF will cover a material portion, but not all, of the Exchange's regulatory costs.

To create real ORF reform, moving to a new ORF model that only assesses a fee to transactions that occur on one's own options exchange seems to be the industry consensus. However, for a new, modified model to be truly meaningful and fair, a rate limited to transactions on one's own exchange should be adopted by all options exchanges to provide a consistent methodology in assessing and collecting ORF going forward. As set forth in its separate filing that proposes the new, modified ORF model, the Exchange committed to switching to this new model effective July 1, 2026, provided that a consistent framework has been established with the Commission, adopted by all the options exchanges and necessary regulatory filings submitted. Until that time, the Exchange believes it's fair and reasonable to continue to charge ORF under the current model as other options exchanges currently do.

2. Statutory Basis

The Exchange believes that its proposal to amend its Fee Schedule is consistent with Section 6(b) of the Act[10] in general, and furthers the objectives of Section 6(b)(4) of the Act[11] in particular, in that it is an equitable allocation of reasonable dues, fees, and other charges among its members and issuers and other persons using its facilities. The Exchange also believes the proposal furthers the objectives of Section 6(b)(5) of the Act[12] in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest and is not designed to permit unfair discrimination between customers, issuers, brokers and dealers.

The Proposal Is Reasonable

The Exchange believes the proposed fee changes are reasonable because customer transactions will be subject to a lower ORF fee than the current rate. Moreover, the proposed temporary reduction to $0.0011 per contract is reasonable because it would help ensure that collections from the ORF do not exceed a material portion of the Exchange's projected regulatory costs for 2026. As noted above, the ORF is designed to recover a material portion, but not all, of the Exchange's regulatory costs.

Although there can be no assurance that the Exchange's final costs for 2026 will not differ materially from its expectations and prior practice, nor can the Exchange predict with certainty whether options volume will remain at current or similar levels going forward, the Exchange believes that the amount collected based on the current ORF rate, when combined with regulatory fees and fines, may result in collections in excess of the projected regulatory costs

[7] The OCC publishes options and futures volume in a variety of formats, including daily and monthly volume by exchange, available here: *https://www.theocc.com/Market-Data/Market-Data-Reports/Volume-and-Open-Interest/Monthly-Weekly-Volume-Statistics.* The volume discussed in this filing is based on a compilation of OCC data for monthly volume of equity-based options and monthly volume of ETF-based options, in contract sides.

[8] *See id.*

[9] *See supra* note 3.

[10] 15 U.S.C. 78f(b).

[11] 15 U.S.C. 78f(b)(4).

[12] 15 U.S.C. 78f(b)(5).

for the year. Particularly, as noted above, the options market has continued to experience elevated volumes and volatility in 2025, and if such elevated levels persist in 2026 could result in higher ORF collections than projected. The Exchange therefore believes that the proposed temporary decrease to the ORF is reasonable because it would help ensure that ORF collection does not exceed the projected regulatory costs for 2026. Particularly, the Exchange believes that this temporary reduction in the ORF, taken together with the Exchange's other regulatory fees and fines, would allow the Exchange to continue covering a material portion of the projected regulatory costs, while lessening the potential for generating excess funds that may otherwise occur using the current rate.

The Proposal Is an Equitable Allocation of Fees

The Exchange also believes the proposed fee change is equitable and not unfairly discriminatory in that it is charged to all Members on all their transactions that clear in the customer range at the OCC.[13] The Exchange believes the ORF ensures fairness by assessing higher fees to those members that require more Exchange regulatory services based on the amount of customer options business they conduct. Regulating customer trading activity is much more labor intensive and requires greater expenditure of human and technical resources than regulating non-customer trading activity, which tends to be more automated and less labor-intensive. For example, there are costs associated with main office and branch office examinations (*e.g.,* staff expenses), as well as investigations into customer complaints and the terminations of registered persons. As a result, the costs associated with administering the customer component of the Exchange's overall regulatory program are materially higher than the costs associated with administering the non-customer component (*e.g.,* member proprietary transactions) of its regulatory program. In addition to its own surveillance programs, the Exchange also works with other SROs and exchanges on intermarket surveillance related issues. Through its participation in the Intermarket Surveillance Group (''ISG'')[14] the Exchange shares information and coordinates inquiries and investigations with other exchanges designed to address potential intermarket manipulation and trading abuses. Accordingly, there is a strong nexus between the ORF and the Exchange's regulatory activities with respect to customer trading activity of its Members.

The Proposal Is Not Unfairly Discriminatory

The Exchange believes that the proposal is not unfairly discriminatory. The Exchange believes that the proposed temporary decrease to the ORF rate would not place certain market participants at an unfair disadvantage because it would apply to all Members subject to the ORF and would allow the Exchange to continue to monitor the amount collected from the ORF to help ensure that ORF collection, in combination with other regulatory fees and fines, does not exceed regulatory costs. The Exchange also has provided all such Members with advance notice of the planned change to the ORF.[15]

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

Intramarket Competition

The Exchange believes the proposed change would not impose an undue burden on intramarket competition because the ORF is charged to all Members on all their transactions that clear in the ''customer'' range at the OCC; thus, the amount of ORF imposed is based on the amount of customer volume transacted. The Exchange believes that the proposed temporary decrease of the ORF would not place certain market participants at an unfair disadvantage because all options transactions must clear via a clearing firm. Such clearing firms can then choose to pass through all, a portion, or none of the cost of the ORF to its customers, *i.e.,* the entering firms. The ORF is collected from Member clearing firms by the OCC on behalf of the Exchange and is assessed on all options transactions cleared at the OCC in the ''customer'' range.

Intermarket Competition

The proposed fee change is not designed to address any competitive issues. Rather, the proposed change is designed to help the Exchange adequately fund its regulatory activities while seeking to ensure that total collections from regulatory fees do not exceed total regulatory costs.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

Written comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act[16] and paragraph (f) of Rule 19b–4[17] thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include file number SR–SAPPHIRE–2026–10 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

[13] If the OCC clearing member is an Exchange Member, ORF is assessed and collected on all cleared customer contracts (after adjustment for CMTA); and (2) if the OCC clearing member is not an Exchange Member, ORF is collected only on the cleared customer contracts executed at the Exchange, taking into account any CMTA instructions which may result in collecting the ORF from a non-Member. ''CMTA'' or Clearing Member Trade Assignment is a form of ''give-up'' whereby the position will be assigned to a specific clearing firm at OCC.

[14] ISG is an industry organization formed in 1983 to coordinate intermarket surveillance among the SROs by cooperatively sharing regulatory information pursuant to a written agreement between the parties. The goal of the ISG's information sharing is to coordinate regulatory efforts to address potential intermarket trading abuses and manipulations.

[15] *See supra* note 6.

[16] 15 U.S.C. 78s(b)(3)(A).

[17] 17 CFR 240.19b–4(f).

All submissions should refer to file number SR–SAPPHIRE–2026–10. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (*https://www.sec.gov/rules/sro.shtml*). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR–SAPPHIRE–2026–10 and should be submitted on or before April 9, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[18]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–05334 Filed 3–18–26; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–105016; File No. SR–CboeEDGX–2026–012]

Self-Regulatory Organizations; Cboe EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Its Fee Schedule To Adopt a New Fee Waiver for Eligible Internal Distributors

March 16, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on March 10, 2026, Cboe EDGX Exchange, Inc. (the ''Exchange'' or ''EDGX'') filed with the Securities and Exchange Commission (the ''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

Cboe EDGX Exchange, Inc. (the ''Exchange'' or ''EDGX'') is filing with the Securities and Exchange Commission (''Commission'') a proposed rule change to amend its Fee Schedule to adopt a new fee waiver for eligible Internal Distributors. The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Commission's website (*https://www.sec.gov/rules/sro.shtml*), the Exchange's website (*https://www.cboe.com/us/equities/regulation/rule_filings/bzx/*), and at the principal office of the Exchange.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend[3] its Fee Schedule to adopt a new fee waiver for eligible Internal Distributors.[4] Particularly, the Exchange proposes to adopt a waiver of the (i) Internal Distribution Fee and (ii) Non-Display Usage Fee, so long as the new Internal Distributor has (i) not received the EDGX Depth Data Feed in the last 18 months and (ii) does not operate a Trading Platform.[5] The Internal Distributor shall be eligible for this waiver for the time it requires to set up its systems to internally distribute this data feed; however, such period shall not exceed three months.

By way of background, the Exchange offers the EDGX Depth Data Feed, which is a data feed that offers aggregated two-sided quotations for all displayed orders entered into the system.[6] The EDGX Depth Data Feed benefits investors by facilitating their prompt access to real-time market depth information contained in EDGX Depth Data. The Exchange's Affiliates[7] also offer similar depth-of-book data feeds. Particularly, each of the Exchange's Affiliates offers depth-of-book quotations based on their own quotation and trading activity that is substantially similar to the information provided by the Exchange through the EDGX Depth Data Feed.

Currently, the Exchange assesses an Internal Distributor of the EDGX Depth Data Feed an Internal Distribution fee of $1,500 per month,[8] Professional and Non-Professional User Fees, and a Non-Display Usage Fee.[9] The Exchange proposes to adopt a fee waiver providing that the Distribution Fee and the Non-Display Usage Fee shall be waived for new Internal Distributors that (i) do not operate a Trading Platform and (ii) have not received the EDGX Depth Data Feed in the last 18 months; this allows Internal Distributors time to prepare systems to distribute this feed. The proposed waiver is only available for the period of time required to prepare systems to distribute the EDGX Depth data internally to its users, for a period of time not to exceed three months.

To be eligible for the fee waiver for the EDGX Depth Data, the new Internal Distributor must (i) not have received the data feed in the last 18 months[10] and (ii) not operate its own Trading Platform. As discussed further below, the Exchange seeks to adopt the proposed Internal Distributor EDGX Depth Fee Waiver to incentivize new Internal Distributors to integrate the data feed into its system and to then distribute this data internally to its users. The Exchange notes that both the

[18] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] On March 2,2026, the Exchange submitted SR–CboeEDGX–2026–009. On March 10, 2026, the Exchange withdrew that filing and submitted this filing.

[4] An ''Internal Distributor'' is a Distributor that receives the Exchange Market Data product and then distributes that data to one or more Users within the Distributor's own entity. *See* EDGX Equities Exchange Fees Schedule, Market Data Fees.

[5] The Exchange defines ''Trading Platform'' as any execution platform operated as or by a registered National Securities Exchange (as defined in Section 3(a)(1) of the Exchange Act), an Alternative Trading System (as defined in Rule 300(a) of Regulation ATS), or an Electronic Communications Network (as defined in Rule 600(b)(23) of Regulation NMS). *See* EDGX Equities Fee Schedule.

[6] *See* Exchange Rule 13.8(a).

[7] The ''Exchange's Affiliates'' or ''Affiliated Exchanges'' include Cboe BZX Exchange, Inc., Cboe BYX Exchange, Inc., and Cboe EDGA Exchange, Inc.

[8] *See* EDGX Equities Exchange Fees Schedule, Market Data Fees.

[9] The Exchange assess either a Non-Display Usage not by Trading Platforms Fee of $2,000/month or a Non-Display Usage by Trading Platforms of $5,000/month. Under this proposed rule, the Non-Display Usage not by Trading Platforms Fee is the applicable fee that shall be waived.

[10] The Exchange notes that it has a similar 18 moth requirement for participants to be considered eligible for the New Uncontrolled External Distributor fee waiver. *See* EDGX Equities Exchange Fees Schedule.

Exchange [11] and its Affiliates [12] currently offer similar credits to External Distributors for the purpose of allowing them time to enlist new users to receive certain data feeds. The Exchange also notes that Nasdaq Stock Market, LLC (''Nasdaq'') offers a similar waiver for internal distributors to prepare systems and procedures to distribute the applicable data.[13] Specifically, the Exchange notes that Nasdaq offers Pre-Production Waivers to distributors that require time to prepare it systems and procedures to distribute Exchange information. Indeed, Nasdaq offers such a waiver for their comparable data feed, Nasdaq Depth of Book. Moreover, similar to the Nasdaq Depth of Book waiver, the Exchange's proposed waiver is only available for a period not to exceed 3 months.

The Exchange also proposes to remove the asterisks in the BZX Depth section of its fee schedule, that are currently appended to the terms, Non-Display Usage not by Trading Platforms, Non-Display Usage by Trading Platforms, and Enterprise Fee, and to replace them with numbers linked to footnotes.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the ''Act'') and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.[14] Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5) [15] requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with Section 6(b)(4) of the Act,[16] which requires that Exchange rules provide for the equitable allocation of reasonable dues, fees, and other charges among its Members and other persons using its facilities.

First, the Exchange notes that the EDGX Depth Data Feed is distributed and purchased on a voluntary basis, in that neither the Exchange nor data distributors are required by any rule or regulation to make these data products available. Internal Distributors can therefore discontinue use at any time and for any reason, including an assessment of the reasonableness of fees charged. As discussed above, Nasdaq offers similar fee waivers to internal distributors of market data.[17] The Exchange believes that, by providing the fee waiver for eligible Internal Distributors of the EDGX Depth Data Feed, which is similar to those offered by other U.S. equities exchanges, the proposed waiver increases investor choice and helps remove impediments to, and perfect the mechanism of, a free and open market and a national market system. Further, the Exchange is not required to make any proprietary data products available or to offer any specific pricing alternatives to any customers. Although the Exchange is not required to make any data, including depth data, available through its market data platform, the Exchange believes that making such data available increases investor choice, and contributes to a fair and competitive market.

Additionally, the proposed waiver for Internal Distributors of the EDGX Depth Data Feed is intended to incentivize eligible Internal Distributors to integrate the EDGX Depth Data Feed into its system and distribute it internally to its users. Internal Distributors require data feeds for testing and development in order to enable integration and distribution of market data feeds to internal users.[18] In order for Internal Distributors to distribute any one data feed, they need time for software development to integrate the data feed itself into its platform and program all of the different messages, fields and flags.[19] The Exchange notes that the proposed fee waivers only apply for the period of time required to prepare systems in order to distribute the data feed internally, and shall not exceed three months. Thus, the Exchange believes it is reasonable not to subject eligible Internal Distributors to fees, specifically the Internal Distributor Fee and the Non-Display Usage not by Trading Platforms Fee, until such time they are able to distribute the EDGX Depth Data Feed. The Exchange also believes that the proposed fee waivers promote just and equitable principles of trade by not assessing fees upon eligible Internal Distributors of the EDGX Depth Data Feed until the Internal Distributors are ready to internally distribute the EDGX Depth Data Feed. Ultimately, the Exchange believes that this fee waiver for Internal Distributors reduces the cost of system development for new internal distributors, thereby lowering their barriers to entry.

As noted above, this proposed waiver only applies to Internal Distributors and does not apply to External Distributors. The Exchange notes that it currently offers similar fee waivers for External Distributors for the EDGX Summary Depth Data Feed and new External Distributors may take advantage of the current programs offered by the Exchange.[20] While the Exchange notes that fee waiver for the BZX Summary Depth Data Feed is for *External* Distributors, and the Summary Depth

[11] *See* EDGX Equities Exchange Fees Schedule, outlining the New Uncontrolled External Distributor Fee Waiver and New External Distributor Credit. While the Exchange notes that these programs are for the Summary Depth Feed, and not the Depth Feed, it does not believe this is of note as the Summary Depth Feed offers similar data as the Depth Feed, noting that the Summary Depth Feed only provides out to 5 price levels, but it also includes the individual last sale information, Market Status, Trading Status, and Trade Break messages (*see* Exchange Rule 13.8(f)).

[12] *See* EDGA Equities Exchange Fee Schedule, outlining the New External Distributor Credit; *see also* BZX Equities Exchange Fee Schedule, outlining the New External Distributor Credit; *see also* BYX Equities Exchange Fee Schedule, outlining the New External Distributor Credit. While the Exchange notes that these programs are for the Summary Depth Feed, and not the Depth Feed, it does not believe this is of note as the Summary Depth Feed offers similar data as the Depth Feed, noting that the Summary Depth Feed only provides out to 5 price levels, but it also includes the individual last sale information, Market Status, Trading Status, and Trade Break messages (*see* EDGA Rule 13.8(f)); BZX Rule 11.22(m); and BYX Rule 11.22(k)).

[13] *See e.g.,* Nasdaq Equities 7 Pricing Schedule, Section 112. Fee Waivers.

[14] 15 U.S.C. 78f(b).

[15] 15 U.S.C. 78f(b)(5).

[16] 15 U.S.C. 78f(b)(4).

[17] *Supra* note 11.

[18] The Exchange notes that while Non-Professional User Fees and Professional User Fees are assessed, no such waiver is needed for this program as there will be no user receiving such data until the Internal Distributor has integrated the feed and is internally distributing it. At that time, this waiver no longer applies, and the Non-Professional and Professional User Fees will be assessed in accordance with the Fee Schedule in addition to the Internal Distributor Fee of $2,000/month and the Non-Display Usage not by Trading Platforms Fee of $5,000/month.

[19] Distributors are responsible for the development and maintenance of a feed in accordance with the Exchange provided spec. See *e.g.,* Cboe Titanium US Equities/Options Multicast Depth of Book (PITCH) Specification.

[20] *See* BYX Equities Exchange Fees Schedule, outlining the New Uncontrolled External Distributor Fee Waiver and New External Distributor Credit. While the Exchange notes that these programs are for the Summary Depth Feed, and not the Depth Feed, it does not believe this is of note as the Summary Depth Feed offers similar data as the Depth Feed, noting that the Summary Depth Feed only provides out to 5 price levels, but it also includes the individual last sale information, Market Status, Trading Status, and Trade Break messages (*see* Exchange Rule 13.8(f)).

Feed and not the Depth Feed, The Exchange does not believe this is of note as the Summary Depth Feed offers similar data as the Depth Feed. Specifically, while the Summary Depth Feed only provides out to 5 price levels, it also includes the individual last sale information, Market Status, Trading Status, and Trade Break messages.

Additionally, an Internal Distributor that operates a Trading Platform is not eligible for this waiver. The intent of the waiver is to aid firms who seek access to trade on the Exchange. This waiver is intended to help with initial startup costs of connecting to the Exchange that may hinder some smaller firms from seeking access. For this reason, the Exchange believes the proposed rule change is consistent with Section 6(b)(4) of the Act, which requires that Exchange rules provide for the equitable allocation of reasonable dues, fees, and other charges among its Members and other persons using its facilities.

Finally, allowing eligible Internal Distributors time to prepare systems to ingest and distribute the EDGX Depth Data Feed ensures such systems are properly established. Thus, the Exchange believes the proposed fee waivers foster cooperation and coordination with persons engaged in processing information with respect to and facilitating transactions in securities.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on intramarket or intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is grounded in the Exchange's efforts to assist in mitigating business costs (*i.e.,* the costs associated with the development of systems required to distribute the EDGX Depth Data Feed) for eligible Internal Distributors. The Exchange does not believe that the proposed rule change will impose any burden on intramarket competition because the proposed fee waivers apply uniformly to all market participants, that do not operate a Trading Platform, seeking to distribute the DGX Depth Data Feed internally. The Exchange does not believe that the proposed fee waivers will create an undue burden on intermarket competition because use of the EDGX Depth Data Feed is optional and based on the business needs of each market participant. Additionally, the Exchange notes that at least one U.S. equities exchange offers a similar fee waiver for internal market data distributors.[21] As a result, the Exchange believes this proposed rule change permits fair competition among national securities exchanges.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The Exchange neither solicited nor received comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act [22] and paragraph (f) of Rule 19b–4 [23] thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include file number SR–CboeEDGX–2026–01 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to file number SR–CboeEDGX–2026–012. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (*https://www.sec.gov/rules/sro.shtml*). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR–CboeEDGX–2026–012 and should be submitted on or before April 9, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[24]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–05346 Filed 3–18–26; 8:45 am]

BILLING CODE 8011–01–P

[21] *Supra* note 11.

[22] 15 U.S.C. 78s(b)(3)(A).

[23] 17 CFR 240.19b–4(f).

[24] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–105018; File No. SR–CboeBZX–2026–018]

Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Its Fee Schedule To Adopt a New Fee Waiver for Eligible Internal Distributors

March 16, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on March 10, 2026, Cboe BZX Exchange, Inc. (the ''Exchange'' or ''BZX'') filed with the Securities and Exchange Commission (the ''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

Cboe BZX Exchange, Inc. (the ''Exchange'' or ''BZX'') is filing with the Securities and Exchange Commission (''Commission'') a proposed rule change to amend its Fee Schedule to adopt a new fee waiver for eligible Internal Distributors. The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Commission's

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

website (*https://www.sec.gov/rules/sro.shtml*), the Exchange's website (*https://www.cboe.com/us/equities/regulation/rule_filings/bzx/*), and at the principal office of the Exchange.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend [3] its Fee Schedule to adopt a new fee waiver for eligible Internal Distributors.[4] Particularly, the Exchange proposes to adopt a waiver of the (i) Internal Distribution Fee and (ii) Non-Display Usage Fee, so long as the new Internal Distributor has (i) not received the BZX Depth Data Feed in the last 18 months and (ii) does not operate a Trading Platform.[5] The Internal Distributor shall be eligible for this waiver for the time it requires to set up its systems to internally distribute this data feed; however, such period shall not exceed three months.

By way of background, the Exchange offers the BZX Depth Data Feed, which is a data feed that offers aggregated two-sided quotations for all displayed orders entered into the system.[6] The BZX Depth Data Feed benefits investors by facilitating their prompt access to real-time market depth information contained in BZX Depth Data. The Exchange's Affiliates [7] also offer similar depth-of-book data feeds. Particularly, each of the Exchange's Affiliates offers depth-of-book quotations based on their own quotation and trading activity that is substantially similar to the information provided by the Exchange through the BZX Depth Data Feed.

Currently, the Exchange assesses an Internal Distributor of the BZX Depth Data Feed an Internal Distribution fee of $1,500 per month,[8] Professional and Non-Professional User Fees, and a Non-Display Usage Fee.[9] The Exchange proposes to adopt a fee waiver providing that the Distribution Fee and the Non-Display Usage Fee shall be waived for new Internal Distributors that (i) do not operate a Trading Platform and (ii) have not received the BZX Depth Data Feed in the last 18 months; this allows Internal Distributors time to prepare systems to distribute this feed. The proposed waiver is only available for the period of time required to prepare systems to distribute the BZX Depth data internally to its users, for a period of time not to exceed three months.

To be eligible for the fee waiver for the BZX Depth Data, the new Internal Distributor must (i) not have received the data feed in the last 18 months [10] and (ii) not operate its own Trading Platform. As discussed further below, the Exchange seeks to adopt the proposed Internal Distributor BZX Depth Fee Waiver to incentivize new Internal Distributors to integrate the data feed into its system and to then distribute this data internally to its users. The Exchange notes that both the Exchange [11] and its Affiliates [12] currently offer similar credits to External Distributors for the purpose of allowing them time to enlist new users to receive certain data feeds. The Exchange also notes that Nasdaq Stock Market, LLC (''Nasdaq'') offers a similar waiver for internal distributors to prepare systems and procedures to distribute the applicable data.[13] Specifically, the Exchange notes that Nasdaq offers Pre-Production Waivers to distributors that require time to prepare it systems and procedures to distribute Exchange information. Indeed, Nasdaq offers such a waiver for their comparable data feed, Nasdaq Depth of Book. Moreover, similar to the Nasdaq Depth of Book waiver, the Exchange's proposed waiver is only available for a period not to exceed 3 months.

The Exchange also proposes to remove the asterisks in the BZX Depth section of its fee schedule, that are currently appended to the terms, Non-Display Usage not by Trading Platforms, Non-Display Usage by Trading Platforms, and Enterprise Fee, and to replace them with numbers linked to footnotes.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the ''Act'') and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.[14] Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5) [15] requirements that the rules of

[3] On March 2, 2026, the Exchange submitted SR–CboeEDGX–2026–016. On March 10, 2026, the Exchange withdrew that filing and submitted this filing.

[4] An ''Internal Distributor'' is a Distributor that receives the Exchange Market Data product and then distributes that data to one or more Users within the Distributor's own entity. *See* BZX Equities Exchange Fees Schedule, Market Data Fees.

[5] The Exchange defines ''Trading Platform'' as any execution platform operated as or by a registered National Securities Exchange (as defined in Section 3(a)(1) of the Exchange Act), an Alternative Trading System (as defined in Rule 300(a) of Regulation ATS), or an Electronic Communications Network (as defined in Rule 600(b)(23) of Regulation NMS). *See* BZX Equities Fee Schedule.

[6] *See e.g.,* Exchange Rule 11.22(a).

[7] The ''Exchange's Affiliates'' or ''Affiliated Exchanges'' include Cboe BYX Exchange, Inc., Cboe EDGX Exchange, Inc., and Cboe EDGA Exchange, Inc.

[8] *See* BZX Equities Exchange Fees Schedule, Market Data Fees.

[9] The Exchange assess either a Non-Display Usage not by Trading Platforms Fee of $2,000/month or a Non-Display Usage by Trading Platforms of $5,000/month. Under this proposed rule, the Non-Display Usage not by Trading Platforms Fee is the applicable fee that shall be waived.

[10] The Exchange notes that it has a similar 18 month requirement for participants to be considered eligible for the New Uncontrolled External Distributor fee waiver. *See* BZX Equities Exchange Fees Schedule.

[11] *See* BZX Equities Exchange Fee Schedule, outlining the New Uncontrolled External Distributor Fee Waiver and New External Distributor Credit. While the Exchange notes that these programs are for the Summary Depth Feed, and not the Depth Feed, it does not believe this is of note as the Summary Depth Feed offers similar data as the Depth Feed, noting that the Summary Depth Feed only provides out to 5 price levels, but it also includes the individual last sale information, Market Status, Trading Status, and Trade Break messages (*see* Exchange Rule 11.22(m)).

[12] *See* BYX Equities Exchange Fee Schedule, outlining the New External Distributor Credit; *see also* EDGX Equities Exchange Fee Schedule, outlining the New External Distributor Credit; *see also* EDGA Equities Exchange Fee Schedule, outlining the New External Distributor Credit. While the Exchange notes that these programs are for the Summary Depth Feed, and not the Depth Feed, it does not believe this is of note as the Summary Depth Feed offers similar data as the Depth Feed, noting that the Summary Depth Feed only provides out to 5 price levels, but it also includes the individual last sale information, Market Status, Trading Status, and Trade Break messages (*see* BYX Rule 11.22(k); EDGX Rule 13.8(f); and EDGA Rule 13.8(f)).

[13] *See e.g.,* Nasdaq Equities 7 Pricing Schedule, Section 112. Fee Waivers.

[14] 15 U.S.C. 78f(b).

[15] 15 U.S.C. 78f(b)(5).

an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with Section 6(b)(4) of the Act,[16] which requires that Exchange rules provide for the equitable allocation of reasonable dues, fees, and other charges among its Members and other persons using its facilities.

First, the Exchange notes that the BZX Depth Data Feed is distributed and purchased on a voluntary basis, in that neither the Exchange nor data distributors are required by any rule or regulation to make these data products available. Internal Distributors can therefore discontinue use at any time and for any reason, including an assessment of the reasonableness of fees charged. As discussed above, at least one other U.S. equities exchange offers similar fee waivers to internal distributors of market data.[17] The Exchange believes that, by providing the fee waiver for eligible Internal Distributors of the BZX Depth Data Feed, which is similar to those offered by Nasdaq, the proposed waiver increases investor choice and helps remove impediments to, and perfect the mechanism of, a free and open market and a national market system. Further, the Exchange is not required to make any proprietary data products available or to offer any specific pricing alternatives to any customers. Although the Exchange is not required to make any data, including depth data, available through its market data platform, the Exchange believes that making such data available increases investor choice, and contributes to a fair and competitive market.

Additionally, the proposed waiver for Internal Distributors of the BZX Depth Data Feed is intended to incentivize eligible Internal Distributors to integrate the BZX Depth Data Feed into its system and distribute it internally to its users. Internal Distributors require data feeds for testing and development in order to enable integration and distribution of market data feeds to internal users.[18] In order for Internal Distributors to distribute any one data feed, they need time for software development to integrate the data feed itself into its platform and program all of the different messages, fields and flags.[19] The Exchange notes that the proposed fee waivers only apply for the period of time required to prepare systems in order to distribute the data feed internally, and shall not exceed three months. Thus, the Exchange believes it is reasonable not to subject eligible Internal Distributors to fees, specifically the Internal Distributor Fee and the Non-Display Usage not by Trading Platforms Fee, until such time they are able to distribute the BZX Depth Data Feed. The Exchange also believes that the proposed fee waivers promote just and equitable principles of trade by not assessing fees upon eligible Internal Distributors of the BZX Depth Data Feed until the Internal Distributors are ready to internally distribute the BZX Depth Data Feed. Ultimately, the Exchange believes that this fee waiver for Internal Distributors reduces the cost of system development for new internal distributors, thereby lowering their barriers to entry.

As noted above, this proposed waiver only applies to Internal Distributors and does not apply to External Distributors. The Exchange notes that it currently offers similar fee waivers for External Distributors for the BZX Summary Depth Data Feed and new External Distributors may take advantage of the current programs offered by the Exchange.[20] While the Exchange notes that fee waiver for the BZX Summary Depth Data Feed is for *External* Distributors, and the Summary Depth Feed and not the Depth Feed, The Exchange does not believe this is of note as the Summary Depth Feed offers similar data as the Depth Feed. Specifically, while the Summary Depth Feed only provides out to 5 price levels, it also includes the individual last sale information, Market Status, Trading Status, and Trade Break messages.

Additionally, an Internal Distributor that operates a Trading Platform is not eligible for this waiver. The intent of the waiver is to aid firms who seek access to trade on the Exchange. This waiver is intended to help with initial startup costs of connecting to the Exchange that may hinder some smaller firms from seeking access. For this reason, the Exchange believes the proposed rule change is consistent with Section 6(b)(4) of the Act, which requires that Exchange rules provide for the equitable allocation of reasonable dues, fees, and other charges among its Members and other persons using its facilities.

Finally, allowing eligible Internal Distributors time to prepare systems to ingest and distribute the BZX Depth Data Feed ensures such systems are properly established. Thus, the Exchange believes the proposed fee waivers foster cooperation and coordination with persons engaged in processing information with respect to and facilitating transactions in securities.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on intramarket or intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is grounded in the Exchange's efforts to assist in mitigating business costs (*i.e.,* the costs associated with the development of systems required to distribute the BZX Depth Data Feed) for eligible Internal Distributors. The Exchange does not believe that the proposed rule change will impose any burden on intramarket competition because the proposed fee waivers apply uniformly to all market participants, that do not operate a Trading Platform, seeking to distribute the BZX Depth Data Feed internally. The Exchange does not believe that the proposed fee waivers will create an undue burden on intermarket competition because use of the BZX Depth Data Feed is optional and based on the business needs of each market participant. Additionally, the Exchange notes that at least one U.S. equities exchange offers a similar fee waiver for

[16] 15 U.S.C. 78f(b)(4).

[17] *Supra* note 11.

[18] The Exchange notes that while Non-Professional User Fees and Professional User Fees are assessed, no such waiver is needed for this program as there will be no user receiving such data until the Internal Distributor has integrated the feed and is internally distributing it. At that time, this waiver no longer applies, and the Non-Professional and Professional User Fees will be assessed in accordance with the Fee Schedule in addition to the Internal Distributor Fee of $1,500/month and the Non-Display Usage not by Trading Platforms Fee of $2,000/month.

[19] Distributors are responsible for the development and maintenance of a feed in accordance with the Exchange provided spec. See *e.g.,* Cboe Titanium US Equities/Options Multicast Depth of Book (PITCH) Specification.

[20] *See* BZX Equities Exchange Fees Schedule, outlining the New Uncontrolled External Distributor Fee Waiver and New External Distributor Credit. While the Exchange notes that these programs are for the Summary Depth Feed, and not the Depth Feed, it does not believe this is of note as the Summary Depth Feed offers similar data as the Depth Feed, noting that the Summary Depth Feed only provides out to 5 price levels, but it also includes the individual last sale information, Market Status, Trading Status, and Trade Break messages (*see* Exchange Rule 11.22(m)).

internal market data distributors.[21] As a result, the Exchange believes this proposed rule change permits fair competition among national securities exchanges.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The Exchange neither solicited nor received comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act [22] and paragraph (f) of Rule 19b–4 [23] thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include file number SR–CboeBZX–2026–018 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to file number SR–CboeBZX–2026–018. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (*https://www.sec.gov/rules/sro.shtml*). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR–CboeBZX–2026–018 and should be submitted on or before April 9, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[24]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–05348 Filed 3–18–26; 8:45 am]

BILLING CODE 8011–01–P

[21] *Supra* note 11.

[22] 15 U.S.C. 78s(b)(3)(A).

[23] 17 CFR 240.19b–4(f).

[24] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–104999; File No. SR–DTC–2026–003]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Reorganizations Service Guide To Provide for the Segregation of a Participant's Shares on Which Dissenters' or Appraisal Rights Are Asserted

March 16, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Exchange Act'') [1] and Rule 19b–4 thereunder,[2] notice is hereby given that on March 9, 2026, The Depository Trust Company (''DTC'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I, II and III below, which Items have been prepared by the clearing agency. DTC filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act [3] and Rule 19b–4(f)(4) thereunder.[4] The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change would amend the Reorganizations Guide to (i) provide for the segregation of a Participant's shares on which dissenters'/appraisal rights have been asserted through DTC at the request of such Participant and (ii) make clarifying, conforming, and other technical changes, as described below.[5]

II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the clearing agency included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The clearing agency has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

(A) Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The proposed rule change would amend the Reorganizations Guide to (i) provide for the segregation of a Participant's shares on which dissenters'/appraisal rights have been asserted through DTC at the request of such Participant and (ii) make clarifying, conforming, and other technical changes, as described below.

(i) Background

Dissenters'/appraisal rights [6] are available to many stockholders as a remedy when they object to the terms of proposed corporate actions. Such actions can include, but are not limited to, a merger or a sale of assets. Typically, dissenters'/appraisal rights with respect to a position in a security are required by statute or regulation to be asserted by, or with the consent of, the record owner of the position in a security. Cede & Co., nominee of DTC, is the record owner of securities credited to the accounts of Participants. Therefore, in order for a beneficial

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] 15 U.S.C. 78s(b)(3)(A).

[4] 17 CFR 240.19b–4(f)(4).

[5] Capitalized terms not defined herein are defined in the Rules, By-Laws and Organization Certificate of DTC or the DTC Reorganizations Service Guide (''Reorganizations Guide''), each *available at www.dtcc.com/legal/rules-and-procedures.*

[6] Dissenters' rights refer to the statutory protections under state corporate law that permit a shareholder who objects to certain fundamental corporate transactions, such as mergers or consolidations, to refuse the transaction consideration and elect to have their shares purchased by the company. Appraisal rights are the specific remedy within that framework that entitle a dissenting shareholder to receive cash equal to the judicially determined fair value of their shares, as established through the appraisal procedures set forth in the applicable statute.

owner to exercise dissenters'/appraisal rights for shares of a security credited to the Account of a Participant at DTC, a beneficial owner would need Cede & Co., as record owner of the shares, to assert those rights or take other action as might be required by statute or regulation.

For corporate action events with dissenters'/appraisal rights, DTC has an established process pursuant to which a Participant, acting on behalf of a beneficial owner, can request that Cede & Co. execute a letter asserting dissenters'/appraisal rights (''Assertion Letter'') with respect to shares of the subject security credited to its DTC Account. Specifically, when a Participant wants to exercise dissenters'/appraisal rights for shares of a security credited to its DTC Participant Account, it submits an instruction letter to DTC via a designated web portal referred to as the MyDTCC portal (''MyDTCC'') requesting that DTC's nominee, Cede & Co., as holder of record of the shares, execute an Assertion Letter, asserting dissenters'/appraisal rights with respect to the number of shares specified by the Participant.

After Cede & Co. executes the Assertion Letter for the Participant's dissented position, DTC returns the letter to the Participant via MyDTCC. Prior to the effectiveness of the corporate action, DTC will request from the transfer agent a Direct Registration Service [7] Statement (''DRS Statement'') or physical certificate, as applicable, for the amount of the Participant's dissented position,[8] and, once received, will deliver the DRS Statement or physical certificate to the Participant.[9]

Before DTC receives the DRS Statement or physical certificate for a Participant's dissented position, the Participant may cancel the assertion of dissenters'/appraisal rights for some or all of its dissented position by submitting an instruction letter to DTC, via MyDTCC, requesting that Cede & Co. execute a letter withdrawing the assertion of dissenters'/appraisal rights with respect to a specified number of shares in the dissented position. After Cede & Co. executes the withdrawal letter, DTC returns the letter to the Participant using MyDTCC.

(ii) Proposed Changes

With respect to the assertion of dissenters'/appraisal rights, there is a risk that a Participant may inadvertently deliver the subject shares out of its Account as part of a separate transaction during the period that the DRS Statement or physical stock certificate is being delivered to DTC for onward delivery to the Participant.

To mitigate this risk, DTC proposes to amend the Reorganizations Guide to reflect the segregation of shares subject to dissenters'/appraisal rights. More specifically, DTC will add text to the section of the Reorganizations Guide relating to dissenters'/appraisal rights to state that each time Cede & Co. executes a Participant's requested Assertion Letter, DTC will transfer the Participant's dissented position out of the CUSIP for the issue and into a contra-CUSIP.[10] The text will further provide that the Participant's dissented position will remain credited to the contra-CUSIP position to segregate that position until DTC receives the DRS Statement or physical certificate from the transfer agent for the dissented position and delivers it to the Participant, or the Participant cancels the assertion of dissenters'/appraisal rights. This approach ensures that the applicable position is not delivered out of the Participant's DTC Account through a separate transaction.

In addition, DTC proposes to update the text of the Reorganizations Guide to include a clear description of its current practice for handling a Participant's withdrawal of dissenters'/appraisal rights. More specifically, DTC will add text to state that if a Participant seeks to cancel the assertion of dissenters'/appraisal rights for a specified number of shares in its dissented position, it must complete and submit an instruction letter to DTC via MyDTCC requesting that Cede & Co. execute a letter withdrawing the assertion of dissenters'/appraisal rights with respect to the shares. Once Cede & Co. executes the withdrawal letter, DTC will return it to the Participant via MyDTCC and will then transfer the amount of the shares subject to the withdrawal letter out of the contra-CUSIP and back into the CUSIP for the security.

The proposed rule change would also make other clarifying, conforming, and technical changes including:

- text describing that the Participant instructs DTC to sign a letter in order to assert dissenters' rights or appraisal rights (*i.e.,* Assertion Letter) would be clarified to state that the Participant instructs DTC to cause Cede & Co., as nominee of DTC, to sign the letter; and
- text stating that DTC will deliver a ''Cede'' certificate (or in the case of DRS securities, a DRS Statement representing the appropriate quantity of securities to the Participant) would be clarified to (i) state that DTC delivers the certificate or statement to the Participant, (ii) remove the imprecise reference to ''Cede'' before ''certificate'' and add clarifying language that the certificate or the DRS Statement, as applicable, is registered to Cede & Co. FBO Beneficial Owner or Cede & Co. FBO Dissented Shares, and (iii) add text to reflect current practice that DTC delivers a stock power from Cede & Co. to the Participant.[11]

Implementation Timeframe

DTC would implement the proposed rule change by no later than June 1, 2026. DTC would announce the effective date of the proposed changes by an Important Notice posted to its website.

2. Statutory Basis

DTC believes the proposed rule change is consistent with Section 17A(b)(3)(F) of the Exchange Act,[12] which, among other things, requires that a clearing agency's rules are designed to protect securities and funds in its custody, control, or for which it is responsible.

By segregating shares subject to dissenters'/appraisal rights into a contra-CUSIP, as outlined above, DTC helps protect the integrity of a Participant's position by ensuring that the shares are not inadvertently transferred out of a Participant's Account before the corresponding DRS Statement or physical certificate is provided to the Participant. Likewise, by providing for reversal of securities back into the CUSIP when Cede & Co. signs a letter for the withdrawal of dissenters'/appraisal rights, the proposed rule change ensures that Participants can change their position

[7] The Direct Registration Service (DRS) is a system that allows investors to hold securities directly in their own name on the books of the issuer or its transfer agent, rather than in ''street name'' through a broker or in the form of physical certificates. Instead of receiving certificates, investors receive account statements that evidence ownership.

[8] Because Cede & Co. is the registered holder of the shares and signs the Assertion Letter, the DRS Statement or physical certificate are made out to ''Cede & Co. FBO Beneficial Owner'' or ''Cede & Co. FBO Dissented Shares.'' FBO refers to ''for the benefit of.''

[9] When DTC orders a DRS Statement for dissented shares or a certificate, the transfer agent will draw down DTC's balance on its books, but DTC will not debit the Participant until it receives the DRS Statement or physical certificate. The Participant will in turn deliver the statement or certificate to the beneficial owner.

[10] Contra-CUSIP numbers are generated by DTC and currently used to segregate positions (representing instructions submitted) for voluntary offers and put bond options. The contra-CUSIP includes the first three digits of the issuer number as assigned to the security to be tendered.

[11] The stock power authorizes a transfer agent to transfer ownership of the shares from the current registered holder to a new one, in this case from Cede & Co. to the beneficial owner.

[12] 15 U.S.C. 78q–1(b)(3)(F).

and enable the securities for other transactions. These changes are consistent with DTC's obligation to protect securities under its custody or control.

Furthermore, by incorporating procedures that formalize the current process for withdrawing assertion of dissenters'/appraisal rights—as outlined above—DTC enhances transparency and operational certainty for Participants. This clarification ensures that all parties clearly understand the required steps for submission of a withdrawal letter and provides assurance regarding how DTC will process and safeguard these securities while they are under its custody or control.

Finally, the additional clarifying changes described above to (i) note that the Participant instructs Cede & Co., rather than DTC, to sign an Assertion Letter, (ii) clarify where DTC delivers a DRS Statement or physical certificate, (iii) remove an imprecise reference to ''Cede'' before ''certificate,'' (iv) clarify how a certificate or the DRS Statement is registered, and (v) add text to reflect current practice that DTC provides a stock power from Cede & Co. to the Participant (that receives the DRS Statement or physical certificate) are intended to align the Reorganizations Guide with current operational procedures and ensure that the guide accurately reflects the steps taken in the processing of dissenters'/appraisal rights, thereby promoting transparency and consistency for all Participants. By ensuring these operational details are clearly defined, these changes also enhance the safeguarding of securities under DTC's custody or control by minimizing the risk of misallocation or processing errors.

Therefore, by aligning the Reorganizations Guide with current practices and providing for the segregation of positions subject to the dissenter's/appraisal rights process, the proposed rule change is consistent with Section 17A(b)(3)(F), cited above, in promoting the protection of securities under DTC's custody or control.

(B) Clearing Agency's Statement on Burden on Competition

DTC does not believe that the proposed rule change will have any impact, or impose any burden, on competition. The rule change simply improves procedures for the segregation and handling of shares subject to dissenters'/appraisal rights and aligns procedures with current practice. These changes will apply uniformly to all Participants, ensuring that no Participant is unfairly disadvantaged or favored. Accordingly, DTC believes the proposal will not impose any burden on competition.

(C) Clearing Agency's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

DTC has not received or solicited any written comments relating to this proposal. If any written comments are received, DTC will amend its filing to publicly file such comments as an Exhibit 2 to its filing, as required by Form 19b–4 and the General Instructions thereto.

Persons submitting written comments are cautioned that, according to Section IV (Solicitation of Comments) of the Exhibit 1A in the General Instructions to Form 19b–4, the Commission does not edit personal identifying information from comment submissions. Commenters should submit only information that they wish to make available publicly, including their name, email address, and any other identifying information.

All prospective commenters should follow the Commission's instructions on how to submit comments, *available at www.sec.gov/rules-regulations/how-submit-comment.* General questions regarding the rule filing process or logistical questions regarding this filing should be directed to the Main Office of the Commission's Division of Trading and Markets at *tradingandmarkets@sec.gov* or 202–551–5777.

DTC reserves the right to not respond to any comments received.

III. Date of Effectiveness of the Proposed Rule Change, and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) [13] of the Act and paragraph (f) of Rule 19b–4 thereunder.[14] At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include file number SR–DTC–2026–003 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to File Number SR–DTC–2026–003. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (*https://www.sec.gov/rules/sro.shtml*). Copies of the filing will be available for inspection and copying at the principal office of DTC and on DTCC's website (*https://dtcc.com/legal/sec-rule-filings.aspx*). Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to File Number SR–DTC–2026–003 and should be submitted on or before April 9, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[15]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–05332 Filed 3–18–26; 8:45 am]

BILLING CODE 8011–01–P

[13] 15 U.S.C. 78s(b)(3)(A).

[14] 17 CFR 240.19b–4(f).

[15] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–105014; File No. SR–NASDAQ–2026–014]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Introduce TNO Cross Connect, a Colocation Telecommunications Carrier Connectivity Service

March 16, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on March 3, 2026, The Nasdaq Stock Market LLC (''Nasdaq'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to introduce ''TNO Cross Connect,'' a telecommunications network operator (telco'' or ''TNO'') connectivity service, throughout its data center campus. The Exchange will submit a separate filing to establish fees for the service proposed herein.

The text of the proposed rule change is available on the Exchange's website at *https://listingcenter.nasdaq.com/rulebook/nasdaq/rulefilings,* and at the principal office of the Exchange.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to introduce ''TNO Cross Connect,'' a telecommunications network operator[3] (telco'' or ''TNO'') connectivity service, throughout its data center campus. The Exchange will submit a separate filing to establish fees for the service proposed herein.

Background

The Exchange's data center campus consists of the original data center (''NY11''), an expansion area (''NY11–4''), and a future expansion area (''NY11–5''). In a data center, a telco provider operates within a physical network infrastructure that enables external connectivity for data center customers, transporting customer data into and out of the facility through equipment the telco maintains onsite. In this role, the telco provides network services that allow customers to reach their broader networks by providing telecommunications access to external destinations.

Data Center Telco Connectivity

Throughout the Exchange's data center, including as retrofitted in NY11,[4] telco connectivity is implemented using Nasdaq-managed infrastructure[5] in which each telco connectivity proceeds from the telco carrier cage[6] cabinet patch panel[7] through Nasdaq-provided cabling to a Nasdaq-managed distribution point.[8] From there, additional Nasdaq-provided cabling connects the telco to the customer client cabinet patch panel.[9] All telco connectivity in the expansion areas and as scheduled to be retrofitted in NY11 follows this standardized route.[10]

TNO Cross Connect

The Exchange is now proposing to add to its fee schedule in Rule General 8, Section 1(b) a specified component of the telco-to-customer connectivity path and offer that component as a connectivity offering as described herein.[11] As proposed, the TNO Cross

[3] For purposes of this proposal, a Telecommunication Network Operator (TNO) means a provider of telecommunications carrier services that, owns, controls, or has the appropriate rights to use, the infrastructure necessary to sell and/or deliver telecommunications carrier services.

[4] The Exchange is undertaking a campus-wide project to implement equidistant telco connectivity within and among its original data center hall and expansion areas (''Equalization Project''). As part of this initiative, the original data center hall, NY11, is being retrofitted with equalized cabling and updated infrastructure. This model reflects Nasdaq's efforts to enhance the integrity of its data center networks by establishing standardized connectivity requirements for each component of the telco-to-customer connectivity path and exercising greater management oversight over its components. *See* Securities Exchange Act Release No. 34–101078 (Sept. 18, 2024), 89 FR 77937 (Sept. 24, 2024) (SR–NASDAQ–2024–054) (discussing the Equalization Project in greater detail).

[5] In data center halls NY11–4, NY11–5 and (as retrofitted in) NY11, cabling from the telco carrier cabinet to the Nasdaq-provided distribution point and onward to the customer cabinet is provided and managed by Nasdaq. All such connectivity is color-coded, inventoried, and auditable, thereby enhancing transparency and operational consistency across the infrastructure. By maintaining direct contractual and billing relationships with TNOs as it relates to connectivity and fully managing each component of the telco connectivity path, Nasdaq enhances the integrity of the telco-to-customer communications network and strengthens its ability to oversee and control that connectivity. In the legacy NY11 model, such connectivity, as well as contractual relationships with TNOs with respect to such connectivity, are largely provided or established by the data center operator. As discussed below, however, the data center operator has historically maintained (and continues to maintain) contractual relationships with TNOs in connection with other data center-provided products or services, such as the leasing of space by and the provision of power to the telco provider.

[6] The carrier cage is a meshed caged area or section in a data center which houses telco carrier and vendor equipment to which data center clients connect via Nasdaq or data center provided connectivity (the latter as in the case of legacy NY11). Throughout the data center campus, including NY11 and NY11–4, and NY11–5, the telco carrier cage cabinet is operated by the data center operator. The Exchange does not currently assess charges against telco providers, whether for use of such carrier cage space or otherwise.

[7] A patch panel is a passive cabling interface used in data centers to terminate, organize, and route network or fiber connections. It serves as a centralized panel of ports where incoming cables (*e.g.,* from a telco carrier cage or backbone infrastructure) connect on one side, and outgoing cables (*e.g.,* to customer cabinets, distribution points, or equipment racks) connect on the other.

[8] A distribution point is a designated passive cabling node within a data center's structured telecommunications architecture, where backbone or feeder cabling terminates, and from which downstream cabling is routed to customer cabinets or equipment locations. Distribution points serve as standardized, auditable locations used for organizing, patching, and managing connectivity.

[9] That section of the telco-to-customer connectivity path consisting of the connectivity from the Nasdaq-provided distribution point to the customer client cabinet is not the subject or purpose of this proposed rule change. The scope of the telco connectivity service proposed herein is limited to that section of the telco-to-customer connectivity path consisting of the cabling extending from the telco provider carrier cage to the Nasdaq-provided distribution point only.

[10] The Exchange is not proposing to modify its telco connectivity infrastructure. Rather, it seeks to designate a specific component of that infrastructure as a connectivity service, with associated fees to be established in a separate filing.

[11] The Exchange does not currently assess charges against telco providers in the data center, whether for any component of the telco to customer connectivity path or otherwise. The Exchange is now proposing to introduce TNO Cross Connect to

Continued

Connect [12] would consist solely of the cabling that runs from the telco's carrier cabinet through to the Nasdaq-provided distribution point.[13] The proposed service would not include the downstream customer-facing connectivity from the Nasdaq-provided distribution point to the customer client cabinet. As proposed, all TNOs seeking to connect with Nasdaq data center clients anywhere inside the data center campus will be required to interface through TNO Cross Connect thus enhancing the consistency of connectivity architecture inside the data center. The TNO Cross Connect would thus promote the integrity and transparency of telco connectivity inside the data center campus and support Nasdaq's ability to provide consistent oversight and maintenance of that connectivity. The Exchange notes that the New York Stock Exchange (NYSE) offers a comparable service at an established fee.[14] The Exchange will submit a filing proposing to establish fees for the TNO Cross Connect service proposed herein.

Impact of the Proposed Changes

The proposed TNO Cross Connect service is specific to TNOs and will be available to all TNOs on an equal basis. As proposed, all TNOs seeking to connect with Nasdaq data center clients anywhere inside the data center campus will be required to interface through TNO Cross Connect thus enhancing the consistency of connectivity architecture inside the data center. The proposed changes are not otherwise intended to address any other items relating to the Exchange's data center campus.

Implementation

The Exchange proposes to offer TNO Cross Connect throughout its data center campus. Although projected dates are subject to change, the Exchange anticipates launching the TNO Cross Connect offering during the second quarter of 2026.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[15] in general, and furthers the objectives of Section 6(b)(5) of the Act,[16] in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest.

As described above, the proposal provides for a defined and Exchange-managed connectivity pathway—the TNO Cross Connect—running from the telco carrier cage to the Nasdaq-managed distribution point. Through this structure, all TNOs interface with the Exchange's infrastructure through a uniformly administered, and auditable pathway, which in turn enhances the operational integrity and reliability of connectivity throughout the interior of the Exchange's data center campus. By establishing a standardized, Nasdaq-managed connectivity path in which the Exchange oversees the cabling, demarcation points, and supporting architecture, the proposal enhances Nasdaq's ability to monitor, maintain, and audit this connectivity. Implementing the proposed TNO Cross Connect thus enhances the integrity of connectivity within the Exchange's data center campus as well as Nasdaq's ability to implement, oversee, maintain, and manage that connectivity. As discussed above, other exchanges offer comparable telco carrier connectivity services at established fees.[17]

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

Nothing in the proposal imposes any burden on the ability of other exchanges to compete. The Exchange operates in a highly competitive market in which exchanges and other vendors offer colocation services to facilitate the trading and other market activities of those market participants who believe that colocation enhances the efficiency of their operations. As discussed above, other exchanges offer comparable telecommunication carrier connectivity services at established fees.

Nothing in the proposal burdens intra-market competition because the TNO Cross Connect will be available to any TNO who wishes to offer its services to the Exchange's data center customers on a non-discriminatory basis and each TNO who wants to offer its services to Nasdaq customers will be subject to the same requirements. As discussed above, any TNO that seeks to provide telecommunications services to Nasdaq's data center customers must use the proposed TNO Cross Connect. This requirement ensures that all TNOs interface with Nasdaq's infrastructure through a uniform, Exchange-managed connectivity path, which enhances the integrity, transparency, and consistency of connectivity throughout the data center campus. Requiring TNOs to use this Exchange-administered pathway does not restrict competition among TNOs; each TNO remains free to determine whether to offer its services to Nasdaq colocation customers and to compete with other TNOs on the basis of price and service quality. The proposal merely ensures that, if a TNO chooses to do business with Nasdaq customers, the TNO must connect through the TNO Cross Connect, which serves as the standardized, regulated point of access. Accordingly, the proposal does not impose any burden on inter-market or intra-market competition that is not necessary or appropriate under the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were either solicited or received.

designate a certain component of the telco-to-customer cabinet cabling path, as described herein, as a connectivity service. The Exchange will submit a separate filing to establish fees for the service proposed herein.

[12] As discussed below, the Exchange proposes to offer TNO Cross Connect throughout its data center campus, including NY11 (as fully retrofitted), NY11–4, and NY11–5 with implementation to take place during the second quarter of 2026. In the context of the proposed TNO Cross Connect service, a cross-connect refers to the physical, point-to-point cabling that links a telecommunications network operator from its data center-operated carrier cabinet to the Nasdaq-controlled distribution point within the data center. A cross-connect is a direct physical connection between two distinct demarcation points in a data center, typically used to provide a private, reliable path between a customer and a service provider.

[13] To effect this change, the Exchange proposes to amend subparagraph (b) of Rule General 8, Section 1 as follows. The Exchange proposes to insert, immediately below the caption ''Fiber'' the words ''TNO Cross Connect.'' The Exchange further proposes to insert, where the column titled ''Installation Fee'' intersects the proposed entry ''TNO Cross Connect,'' the acronym ''TBD.'' Similarly, the Exchange proposes to enter ''TBD'' where the proposed entry ''TNO Cross Connect'' intersects the column titled ''Ongoing Monthly Fee.'' The Exchange believes the proposed changes are appropriate to indicate the introduction of the proposed connectivity service under subparagraph (b) of Rule General 8, Section 1, and to clarify that the proposed installation and ongoing monthly fees for such proposed service have yet to be established. As discussed above, the Exchange will submit a separate filing proposing fees for the TNO Cross Connect.

[14] *See* New York Stock Exchange LLC, Connectivity Fee Schedule (Jan. 1, 2026) (offering, under Section D (''Meet Me-Room ('MMR') Services'') thereof, a service titled ''Carrier Connection Fee'' to ''[m]aintain Telecom's connections to its non-Telecom data center customers'' for a monthly fee of $1,150) available at *https://www.nyse.com/publicdocs/nyse/Wireless_Connectivity_Fees_and_Charges.pdf.*

[15] 15 U.S.C. 78f(b).

[16] 15 U.S.C. 78f(b)(5).

[17] *See supra* note 14 and accompanying text.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(iii) [18] of the Act and Rule 19b–4(f)(6) thereunder [19] in that it effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov*. Please include file number SR–NASDAQ–2026–014 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to file number SR–NASDAQ–2026–014. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (*https://www.sec.gov/rules/sro.shtml*). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR–NASDAQ–2026–014 and should be submitted on or before April 9, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[20]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–05344 Filed 3–18–26; 8:45 am]

BILLING CODE 8011–01–P

[18] 15 U.S.C. 78s(b)(3)(A)(iii).

[19] 17 CFR 240.19b–4(f)(6). Furthermore, Rule 19b–4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file a proposed rule change under that subsection at least five business days prior to the date of filing, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

[20] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–105013; File No. SR–MRX–2026–08]

Self-Regulatory Organizations; Nasdaq MRX, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Introduce TNO Cross Connect, a Colocation Telecommunications Carrier Connectivity Service

March 16, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on March 10, 2026, Nasdaq MRX, LLC (''MRX'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to introduce ''TNO Cross Connect,'' a telecommunications network operator (telco'' or ''TNO'') connectivity service, throughout its data center campus. The Exchange will submit a separate filing to establish fees for the service proposed herein.

The text of the proposed rule change is available on the Exchange's website at *https://listingcenter.nasdaq.com/rulebook/mrx/rulefilings,* and at the principal office of the Exchange.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to introduce ''TNO Cross Connect,'' a telecommunications network operator [3] (telco'' or ''TNO'') connectivity service, throughout its data center campus. The Exchange will submit a separate filing to establish fees for the service proposed herein.

Background

The Exchange's data center campus consists of the original data center (''NY11''), an expansion area (''NY11–4''), and a future expansion area (''NY11–5''). In a data center, a telco provider operates within a physical network infrastructure that enables external connectivity for data center customers, transporting customer data into and out of the facility through equipment the telco maintains onsite. In this role, the telco provides network services that allow customers to reach their broader networks by providing telecommunications access to external destinations.

Data Center Telco Connectivity

Throughout the Exchange's data center, including as retrofitted in NY11,[4] telco connectivity is

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] For purposes of this proposal, a Telecommunication Network Operator (TNO) means a provider of telecommunications carrier services that, owns, controls, or has the appropriate rights to use, the infrastructure necessary to sell and/or deliver telecommunications carrier services.

[4] The Exchange is undertaking a campus-wide project to implement equidistant telco connectivity within and among its original data center hall and

Continued

implemented using Nasdaq-managed infrastructure [5] in which each telco connectivity proceeds from the telco carrier cage [6] cabinet patch panel [7] through Nasdaq-provided cabling to a Nasdaq-managed distribution point.[8] From there, additional Nasdaq-provided cabling connects the telco to the customer client cabinet patch panel.[9]

All telco connectivity in the expansion areas and as scheduled to be retrofitted in NY11 follows this standardized route.[10]

TNO Cross Connect

The Exchange is now proposing to add to its fee schedule in Rule General 8, Section 1(b) a specified component of the telco-to-customer connectivity path and offer that component as a connectivity offering as described herein.[11] As proposed, the TNO Cross Connect [12] would consist solely of the cabling that runs from the telco's carrier cabinet through to the Nasdaq-provided distribution point.[13] The proposed service would not include the downstream customer-facing connectivity from the Nasdaq-provided distribution point to the customer client cabinet. As proposed, all TNOs seeking to connect with Nasdaq data center clients anywhere inside the data center campus will be required to interface through TNO Cross Connect thus enhancing the consistency of connectivity architecture inside the data center. The TNO Cross Connect would thus promote the integrity and transparency of telco connectivity inside the data center campus and support Nasdaq's ability to provide consistent oversight and maintenance of that connectivity. The Exchange notes that the New York Stock Exchange (NYSE) offers a comparable service at an established fee.[14] The Exchange will submit a filing proposing to establish fees for the TNO Cross Connect service proposed herein.

Impact of the Proposed Changes

The proposed TNO Cross Connect service is specific to TNOs and will be available to all TNOs on an equal basis. As proposed, all TNOs seeking to connect with Nasdaq data center clients anywhere inside the data center campus will be required to interface through TNO Cross Connect thus enhancing the consistency of connectivity architecture inside the data center. The proposed changes are not otherwise intended to address any other items relating to the Exchange's data center campus.

Implementation

The Exchange proposes to offer TNO Cross Connect throughout its data center campus. Although projected dates are subject to change, the Exchange anticipates launching the TNO Cross Connect offering during the second quarter of 2026.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[15] in general, and furthers the objectives of Section 6(b)(5) of the Act,[16] in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest.

As described above, the proposal provides for a defined and Exchange-managed connectivity pathway—the TNO Cross Connect—running from the telco carrier cage to the Nasdaq-managed distribution point. Through

expansion areas (''Equalization Project''). As part of this initiative, the original data center hall, NY11, is being retrofitted with equalized cabling and updated infrastructure. This model reflects Nasdaq's efforts to enhance the integrity of its data center networks by establishing standardized connectivity requirements for each component of the telco-to-customer connectivity path and exercising greater management oversight over its components. *See* Securities Exchange Act Release No. 34–101078 (Sept. 18, 2024), 89 FR 77937 (Sept. 24, 2024) (SR–NASDAQ–2024–054) (discussing the Equalization Project in greater detail).

[5] In data center halls NY11–4, NY11–5 and (as retrofitted in) NY11, cabling from the telco carrier cabinet to the Nasdaq-provided distribution point and onward to the customer cabinet is provided and managed by Nasdaq. All such connectivity is color-coded, inventoried, and auditable, thereby enhancing transparency and operational consistency across the infrastructure. By maintaining direct contractual and billing relationships with TNOs as it relates to connectivity and fully managing each component of the telco connectivity path, Nasdaq enhances the integrity of the telco-to-customer communications network and strengthens its ability to oversee and control that connectivity. In the legacy NY11 model, such connectivity, as well as contractual relationships with TNOs with respect to such connectivity, are largely provided or established by the data center operator. As discussed below, however, the data center operator has historically maintained (and continues to maintain) contractual relationships with TNOs in connection with other data center-provided products or services, such as the leasing of space by and the provision of power to the telco provider.

[6] The carrier cage is a meshed caged area or section in a data center which houses telco carrier and vendor equipment to which data center clients connect via Nasdaq or data center provided connectivity (the latter as in the case of legacy NY11). Throughout the data center campus, including NY11 and NY11–4, and NY11–5, the telco carrier cage cabinet is operated by the data center operator. The Exchange does not currently assess charges against telco providers, whether for use of such carrier cage space or otherwise.

[7] A patch panel is a passive cabling interface used in data centers to terminate, organize, and route network or fiber connections. It serves as a centralized panel of ports where incoming cables (*e.g.,* from a telco carrier cage or backbone infrastructure) connect on one side, and outgoing cables (*e.g.,* to customer cabinets, distribution points, or equipment racks) connect on the other.

[8] A distribution point is a designated passive cabling node within a data center's structured telecommunications architecture, where backbone or feeder cabling terminates, and from which downstream cabling is routed to customer cabinets or equipment locations. Distribution points serve as standardized, auditable locations used for organizing, patching, and managing connectivity.

[9] That section of the telco-to-customer connectivity path consisting of the connectivity from the Nasdaq-provided distribution point to the customer client cabinet is not the subject or purpose of this proposed rule change. The scope of the telco connectivity service proposed herein is limited to that section of the telco-to-customer connectivity path consisting of the cabling extending from the telco provider carrier cage to the Nasdaq-provided distribution point only.

[10] The Exchange is not proposing to modify its telco connectivity infrastructure. Rather, it seeks to designate a specific component of that infrastructure as a connectivity service, with associated fees to be established in a separate filing.

[11] The Exchange does not currently assess charges against telco providers in the data center, whether for any component of the telco to customer connectivity path or otherwise. The Exchange is now proposing to introduce TNO Cross Connect to designate a certain component of the telco-to-customer cabinet cabling path, as described herein, as a connectivity service. The Exchange will submit a separate filing to establish fees for the service proposed herein.

[12] As discussed below, the Exchange proposes to offer TNO Cross Connect throughout its data center campus, including NY11 (as fully retrofitted), NY11–4, and NY11–5 with implementation to take place during the second quarter of 2026. In the context of the proposed TNO Cross Connect service, a cross-connect refers to the physical, point-to-point cabling that links a telecommunications network operator from its data center-operated carrier cabinet to the Nasdaq-controlled distribution point within the data center. A cross-connect is a direct physical connection between two distinct demarcation points in a data center, typically used to provide a private, reliable path between a customer and a service provider.

[13] To effect this change, the Exchange proposes to amend subparagraph (b) of Rule General 8, Section 1 as follows. The Exchange proposes to insert, immediately below the caption ''Fiber'' the words ''TNO Cross Connect.'' The Exchange further proposes to insert, where the column titled ''Installation Fee'' intersects the proposed entry ''TNO Cross Connect,'' the acronym ''TBD.'' Similarly, the Exchange proposes to enter ''TBD'' where the proposed entry ''TNO Cross Connect'' intersects the column titled ''Ongoing Monthly Fee.'' The Exchange believes the proposed changes are appropriate to indicate the introduction of the proposed connectivity service under subparagraph (b) of Rule General 8, Section 1, and to clarify that the proposed installation and ongoing monthly fees for such proposed service have yet to be established. As discussed above, the Exchange will submit a separate filing proposing fees for the TNO Cross Connect.

[14] *See* New York Stock Exchange LLC, Connectivity Fee Schedule (Jan. 1, 2026) (offering, under Section D (''Meet Me-Room ('MMR') Services'') thereof, a service titled ''Carrier Connection Fee'' to ''[m]aintain Telecom's connections to its non-Telecom data center customers'' for a monthly fee of $1,150) available at *https://www.nyse.com/publicdocs/nyse/Wireless_Connectivity_Fees_and_Charges.pdf.*

[15] 15 U.S.C. 78f(b).

[16] 15 U.S.C. 78f(b)(5).

this structure, all TNOs interface with the Exchange's infrastructure through a uniformly administered, and auditable pathway, which in turn enhances the operational integrity and reliability of connectivity throughout the interior of the Exchange's data center campus. By establishing a standardized, Nasdaq-managed connectivity path in which the Exchange oversees the cabling, demarcation points, and supporting architecture, the proposal enhances Nasdaq's ability to monitor, maintain, and audit this connectivity. Implementing the proposed TNO Cross Connect thus enhances the integrity of connectivity within the Exchange's data center campus as well as Nasdaq's ability to implement, oversee, maintain, and manage that connectivity. As discussed above, other exchanges offer comparable telco carrier connectivity services at established fees.[17]

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

Nothing in the proposal imposes any burden on the ability of other exchanges to compete. The Exchange operates in a highly competitive market in which exchanges and other vendors offer colocation services to facilitate the trading and other market activities of those market participants who believe that colocation enhances the efficiency of their operations. As discussed above, other exchanges offer comparable telecommunication carrier connectivity services at established fees.

Nothing in the proposal burdens intra-market competition because the TNO Cross Connect will be available to any TNO who wishes to offer its services to the Exchange's data center customers on a non-discriminatory basis and each TNO who wants to offer its services to Nasdaq customers will be subject to the same requirements. As discussed above, any TNO that seeks to provide telecommunications services to Nasdaq's data center customers must use the proposed TNO Cross Connect. This requirement ensures that all TNOs interface with Nasdaq's infrastructure through a uniform, Exchange-managed connectivity path, which enhances the integrity, transparency, and consistency of connectivity throughout the data center campus. Requiring TNOs to use this Exchange-administered pathway does not restrict competition among TNOs; each TNO remains free to determine whether to offer its services to Nasdaq colocation customers and to compete with other TNOs on the basis of price and service quality. The proposal merely ensures that, if a TNO chooses to do business with Nasdaq customers, the TNO must connect through the TNO Cross Connect, which serves as the standardized, regulated point of access. Accordingly, the proposal does not impose any burden on inter-market or intra-market competition that is not necessary or appropriate under the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(iii) [18] of the Act and Rule 19b–4(f)(6) thereunder [19] in that it effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include file number SR–MRX–2026–08 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to file number SR–MRX–2026–08. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (*https://www.sec.gov/rules/sro.shtml*). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR–MRX–2026–08 and should be submitted on or before April 9, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[20]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–05343 Filed 3–18–26; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–105002; File No. SR–ISE–2026–08]

Self-Regulatory Organizations; Nasdaq ISE, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Expand the Exchange's Co-Location Services

March 16, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on March 3, 2026, Nasdaq ISE, LLC (''ISE'' or ''Exchange'') filed with the Securities and Exchange Commission

[17] *See supra* note 14 and accompanying text.

[18] 15 U.S.C. 78s(b)(3)(A)(iii).

[19] 17 CFR 240.19b–4(f)(6). Furthermore, Rule 19b–4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file a proposed rule change under that subsection at least five business days prior to the date of filing, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

[20] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

(''Commission'') the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to expand its co-location services by offering new cabinet and power options in the Exchange's expanded data center, as described here below.

The text of the proposed rule change is available on the Exchange's website at *https://listingcenter.nasdaq.com/rulebook/ise/rulefilings,* and at the principal office of the Exchange.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to expand its co-location services by offering new cabinet and power options in the Exchange's expanded data center. The Exchange's current data center consists of the original data center (''NY11''), an expansion area (''NY11–4''), and a future expansion area (''NY11–5'').

The Exchange submits this filing to propose a new service in NY11–5, as described below. The Exchange will submit a fee filing to establish fees for the services described herein.

New Service in NY11–5: Liquid Cooled Cabinet

Currently, co-location customers have the option of obtaining a cabinet capable of accommodating varying power options. Co-location customers may obtain a Cabinet and choose among varying power options as provided under Rule General 8, Section 1.[3]

The Exchange proposes to introduce an additional cabinet option in NY11–5. Specifically, the Exchange proposes to introduce a cabinet featuring liquid cooling,[4] a cooling method that uses liquid, rather than air, to absorb and transfer heat away from equipment, such as servers (''Liquid-Cooled Cabinet'').[5] As proposed, data center customers may either supply their own cabinets or elect to have Nasdaq provide the cabinets for the customer's use in connection with the proposed Liquid-Cooled Cabinet service.[6] Depending on business needs of data center customers, a Liquid-Cooled Cabinet might be more attractive to data center customers because liquid cooling is more efficient and enables space optimization in ways that air cooling methods would struggle to support. For example, a Liquid-Cooled Cabinet could handle greater power densities within a given space than would air cooling. For data center customers, this translates into the ability to deploy more computing power within the same cabinet footprint. In effect, Liquid-Cooled Cabinets would allow data center customers to install more of the computing equipment that data center customers typically use within their cabinet than they would with air cooling methods because liquid cooling is more efficient at dissipating heat from a given cabinet space. The Exchange notes that data center customers prefer denser environments to minimize distance between equipment and thus maximize computing power within a given space. As proposed, the Liquid-Cooled Cabinet option would only be offered in NY11–5 because the required liquid-cooled infrastructure necessary to support the proposed cabinets is not available in other parts of the data center.[7] The Exchange notes that Liquid-Cooled Cabinets are offered as one other option for data center customers to choose from because traditionally cooled cabinets throughout the data center will continue to provide the level of thermal management appropriate for each cabinet offering that the Exchange provides.

As discussed above, the Exchange is offering the Liquid-Cooled Cabinets as a convenience to its customers and notes that use of colocation services, including the proposed Liquid-Cooled Cabinet service, is completely optional. Colocation services, including the proposed offering, are voluntary, and each customer may determine whether any colocation option is appropriate for its business needs.

NY11–5 Cabinet Power Circuits

Rule General 8, Section 1(c) provides that the following five cabinet power circuit options are only available in (and that one of these must be selected for) NY11–4: Phase 1 20 amp 240 volt, Phase 1 32 amp 240 volt, Phase 1 40 amp 240 volt, Phase 3 20 amp 415 volt, and Phase 3 32 amp 415 volt.[8] The Exchange proposes to provide that the foregoing five cabinet power circuit options are also available for Liquid-Cooled Cabinets in NY11–5.[9]

[3] *See* Rule General 8, Section 1(a)–(c).

[4] The proposed cabinets would offer liquid versus air cooling. Specifically, the liquid-cooling method uses pipes to circulate chilled water or specialized coolant to client equipment. Liquid cooling facilitates heat dissipation, allowing processors to operate more efficiently than those cooled by air-to-air heat exchange. Liquids have a much higher thermal conductivity and heat capacity, so they can absorb and move heat faster and in smaller volumes.

[5] *See* proposed Rule General 8, Section 1(a). To effect this change, the Exchange proposes to amend Rule General 8, Section 1(a) as follows. First, the Exchange proposes to insert the proposed Liquid-Cooled Cabinet in the table at subparagraph (a) of Rule General 8, Section 1 by inserting the words ''Liquid-Cooled Cabinet—Nasdaq Provided**'' and the words ''Liquid-Cooled Cabinet—Customer Provided**'' immediately following the ''Cabinet'' entry in Rule General 8, Section 1(a). The Exchange further proposes to designate such entries with the symbol ''**'' to make clear, as provided in the proposed footnote to Rule General 8, Section 1(a), that Liquid-Cooled Cabinets, both the Exchange as well as Customer provided, are available only in NY11–5. Pending the submission of a fee filing for the proposed Liquid-Cooled Cabinet, the Exchange proposes a non-substantive change to enter the acronym ''TBD'' under the column titled ''NY11–4/–5 Installation Fee'' as well as the column titled ''Ongoing Monthly Fee.'' The Exchange believes this proposed non-substantive change is appropriate to indicate that all such fees for the proposed Liquid-Cooled Cabinet have yet to be established. Finally, the Exchange proposes to enter ''N/A'' under the column titled ''NY11 Installation Fee'' to clarify that NY–11-related fees are not applicable to Liquid-Cooled Cabinets available only in NY11–5. *See id.*

[6] *See* proposed Rule General 8, Section 1(a). The proposal would permit customers to use either Nasdaq-provided Liquid-Cooled Cabinets or their own, unlike traditional air-cooled cabinets, which must be Nasdaq-provided. Providing the option for customer-provided cabinets is appropriate here because the Liquid-Cooled Cabinet is purpose-built for the customer within a dedicated enclosure specifically designed to suit the customer's liquid-cooling infrastructure requirements for which a self-provided cabinet may, depending on the circumstances, be more appropriate to suit the customer's needs.

[7] To the best of the Exchange's knowledge, no other national securities exchange offers liquid-cooled cabinets as a colocation option.

[8] *See* Rule General 8, Section 1(c).

[9] The five cabinet power circuit options (Phase 1 20A/240V, 32A/240V, 40A/240V; Phase 3 20A/415V, 32A/415V) are available for both air-cooled and Liquid-Cooled Cabinets because the cabinet power they support (approximately 5–23 kW) remains within the thermal capabilities of traditional air-cooling systems. By contrast, the higher-power Phase 3 40A/415V and 60A/415V options (≈29–43 kW) discussed below exceed the threshold at which air cooling is efficient or practicable and therefore are limited to Liquid-Cooled Cabinets. To effect this change, the Exchange proposes to amend the footnotes to Rule General 8, Section 1(c) as follows. The Exchange

The Exchange further proposes to provide two new power options that will be available only for Liquid-Cooled Cabinets in NY11–5: Phase 3, 40 amp, 415 volt and Phase 3, 60 amp 415 volt.[10] These power circuit options are available only for Liquid-Cooled Cabinets in NY11–5 as an additional offering for customers seeking higher power options for their Liquid-Cooled Cabinets. Although different options will be offered throughout the data center due to differing power configurations, the new cabinet power options are not inherently preferable to the existing cabinet power options because customers have varying preferences for power circuits based on their operational needs and the Exchange does not anticipate material differences in equipment performance based on the power distribution. As between the various power circuit options, customers choose power based on their preferences and capacity needs.

Implementation

Although the timing is subject to change,[11] the Exchange anticipates granting access to NY11–5 during the first quarter of 2026, on or about April 3, 2026. As discussed above, the Exchange will submit a fee filing to establish fees for the services described herein.

In concert with this filing, the Exchange will allow customers to place orders for Liquid-Cooled Cabinets in NY11–5, which orders would not be fee liable until fees for such services are established and customers are provided access to the space for their immediate use, whether to trade or otherwise, on or about April 3, 2026.[12] Allowing customers to place orders in advance of opening its doors will allow the Exchange to plan ahead for capacity and demand for services, as well as procure necessary equipment.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[13] in general, and furthers the objectives of Section 6(b)(5) of the Act,[14] in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest. Today, the Exchange offers a cabinet option and varying power options for its data center colocation customers. The Exchange's proposal would expand these cabinet and power circuit options by introducing an additional cabinet featuring liquid cooling, as well as several options for powering such cabinet. Specifically, the proposal would benefit the public interest by providing colocation customers with a Liquid-Cooled Cabinet not offered by other exchanges, and one which offers customers the ability to deploy greater computing power with a defined cabinet space, as compared to air-cooled cabinets. Liquid-Cooled Cabinets are optional, however, because for many data center customers, air-cooled cabinets may be better suited to meet the requirements of their business operations. In general, the proposal is consistent with the Act because the Exchange's expansion of the data center, including the expansion of available cabinet options and related power will enable the Exchange to meet customer preferences and address customer demand for such services. In lieu of collocating directly with the Exchange, market participants may choose not to collocate at all or to collocate indirectly through a vendor.

The Exchange also believes that the proposal will not be unfairly discriminatory, consistent with the objectives of Section 6(b)(5) of the Act[15] because the expanded cabinet and related power options in the data center would be offered equally to all customers. Although optionality varies due to differing power configurations across the data center, any customer may order cabinets and power across the data center on the same terms as any other customer.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange notes that this proposal does not concern itself with the speed at which customers can trade or the Equalization Project[16] because its scope is limited to introducing a liquid-cooled cabinet option in NY11–5 and does not extend to data communications networks.[17]

Nothing in the proposal imposes any burden on the ability of other exchanges to compete. The Exchange operates in a highly competitive market in which exchanges and other vendors offer colocation services as a means to facilitate the trading and other market activities of those market participants who believe that colocation enhances the efficiency of their operations.

Nothing in the Proposal burdens intra-market competition because the Exchange's colocation services, including those proposed herein, are available to any customer that wishes to order cabinets and power, and all such customers can do so on a non-discriminatory basis. Use of any colocation service is completely

proposes to modify the footnote designated with a single asterisk (''*'') to add, immediately following the final sentence in that footnote, the following sentence: ''These options are available also for Liquid-Cooled Cabinets in NY11–5.'' In addition, and pending the submission of a proposal to establish fees for proposed Liquid-Cooled Cabinets in NY11–5, the Exchange proposes to clarify, in a new footnote to Rule General 8, Section 1(c) designated with a dagger symbol (''†''), that fees depicted under Rule General 8, Section 1(c) for cabinet power options that are designated with the dagger symbol (''†'') are fees for other than Liquid-Cooled Cabinets in NY11–5. The Exchange believes these proposed changes are appropriate to clarify the applicability of fees under Rule General 8, Section 1(c) and to make clear that fees for cabinet power options applicable to Liquid Cooled Cabinets in NY11–5 have yet to be established. *See* proposed Rule General 8, Section 1(c).

[10] *See* proposed Rule General 8, Section 1(c). To effect this change, the Exchange proposes to enter under subparagraph (c) of Rule General 8, Section 1 the proposed cabinet power circuit options for NY11–5 by inserting ''Phase 3 40 amp 415 volt***'' and ''Phase 3 60 amp 415 volt***'' thereunder. The Exchange proposes to use the symbol triple asterisk (''***'') to clarify that such cabinet power circuits are for use in in Liquid-Cooled Cabinets in NY11–5 only, as provided in the proposed footnote to Rule General 8, Section 1(c). Pending the submission of its fee filing for such Liquid-Cooled Cabinet service, the Exchange further proposes to clarify, in the columns titled ''NY11–4/–5 Installation Fee'' and ''NY11–4/–5 Ongoing Monthly Fee ($550 per kVA)'' and using the acronym ''TBD'' in each instance, that the installation and ongoing monthly fees for such power circuits for Liquid-Cooled Cabinets in NY11–5 have yet to be determined. Finally, the Exchange proposes to enter ''N/A'' under the columns titled ''NY11 Installation Fee'' and ''NY11 Ongoing Monthly Fee ($550 per kVA)'' to clarify that that NY11-specific fees are not applicable to power circuits available only for Liquid-Cooled Cabinets in NY11–5. The Exchange believes the foregoing changes are appropriate to clarify that fees for the proposed services have yet to be determined as well as to provide greater specificity with respect to the applicability of certain fees to the Exchange's offerings, thereby facilitating comprehension of the Exchange's connectivity schedule as well as its use. *See id. See also supra* note 10 and accompanying text (explaining the rationale for limiting these offerings to Liquid-Cooled Cabinets).

[11] The Exchange will announce modifications to the proposed timing via the Nasdaq Customer Portal, which is the web portal used for order and inventory management of colocation services, and email communication to all colocation customers.

[12] Charging customers once access is provided is consistent with current practice and allows customers to set up equipment and begin using power.

[13] 15 U.S.C. 78f(b).

[14] 15 U.S.C. 78f(b)(5).

[15] *Id.*

[16] The Equalization Project is an Exchange initiative to equalize cross connects across the Exchange's entire data center campus. *See* Securities Exchange Act Release No. 34–101078 (Sep. 18, 2024), 89 FR 77937 (Sept. 24, 2024) (SR–NASDAQ–2024–054).

[17] *See supra* note 16 and accompanying text.

voluntary, and each market participant is able to determine whether to use colocation services based on the requirements of its business operations.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(iii) [18] of the Act and Rule 19b–4(f)(6) thereunder [19] in that it effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include file number SR–ISE–2026–08 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to file number SR–ISE–2026–08. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (*https://www.sec.gov/rules/sro.shtml*). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR–ISE–2026–08 and should be submitted on or before April 9, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[20]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–05335 Filed 3–18–26; 8:45 am]

BILLING CODE 8011–01–P

[18] 15 U.S.C. 78s(b)(3)(A)(iii).

[19] 17 CFR 240.19b–4(f)(6). Furthermore, Rule 19b–4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file a proposed rule change under that subsection at least five business days prior to the date of filing, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

[20] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 36021; 812–15978]

The RBB Fund Trust and M.D. Sass, LLC

March 17, 2026.

AGENCY: Securities and Exchange Commission (''Commission'' or ''SEC'').

ACTION: Notice.

Notice of an application under section 6(c) of the Investment Company Act of 1940 (''Act'') for an exemption from Section 15(a) of the Act, as well as from certain disclosure requirements in rule 20a–1 under the Act, Item 19(a)(3) of Form N–1A, Items 22(c)(1)(ii), 22(c)(1)(iii), 22(c)(8) and 22(c)(9) of Schedule 14A under the Securities Exchange Act of 1934, and sections 6–07(2)(a), (b), and (c) of Regulation S–X (''Disclosure Requirements'').

SUMMARY OF APPLICATION: The requested exemption would permit Applicants to enter into and materially amend subadvisory agreements with subadvisers without shareholder approval and would grant relief from the Disclosure Requirements as they relate to fees paid to the subadvisers.

APPLICANTS: The RBB Fund Trust and M.D. Sass, LLC.

FILING DATES: The application was filed on January 27, 2026.

HEARING OR NOTIFICATION OF HEARING: An order granting the requested relief will be issued unless the Commission orders a hearing. Interested persons may request a hearing on any application by emailing the SEC's Secretary at *Secretarys-Office@sec.gov* and serving the Applicants with a copy of the request by email, if an email address is listed for the relevant Applicant below, or personally or by mail, if a physical address is listed for the relevant Applicant below. The email should include the file number referenced above. Hearing requests should be received by the Commission by 5:30 p.m., Eastern time on April 13, 2026, and should be accompanied by proof of service on the Applicants, in the form of an affidavit, or, for lawyers, a certificate of service. Pursuant to rule 0–5 under the Act, hearing requests should state the nature of the writer's interest, any facts bearing upon the desirability of a hearing on the matter, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by emailing the Commission's Secretary.

ADDRESSES: The Commission: *Secretarys-Office@sec.gov.* Applicants: Jillian L. Bosmann, Esq., Faegre Drinker Biddle & Reath LLP, *jillian.bosmann@faegredrinker.com,* with a copy to Bobby Liu, Chief Legal and Risk Officer, M.D. Sass, LLC, *bliu@mdsass.com.*

FOR FURTHER INFORMATION CONTACT: Rachel Loko, Senior Special Counsel, at (202) 551–6825 (Division of Investment Management, Chief Counsel's Office).

SUPPLEMENTARY INFORMATION: For Applicants' representations, legal analysis, and conditions, please refer to Applicants' application, dated January 27, 2026, which may be obtained via the Commission's website by searching for the file number at the top of this document, or for an Applicant using the Company name search field on the SEC's EDGAR system. The SEC's EDGAR system may be searched at *https://www.sec.gov/search-filings.* You may also call the SEC's Office of Investor Education and Advocacy at (202) 551–8090.

For the Commission, by the Division of Investment Management, under delegated authority.

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–05434 Filed 3–18–26; 8:45 am]

BILLING CODE P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–105015; File No. SR–CboeEDGA–2026–006]

Self-Regulatory Organizations; Cboe EDGA Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Its Fee Schedule To Adopt a New Fee Waiver for Eligible Internal Distributors

March 16, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on March 10, 2026, Cboe EDGA Exchange, Inc. (the ''Exchange'' or ''EDGA'') filed with the Securities and Exchange Commission (the ''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

Cboe EDGA Exchange, Inc. (the ''Exchange'' or ''EDGA'') is filing with the Securities and Exchange Commission (''Commission'') a proposed rule change to amend its Fee Schedule to adopt a new fee waiver for eligible Internal Distributors. The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Commission's website (*https://www.sec.gov/rules/sro.shtml*), the Exchange's website (*https://www.cboe.com/us/equities/regulation/rule_filings/bzx/*), and at the principal office of the Exchange.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend [3] its Fee Schedule to adopt a new fee waiver for eligible Internal Distributors.[4] Particularly, the Exchange proposes to adopt a waiver of the (i) Internal Distribution Fee and (ii) Non-Display Usage Fee, so long as the new Internal Distributor has (i) not received the EDGA Depth Data Feed in the last 18 months and (ii) does not operate a Trading Platform.[5] The Internal Distributor shall be eligible for this waiver for the time it requires to set up its systems to internally distribute this data feed; however, such period shall not exceed three months.

By way of background, the Exchange offers the EDGA Depth Data Feed, which is a data feed that offers aggregated two-sided quotations for all displayed orders entered into the system.[6] The EDGA Depth Data Feed benefits investors by facilitating their prompt access to real-time market depth information contained in EDGA Depth Data. The Exchange's Affiliates [7] also offer similar depth-of-book data feeds. Particularly, each of the Exchange's Affiliates offers depth-of-book quotations based on their own quotation and trading activity that is substantially similar to the information provided by the Exchange through the EDGA Depth Data Feed.

Currently, the Exchange assesses an Internal Distributor of the EDGA Depth Data Feed an Internal Distribution fee of $1,000 per month,[8] Professional and Non-Professional User Fees, and a Non-Display Usage Fee.[9] The Exchange proposes to adopt a fee waiver providing that the Distribution Fee and the Non-Display Usage Fee shall be waived for new Internal Distributors that (i) do not operate a Trading Platform and (ii) have not received the EDGA Depth Data Feed in the last 18 months; this allows Internal Distributors time to prepare systems to distribute this feed. The proposed waiver is only available for the period of time required to prepare systems to distribute the EDGA Depth data internally to its users, for a period of time not to exceed three months.

To be eligible for the fee waiver for the EDGA Depth Data, the new Internal Distributor must (i) not have received the data feed in the last 18 months [10] and (ii) not operate its own Trading Platform. As discussed further below, the Exchange seeks to adopt the proposed Internal Distributor EDGA Depth Fee Waiver to incentivize new Internal Distributors to integrate the data feed into its system and to then distribute this data internally to its users. The Exchange notes that both the Exchange [11] and its Affiliates [12] currently offer similar credits to

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] On March 2,2026, the Exchange submitted SR–CboeEDGA–2026–004. On March 10, 2026, the Exchange withdrew that filing and submitted this filing

[4] An ''Internal Distributor'' is a Distributor that receives the Exchange Market Data product and then distributes that data to one or more Users within the Distributor's own entity. *See* EDGA Equities Exchange Fees Schedule, Market Data Fees.

[5] The Exchange defines ''Trading Platform'' as any execution platform operated as or by a registered National Securities Exchange (as defined in Section 3(a)(1) of the Exchange Act), an Alternative Trading System (as defined in Rule 300(a) of Regulation ATS), or an Electronic Communications Network (as defined in Rule 600(b)(23) of Regulation NMS). *See* EDGA Equities Fee Schedule.

[6] *See* Exchange Rule 13.8(a).

[7] The ''Exchange's Affiliates'' or ''Affiliated Exchanges'' include Cboe BZX Exchange, Inc., Cboe EDGX Exchange, Inc., and Cboe BYX Exchange, Inc.

[8] *See* EDGA Equities Exchange Fees Schedule, Market Data Fees.

[9] The Exchange assess either a Non-Display Usage not by Trading Platforms Fee of $1,000/month or a Non-Display Usage by Trading Platforms of $2,000/month. Under this proposed rule, the Non-Display Usage not by Trading Platforms Fee is the applicable fee that shall be waived.

[10] The Exchange notes that it has a similar 18 moth requirement for participants to be considered eligible for the New Uncontrolled External Distributor fee waiver. *See* EDGA Equities Exchange Fees Schedule.

[11] *See* EDGA Equities Exchange Fees Schedule, outlining the New Uncontrolled External Distributor Fee Waiver and New External Distributor Credit. While the Exchange notes that these programs are for the Summary Depth Feed, and not the Depth Feed, it does not believe this is of note as the Summary Depth Feed offers similar data as the Depth Feed, noting that the Summary Depth Feed only provides out to 5 price levels, but it also includes the individual last sale information, Market Status, Trading Status, and Trade Break messages (*see* Exchange Rule 13.8(f))

[12] *See* BYX Equities Exchange Fee Schedule, outlining the New External Distributor Credit; *see also* BZX Equities Exchange Fee Schedule, outlining the New External Distributor Credit; *see also* EDGX Equities Exchange Fee Schedule, outlining the New External Distributor Credit. While the Exchange notes that these programs are for the Summary Depth Feed, and not the Depth Feed, it does not believe this is of note as the Summary Depth Feed offers similar data as the Depth Feed, noting that the Summary Depth Feed only provides out to 5 price levels, but it also includes the individual last sale information, Market Status, Trading Status, and Trade Break messages (*see* BYX Rule 11.22(k); BZX Rule 13.8(m); and EDGX Rule 13.8(f)).

External Distributors for the purpose of allowing them time to enlist new users to receive certain data feeds. The Exchange also notes that at least one other U.S. equities exchange offers a similar waiver for internal distributors to prepare systems and procedures to distribute the applicable data.[13] Specifically, the Exchange notes that Nasdaq offers Pre-Production Waivers to distributors that require time to prepare it systems and procedures to distribute Exchange information. Indeed, Nasdaq offers such a waiver for their comparable data feed, Nasdaq Depth of Book. Moreover, similar to the Nasdaq Depth of Book waiver, the Exchange's proposed waiver is only available for a period not to exceed 3 months.

The Exchange also proposes to remove the asterisks in the BZX Depth section of its fee schedule, that are currently appended to the terms, Non-Display Usage not by Trading Platforms, Non-Display Usage by Trading Platforms, and Enterprise Fee, and to replace them with numbers linked to footnotes.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the ''Act'') and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.[14] Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5) [15] requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with Section 6(b)(4) of the Act,[16] which requires that Exchange rules provide for the equitable allocation of reasonable dues, fees, and other charges among its Members and other persons using its facilities.

First, the Exchange notes that the EDGA Depth Data Feed is distributed and purchased on a voluntary basis, in that neither the Exchange nor data distributors are required by any rule or regulation to make these data products available. Internal Distributors can therefore discontinue use at any time and for any reason, including an assessment of the reasonableness of fees charged. As discussed above, at least one other U.S. equities exchange offers similar fee waivers to internal distributors of market data.[17] The Exchange believes that, by providing the fee waiver for eligible Internal Distributors of the EDGA Depth Data Feed, which is similar to those offered by Nasdaq, the proposed waiver increases investor choice and helps remove impediments to, and perfect the mechanism of, a free and open market and a national market system. Further, the Exchange is not required to make any proprietary data products available or to offer any specific pricing alternatives to any customers. Although the Exchange is not required to make any data, including depth data, available through its market data platform, the Exchange believes that making such data available increases investor choice, and contributes to a fair and competitive market.

Additionally, the proposed waiver for Internal Distributors of the EDGA Depth Data Feed is intended to incentivize eligible Internal Distributors to integrate the EDGA Depth Data Feed into its system and distribute it internally to its users. Internal Distributors require data feeds for testing and development in order to enable integration and distribution of market data feeds to internal users.[18] In order for Internal Distributors to distribute any one data feed, they need time for software development to integrate the data feed itself into its platform and program all of the different messages, fields and flags.[19] The Exchange notes that the proposed fee waivers only apply for the period of time required to prepare systems in order to distribute the data feed internally, and shall not exceed three months. Thus, the Exchange believes it is reasonable not to subject eligible Internal Distributors to fees, specifically the Internal Distributor Fee and the Non-Display Usage not by Trading Platforms Fee, until such time they are able to distribute the EDGA Depth Data Feed. The Exchange also believes that the proposed fee waivers promote just and equitable principles of trade by not assessing fees upon eligible Internal Distributors of the EDGA Depth Data Feed until the Internal Distributors are ready to internally distribute the EDGA Depth Data Feed. Ultimately, the Exchange believes that this fee waiver for Internal Distributors reduces the cost of system development for new internal distributors, thereby lowering their barriers to entry.

As noted above, this proposed waiver only applies to Internal Distributors and does not apply to External Distributors. The Exchange notes that it currently offers similar fee waivers for External Distributors for the EDGA Summary Depth Data Feed and new External Distributors may take advantage of the current programs offered by the Exchange.[20] While the Exchange notes that fee waiver for the BZX Summary Depth Data Feed is for *External* Distributors, and the Summary Depth Feed and not the Depth Feed, The Exchange does not believe this is of note as the Summary Depth Feed offers similar data as the Depth Feed. Specifically, while the Summary Depth Feed only provides out to 5 price levels, it also includes the individual last sale information, Market Status, Trading Status, and Trade Break messages

Additionally, an Internal Distributor that operates a Trading Platform is not eligible for this waiver. The intent of the waiver is to aid firms who seek access to trade on the Exchange. This waiver is intended to help with initial startup costs of connecting to the Exchange that may hinder some smaller firms from seeking access. For this reason, the Exchange believes the proposed rule change is consistent with Section 6(b)(4) of the Act, which requires that Exchange rules provide for the equitable allocation of reasonable dues, fees, and other charges among its Members and other persons using its facilities.

[13] *See e.g.,* Nasdaq Equities 7 Pricing Schedule, Section 112. Fee Waivers.

[14] 15 U.S.C. 78f(b).

[15] 15 U.S.C. 78f(b)(5).

[16] 15 U.S.C. 78f(b)(4).

[17] *Supra* note 11.

[18] The Exchange notes that while Non-Professional User Fees and Professional User Fees are assessed, no such waiver is needed for this program as there will be no user receiving such data until the Internal Distributor has integrated the feed and is internally distributing it. At that time, this waiver no longer applies, and the Non-Professional and Professional User Fees will be assessed in accordance with the Fee Schedule in addition to the Internal Distributor Fee of $1,000/month and the Non-Display Usage not by Trading Platforms Fee of $1,000/month.

[19] Distributors are responsible for the development and maintenance of a feed in accordance with the Exchange provided spec. See *e.g.,* Cboe Titanium US Equities/Options Multicast Depth of Book (PITCH) Specification.

[20] *See* EDGA Equities Exchange Fees Schedule, outlining the New Uncontrolled External Distributor Fee Waiver and New External Distributor Credit. While the Exchange notes that these programs are for the Summary Depth Feed, and not the Depth Feed, it does not believe this is of note as the Summary Depth Feed offers similar data as the Depth Feed, noting that the Summary Depth Feed only provides out to 5 price levels, but it also includes the individual last sale information, Market Status, Trading Status, and Trade Break messages (*see* Exchange Rule 13.8(f)).

Finally, allowing eligible Internal Distributors time to prepare systems to ingest and distribute the EDGA Depth Data Feed ensures such systems are properly established. Thus, the Exchange believes the proposed fee waivers foster cooperation and coordination with persons engaged in processing information with respect to and facilitating transactions in securities.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on intramarket or intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is grounded in the Exchange's efforts to assist in mitigating business costs (*i.e.,* the costs associated with the development of systems required to distribute the EDGA Depth Data Feed) for eligible Internal Distributors. The Exchange does not believe that the proposed rule change will impose any burden on intramarket competition because the proposed fee waivers apply uniformly to all market participants, that do not operate a Trading Platform, seeking to distribute the EDGA Depth Data Feed internally. The Exchange does not believe that the proposed fee waivers will create an undue burden on intermarket competition because use of the EDGA Depth Data Feed is optional and based on the business needs of each market participant. Additionally, the Exchange notes that at least one U.S. equities exchange offers a similar fee waiver for internal market data distributors.[21] As a result, the Exchange believes this proposed rule change permits fair competition among national securities exchanges.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The Exchange neither solicited nor received comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act [22] and paragraph (f) of Rule 19b–4 [23] thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov*. Please include file number SR–CboeEDGA–2026–006 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to file number SR–CboeEDGA–2026–006. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (*https://www.sec.gov/rules/sro.shtml*). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection.

All submissions should refer to file number SR–CboeEDGA–2026–006 and should be submitted on or before April 9, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[24]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–05345 Filed 3–18–26; 8:45 am]

BILLING CODE 8011–01–P

[21] *Supra* note 11.

[22] 15 U.S.C. 78s(b)(3)(A).

[23] 17 CFR 240.19b–4(f).

[24] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–105009; File No. SR–PHLX–2026–10]

Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Expand the Exchange's Co-Location Services

March 16, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on March 3, 2026, Nasdaq PHLX LLC (''PHLX'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to expand its co-location services by offering new cabinet and power options in the Exchange's expanded data center, as described here below.

The text of the proposed rule change is available on the Exchange's website at *https://listingcenter.nasdaq.com/rulebook/phlx/rulefilings,* and at the principal office of the Exchange.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to expand its co-location services by offering new cabinet and power options in the

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

Exchange's expanded data center. The Exchange's current data center consists of the original data center (''NY11''), an expansion area (''NY11–4''), and a future expansion area (''NY11–5'').

The Exchange submits this filing to propose a new service in NY11–5, as described below. The Exchange will submit a fee filing to establish fees for the services described herein.

New Service in NY11–5: Liquid Cooled Cabinet

Currently, co-location customers have the option of obtaining a cabinet capable of accommodating varying power options. Co-location customers may obtain a Cabinet and choose among varying power options as provided under Rule General 8, Section 1.[3]

The Exchange proposes to introduce an additional cabinet option in NY11–5. Specifically, the Exchange proposes to introduce a cabinet featuring liquid cooling,[4] a cooling method that uses liquid, rather than air, to absorb and transfer heat away from equipment, such as servers (''Liquid-Cooled Cabinet'').[5] As proposed, data center customers may either supply their own cabinets or elect to have Nasdaq provide the cabinets for the customer's use in connection with the proposed Liquid-Cooled Cabinet service.[6] Depending on business needs of data center customers, a Liquid-Cooled Cabinet might be more attractive to data center customers because liquid cooling is more efficient and enables space optimization in ways that air cooling methods would struggle to support. For example, a Liquid-Cooled Cabinet could handle greater power densities within a given space than would air cooling. For data center customers, this translates into the ability to deploy more computing power within the same cabinet footprint. In effect, Liquid-Cooled Cabinets would allow data center customers to install more of the computing equipment that data center customers typically use within their cabinet than they would with air cooling methods because liquid cooling is more efficient at dissipating heat from a given cabinet space. The Exchange notes that data center customers prefer denser environments to minimize distance between equipment and thus maximize computing power within a given space. As proposed, the Liquid-Cooled Cabinet option would only be offered in NY11–5 because the required liquid-cooled infrastructure necessary to support the proposed cabinets is not available in other parts of the data center.[7] The Exchange notes that Liquid-Cooled Cabinets are offered as one other option for data center customers to choose from because traditionally cooled cabinets throughout the data center will continue to provide the level of thermal management appropriate for each cabinet offering that the Exchange provides.

As discussed above, the Exchange is offering the Liquid-Cooled Cabinets as a convenience to its customers and notes that use of colocation services, including the proposed Liquid-Cooled Cabinet service, is completely optional. Colocation services, including the proposed offering, are voluntary, and each customer may determine whether any colocation option is appropriate for its business needs.

NY11–5 Cabinet Power Circuits

Rule General 8, Section 1(c) provides that the following five cabinet power circuit options are only available in (and that one of these must be selected for) NY11–4: Phase 1 20 amp 240 volt, Phase 1 32 amp 240 volt, Phase 1 40 amp 240 volt, Phase 3 20 amp 415 volt, and Phase 3 32 amp 415 volt.[8] The Exchange proposes to provide that the foregoing five cabinet power circuit options are also available for Liquid-Cooled Cabinets in NY11–5.[9]

The Exchange further proposes to provide two new power options that will be available only for Liquid-Cooled Cabinets in NY11–5: Phase 3, 40 amp, 415 volt and Phase 3, 60 amp 415 volt.[10]

[3] *See* Rule General 8, Section 1(a)–(c).

[4] The proposed cabinets would offer liquid versus air cooling. Specifically, the liquid-cooling method uses pipes to circulate chilled water or specialized coolant to client equipment. Liquid cooling facilitates heat dissipation, allowing processors to operate more efficiently than those cooled by air-to-air heat exchange. Liquids have a much higher thermal conductivity and heat capacity, so they can absorb and move heat faster and in smaller volumes.

[5] *See* proposed Rule General 8, Section 1(a). To effect this change, the Exchange proposes to amend Rule General 8, Section 1(a) as follows. First, the Exchange proposes to insert the proposed Liquid-Cooled Cabinet in the table at subparagraph (a) of Rule General 8, Section 1 by inserting the words ''Liquid-Cooled Cabinet—Nasdaq Provided**'' and the words ''Liquid-Cooled Cabinet—Customer Provided**'' immediately following the ''Cabinet'' entry in Rule General 8, Section 1(a). The Exchange further proposes to designate such entries with the symbol ''**'' to make clear, as provided in the proposed footnote to Rule General 8, Section 1(a), that Liquid-Cooled Cabinets, both the Exchange as well as Customer provided, are available only in NY11–5. Pending the submission of a fee filing for the proposed Liquid-Cooled Cabinet, the Exchange proposes a non-substantive change to enter the acronym ''TBD'' under the column titled ''NY11–4/–5 Installation Fee'' as well as the column titled ''Ongoing Monthly Fee.'' The Exchange believes this proposed non-substantive change is appropriate to indicate that all such fees for the proposed Liquid-Cooled Cabinet have yet to be established. Finally, the Exchange proposes to enter ''N/A'' under the column titled ''NY11 Installation Fee'' to clarify that NY–11-related fees are not applicable to Liquid-Cooled Cabinets available only in NY11–5. *See id.*

[6] *See* proposed Rule General 8, Section 1(a). The proposal would permit customers to use either Nasdaq-provided Liquid-Cooled Cabinets or their own, unlike traditional air-cooled cabinets, which must be Nasdaq-provided. Providing the option for customer-provided cabinets is appropriate here because the Liquid-Cooled Cabinet is purpose-built for the customer within a dedicated enclosure specifically designed to suit the customer's liquid-cooling infrastructure requirements for which a self-provided cabinet may, depending on the circumstances, be more appropriate to suit the customer's needs.

[7] To the best of the Exchange's knowledge, no other national securities exchange offers liquid-cooled cabinets as a colocation option.

[8] *See* Rule General 8, Section 1(c).

[9] The five cabinet power circuit options (Phase 1 20A/240V, 32A/240V, 40A/240V; Phase 3 20A/415V, 32A/415V) are available for both air-cooled and Liquid-Cooled Cabinets because the cabinet power they support (approximately 5–23 kW) remains within the thermal capabilities of traditional air-cooling systems. By contrast, the higher-power Phase 3 40A/415V and 60A/415V options (≈29–43 kW) discussed below exceed the threshold at which air cooling is efficient or practicable and therefore are limited to Liquid-Cooled Cabinets. To effect this change, the Exchange proposes to amend the footnotes to Rule General 8, Section 1(c) as follows. The Exchange proposes to modify the footnote designated with a single asterisk (''*'') to add, immediately following the final sentence in that footnote, the following sentence: ''These options are available also for Liquid-Cooled Cabinets in NY11–5.'' In addition, and pending the submission of a proposal to establish fees for proposed Liquid-Cooled Cabinets in NY11–5, the Exchange proposes to clarify, in a new footnote to Rule General 8, Section 1(c) designated with a dagger symbol (''†''), that fees depicted under Rule General 8, Section 1(c) for cabinet power options that are designated with the dagger symbol (''†'') are fees for other than Liquid-Cooled Cabinets in NY11–5. The Exchange believes these proposed changes are appropriate to clarify the applicability of fees under Rule General 8, Section 1(c) and to make clear that fees for cabinet power options applicable to Liquid Cooled Cabinets in NY11–5 have yet to be established. *See* proposed Rule General 8, Section 1(c).

[10] *See* proposed Rule General 8, Section 1(c). To effect this change, the Exchange proposes to enter under subparagraph (c) of Rule General 8, Section 1 the proposed cabinet power circuit options for NY11–5 by inserting ''Phase 3 40 amp 415 volt***'' and ''Phase 3 60 amp 415 volt***'' thereunder. The Exchange proposes to use the symbol triple asterisk (''***'') to clarify that such cabinet power circuits are for use in in Liquid-Cooled Cabinets in NY11–5 only, as provided in the proposed footnote to Rule General 8, Section 1(c). Pending the submission of its fee filing for such Liquid-Cooled Cabinet service, the Exchange further proposes to clarify, in the columns titled ''NY11–4/–5 Installation Fee'' and ''NY11–4/–5 Ongoing Monthly Fee ($550 per kVA)'' and using the acronym ''TBD'' in each instance, that the installation and ongoing monthly fees for such power circuits for Liquid-Cooled Cabinets in NY11–5 have yet to be determined. Finally, the Exchange proposes to enter ''N/A'' under the columns titled ''NY11 Installation Fee'' and ''NY11 Ongoing Monthly Fee ($550 per kVA)'' to clarify that that NY11-specific fees are not applicable to power circuits available only for Liquid-Cooled Cabinets in NY11–5. The Exchange believes the foregoing changes are appropriate to clarify that fees for the proposed services have yet to be determined as well as to provide greater specificity with respect to the applicability of certain fees to the Exchange's offerings, thereby facilitating comprehension of the Exchange's connectivity schedule as well as its use. *See id. See also supra* note 10 and accompanying

These power circuit options are available only for Liquid-Cooled Cabinets in NY11–5 as an additional offering for customers seeking higher power options for their Liquid-Cooled Cabinets. Although different options will be offered throughout the data center due to differing power configurations, the new cabinet power options are not inherently preferable to the existing cabinet power options because customers have varying preferences for power circuits based on their operational needs and the Exchange does not anticipate material differences in equipment performance based on the power distribution. As between the various power circuit options, customers choose power based on their preferences and capacity needs.

Implementation

Although the timing is subject to change,[11] the Exchange anticipates granting access to NY11–5 during the first quarter of 2026, on or about April 3, 2026. As discussed above, the Exchange will submit a fee filing to establish fees for the services described herein.

In concert with this filing, the Exchange will allow customers to place orders for Liquid-Cooled Cabinets in NY11–5, which orders would not be fee liable until fees for such services are established and customers are provided access to the space for their immediate use, whether to trade or otherwise, on or about April 3, 2026.[12] Allowing customers to place orders in advance of opening its doors will allow the Exchange to plan ahead for capacity and demand for services, as well as procure necessary equipment.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[13] in general, and furthers the objectives of Section 6(b)(5) of the Act,[14] in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest. Today, the Exchange offers a cabinet option and varying power options for its data center colocation customers. The Exchange's proposal would expand these cabinet and power circuit options by introducing an additional cabinet featuring liquid cooling, as well as several options for powering such cabinet. Specifically, the proposal would benefit the public interest by providing colocation customers with a Liquid-Cooled Cabinet not offered by other exchanges, and one which offers customers the ability to deploy greater computing power with a defined cabinet space, as compared to air-cooled cabinets. Liquid-Cooled Cabinets are optional, however, because for many data center customers, air-cooled cabinets may be better suited to meet the requirements of their business operations. In general, the proposal is consistent with the Act because the Exchange's expansion of the data center, including the expansion of available cabinet options and related power will enable the Exchange to meet customer preferences and address customer demand for such services. In lieu of collocating directly with the Exchange, market participants may choose not to collocate at all or to collocate indirectly through a vendor.

The Exchange also believes that the proposal will not be unfairly discriminatory, consistent with the objectives of Section 6(b)(5) of the Act [15] because the expanded cabinet and related power options in the data center would be offered equally to all customers. Although optionality varies due to differing power configurations across the data center, any customer may order cabinets and power across the data center on the same terms as any other customer.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange notes that this proposal does not concern itself with the speed at which customers can trade or the Equalization Project [16] because its scope is limited to introducing a liquid-cooled cabinet option in NY11–5 and does not extend to data communications networks.[17]

Nothing in the proposal imposes any burden on the ability of other exchanges to compete. The Exchange operates in a highly competitive market in which exchanges and other vendors offer colocation services as a means to facilitate the trading and other market activities of those market participants who believe that colocation enhances the efficiency of their operations.

Nothing in the Proposal burdens intra-market competition because the Exchange's colocation services, including those proposed herein, are available to any customer that wishes to order cabinets and power, and all such customers can do so on a non-discriminatory basis. Use of any colocation service is completely voluntary, and each market participant is able to determine whether to use colocation services based on the requirements of its business operations.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(iii) [18] of the Act and Rule 19b–4(f)(6) thereunder [19] in that it effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the

text (explaining the rationale for limiting these offerings to Liquid-Cooled Cabinets).

[11] The Exchange will announce modifications to the proposed timing via the Nasdaq Customer Portal, which is the web portal used for order and inventory management of colocation services, and email communication to all colocation customers.

[12] Charging customers once access is provided is consistent with current practice and allows customers to set up equipment and begin using power.

[13] 15 U.S.C. 78f(b).

[14] 15 U.S.C. 78f(b)(5).

[15] *Id.*

[16] The Equalization Project is an Exchange initiative to equalize cross connects across the Exchange's entire data center campus. *See* Securities Exchange Act Release No. 34–101078 (Sep. 18, 2024), 89 FR 77937 (Sept. 24, 2024) (SR–NASDAQ–2024–054).

[17] *See supra* note 15 and accompanying text.

[18] 15 U.S.C. 78s(b)(3)(A)(iii).

[19] 17 CFR 240.19b–4(f)(6). Furthermore, Rule 19b–4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file a proposed rule change under that subsection at least five business days prior to the date of filing, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include file number SR–PHLX–2026–10 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to file number SR–PHLX–2026–10. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (*https://www.sec.gov/rules/sro.shtml*). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR–PHLX–2026–10 and should be submitted on or before April 9, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[20]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–05340 Filed 3–18–26; 8:45 am]

BILLING CODE 8011–01–P

[20] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–105010; File No. SR–ISE–2026–09]

Self-Regulatory Organizations; Nasdaq ISE, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Introduce TNO Cross Connect, a Colocation Telecommunications Carrier Connectivity Service

March 16, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on March 10, 2026, Nasdaq ISE, LLC (''ISE'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to introduce ''TNO Cross Connect,'' a telecommunications network operator (telco'' or ''TNO'') connectivity service, throughout its data center campus. The Exchange will submit a separate filing to establish fees for the service proposed herein.

The text of the proposed rule change is available on the Exchange's website at *https://listingcenter.nasdaq.com/rulebook/ise/rulefilings,* and at the principal office of the Exchange.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to introduce ''TNO Cross Connect,'' a telecommunications network operator[3] (telco'' or ''TNO'') connectivity service, throughout its data center campus. The Exchange will submit a separate filing to establish fees for the service proposed herein.

Background

The Exchange's data center campus consists of the original data center (''NY11''), an expansion area (''NY11–4''), and a future expansion area (''NY11–5''). In a data center, a telco provider operates within a physical network infrastructure that enables external connectivity for data center customers, transporting customer data into and out of the facility through equipment the telco maintains onsite. In this role, the telco provides network services that allow customers to reach their broader networks by providing telecommunications access to external destinations.

Data Center Telco Connectivity

Throughout the Exchange's data center, including as retrofitted in NY11,[4] telco connectivity is implemented using Nasdaq-managed infrastructure[5] in which each telco

[3] For purposes of this proposal, a Telecommunication Network Operator (TNO) means a provider of telecommunications carrier services that, owns, controls, or has the appropriate rights to use, the infrastructure necessary to sell and/or deliver telecommunications carrier services.

[4] The Exchange is undertaking a campus-wide project to implement equidistant telco connectivity within and among its original data center hall and expansion areas (''Equalization Project''). As part of this initiative, the original data center hall, NY11, is being retrofitted with equalized cabling and updated infrastructure. This model reflects Nasdaq's efforts to enhance the integrity of its data center networks by establishing standardized connectivity requirements for each component of the telco-to-customer connectivity path and exercising greater management oversight over its components. *See* Securities Exchange Act Release No. 34–101078 (Sept. 18, 2024), 89 FR 77937 (Sept. 24, 2024) (SR–NASDAQ–2024–054) (discussing the Equalization Project in greater detail).

[5] In data center halls NY11–4, NY11–5 and (as retrofitted in) NY11, cabling from the telco carrier cabinet to the Nasdaq-provided distribution point and onward to the customer cabinet is provided and managed by Nasdaq. All such connectivity is color-coded, inventoried, and auditable, thereby enhancing transparency and operational consistency across the infrastructure. By maintaining direct contractual and billing relationships with TNOs as it relates to connectivity and fully managing each component of the telco connectivity path, Nasdaq enhances the integrity of the telco-to-customer communications network and strengthens its ability to oversee and control that

connectivity proceeds from the telco carrier cage [6] cabinet patch panel [7] through Nasdaq-provided cabling to a Nasdaq-managed distribution point.[8] From there, additional Nasdaq-provided cabling connects the telco to the customer client cabinet patch panel.[9] All telco connectivity in the expansion areas and as scheduled to be retrofitted in NY11 follows this standardized route.[10]

TNO Cross Connect

The Exchange is now proposing to add to its fee schedule in Rule General 8, Section 1(b) a specified component of the telco-to-customer connectivity path and offer that component as a connectivity offering as described herein.[11] As proposed, the TNO Cross Connect [12] would consist solely of the cabling that runs from the telco's carrier cabinet through to the Nasdaq-provided distribution point.[13] The proposed service would not include the downstream customer-facing connectivity from the Nasdaq-provided distribution point to the customer client cabinet. As proposed, all TNOs seeking to connect with Nasdaq data center clients anywhere inside the data center campus will be required to interface through TNO Cross Connect thus enhancing the consistency of connectivity architecture inside the data center. The TNO Cross Connect would thus promote the integrity and transparency of telco connectivity inside the data center campus and support Nasdaq's ability to provide consistent oversight and maintenance of that connectivity. The Exchange notes that the New York Stock Exchange (NYSE) offers a comparable service at an established fee.[14] The Exchange will submit a filing proposing to establish fees for the TNO Cross Connect service proposed herein.

Impact of the Proposed Changes

The proposed TNO Cross Connect service is specific to TNOs and will be available to all TNOs on an equal basis. As proposed, all TNOs seeking to connect with Nasdaq data center clients anywhere inside the data center campus will be required to interface through TNO Cross Connect thus enhancing the consistency of connectivity architecture inside the data center. The proposed changes are not otherwise intended to address any other items relating to the Exchange's data center campus.

Implementation

The Exchange proposes to offer TNO Cross Connect throughout its data center campus. Although projected dates are subject to change, the Exchange anticipates launching the TNO Cross Connect offering during the second quarter of 2026.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[15] in general, and furthers the objectives of Section 6(b)(5) of the Act,[16] in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest.

As described above, the proposal provides for a defined and Exchange-managed connectivity pathway—the TNO Cross Connect—running from the telco carrier cage to the Nasdaq-managed distribution point. Through this structure, all TNOs interface with the Exchange's infrastructure through a uniformly administered, and auditable pathway, which in turn enhances the operational integrity and reliability of connectivity throughout the interior of the Exchange's data center campus. By establishing a standardized, Nasdaq-managed connectivity path in which the Exchange oversees the cabling, demarcation points, and supporting architecture, the proposal enhances Nasdaq's ability to monitor, maintain, and audit this connectivity. Implementing the proposed TNO Cross Connect thus enhances the integrity of connectivity within the Exchange's data center campus as well as Nasdaq's ability to implement, oversee, maintain, and manage that connectivity. As discussed above, other exchanges offer

connectivity. In the legacy NY11 model, such connectivity, as well as contractual relationships with TNOs with respect to such connectivity, are largely provided or established by the data center operator. As discussed below, however, the data center operator has historically maintained (and continues to maintain) contractual relationships with TNOs in connection with other data center-provided products or services, such as the leasing of space by and the provision of power to the telco provider.

[6] The carrier cage is a meshed caged area or section in a data center which houses telco carrier and vendor equipment to which data center clients connect via Nasdaq or data center provided connectivity (the latter as in the case of legacy NY11). Throughout the data center campus, including NY11 and NY11–4, and NY11–5, the telco carrier cage cabinet is operated by the data center operator. The Exchange does not currently assess charges against telco providers, whether for use of such carrier cage space or otherwise.

[7] A patch panel is a passive cabling interface used in data centers to terminate, organize, and route network or fiber connections. It serves as a centralized panel of ports where incoming cables (*e.g.,* from a telco carrier cage or backbone infrastructure) connect on one side, and outgoing cables (*e.g.,* to customer cabinets, distribution points, or equipment racks) connect on the other.

[8] A distribution point is a designated passive cabling node within a data center's structured telecommunications architecture, where backbone or feeder cabling terminates, and from which downstream cabling is routed to customer cabinets or equipment locations. Distribution points serve as standardized, auditable locations used for organizing, patching, and managing connectivity.

[9] That section of the telco-to-customer connectivity path consisting of the connectivity from the Nasdaq-provided distribution point to the customer client cabinet is not the subject or purpose of this proposed rule change. The scope of the telco connectivity service proposed herein is limited to that section of the telco-to-customer connectivity path consisting of the cabling extending from the telco provider carrier cage to the Nasdaq-provided distribution point only.

[10] The Exchange is not proposing to modify its telco connectivity infrastructure. Rather, it seeks to designate a specific component of that infrastructure as a connectivity service, with associated fees to be established in a separate filing.

[11] The Exchange does not currently assess charges against telco providers in the data center, whether for any component of the telco to customer connectivity path or otherwise. The Exchange is now proposing to introduce TNO Cross Connect to designate a certain component of the telco-to-customer cabinet cabling path, as described herein, as a connectivity service. The Exchange will submit a separate filing to establish fees for the service proposed herein.

[12] As discussed below, the Exchange proposes to offer TNO Cross Connect throughout its data center campus, including NY11 (as fully retrofitted), NY11–4, and NY11–5 with implementation to take place during the second quarter of 2026. In the context of the proposed TNO Cross Connect service, a cross-connect refers to the physical, point-to-point cabling that links a telecommunications network operator from its data center-operated carrier cabinet to the Nasdaq-controlled distribution point within the data center. A cross-connect is a direct physical connection between two distinct demarcation points in a data center, typically used to provide a private, reliable path between a customer and a service provider.

[13] To effect this change, the Exchange proposes to amend subparagraph (b) of Rule General 8, Section 1 as follows. The Exchange proposes to insert, immediately below the caption ''Fiber'' the words ''TNO Cross Connect.'' The Exchange further proposes to insert, where the column titled ''Installation Fee'' intersects the proposed entry ''TNO Cross Connect,'' the acronym ''TBD.'' Similarly, the Exchange proposes to enter ''TBD'' where the proposed entry ''TNO Cross Connect'' intersects the column titled ''Ongoing Monthly Fee.'' The Exchange believes the proposed changes are appropriate to indicate the introduction of the proposed connectivity service under subparagraph (b) of Rule General 8, Section 1, and to clarify that the proposed installation and ongoing monthly fees for such proposed service have yet to be established. As discussed above, the Exchange will submit a separate filing proposing fees for the TNO Cross Connect.

[14] *See* New York Stock Exchange LLC, Connectivity Fee Schedule (Jan. 1, 2026) (offering, under Section D (''Meet Me-Room ('MMR') Services'') thereof, a service titled ''Carrier Connection Fee'' to ''[m]aintain Telecom's connections to its non-Telecom data center customers'' for a monthly fee of $1,150) available at *https://www.nyse.com/publicdocs/nyse/Wireless_Connectivity_Fees_and_Charges.pdf.*

[15] 15 U.S.C. 78f(b).

[16] 15 U.S.C. 78f(b)(5).

comparable telco carrier connectivity services at established fees.[17]

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

Nothing in the proposal imposes any burden on the ability of other exchanges to compete. The Exchange operates in a highly competitive market in which exchanges and other vendors offer colocation services to facilitate the trading and other market activities of those market participants who believe that colocation enhances the efficiency of their operations. As discussed above, other exchanges offer comparable telecommunication carrier connectivity services at established fees.

Nothing in the proposal burdens intra-market competition because the TNO Cross Connect will be available to any TNO who wishes to offer its services to the Exchange's data center customers on a non-discriminatory basis and each TNO who wants to offer its services to Nasdaq customers will be subject to the same requirements. As discussed above, any TNO that seeks to provide telecommunications services to Nasdaq's data center customers must use the proposed TNO Cross Connect. This requirement ensures that all TNOs interface with Nasdaq's infrastructure through a uniform, Exchange-managed connectivity path, which enhances the integrity, transparency, and consistency of connectivity throughout the data center campus. Requiring TNOs to use this Exchange-administered pathway does not restrict competition among TNOs; each TNO remains free to determine whether to offer its services to Nasdaq colocation customers and to compete with other TNOs on the basis of price and service quality. The proposal merely ensures that, if a TNO chooses to do business with Nasdaq customers, the TNO must connect through the TNO Cross Connect, which serves as the standardized, regulated point of access. Accordingly, the proposal does not impose any burden on inter-market or intra-market competition that is not necessary or appropriate under the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were either solicited or received.

[17] *See supra* note 14 and accompanying text.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(iii) [18] of the Act and Rule 19b–4(f)(6) thereunder [19] in that it effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include file number SR–ISE–2026–09 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to file number SR–ISE–2026–09. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (*https://www.sec.gov/rules/sro.shtml*). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR–ISE–2026–09 and should be submitted on or before April 9, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[20]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–05341 Filed 3–18–26; 8:45 am]

BILLING CODE 8011–01–P

[18] 15 U.S.C. 78s(b)(3)(A)(iii).

[19] 17 CFR 240.19b–4(f)(6). In addition, Rule 19b–4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file a proposed rule change under that subsection at least five business days prior to the date of filing, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

[20] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–105019; File No. SR–CboeBYX–2026–009]

Self-Regulatory Organizations; Cboe BYX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend its Fee Schedule To Adopt a New Fee Waiver for Eligible Internal Distributors

March 16, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on March 10, 2026, Cboe BYX Exchange, Inc. (the ''Exchange'' or ''BYX'') filed with the Securities and Exchange Commission (the ''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

Cboe BYX Exchange, Inc. (the ''Exchange'' or ''BYX'') is filing with the Securities and Exchange Commission (''Commission'') a proposed rule change to amend its Fee Schedule to adopt a new fee waiver for eligible Internal Distributors. The text of the proposed rule change is provided in Exhibit 5.

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

The text of the proposed rule change is also available on the Commission's website (*https://www.sec.gov/rules/sro.shtml*), the Exchange's website (*https://www.cboe.com/us/equities/regulation/rule_filings/bzx/*), and at the principal office of the Exchange.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend [3] its Fee Schedule to adopt a new fee waiver for eligible Internal Distributors.[4] Particularly, the Exchange proposes to adopt a waiver of the (i) Internal Distribution Fee and (ii) Non-Display Usage Fee, so long as the new Internal Distributor (i) has not received the BYX Depth Data Feed in the last 18 months and (ii) does not operate a Trading Platform.[5] The Internal Distributor shall be eligible for this waiver for the time it requires to set up its systems to internally distribute this data feed; however, such period shall not exceed three months.

By way of background, the Exchange offers the BYX Depth Data Feed, which is a data feed that offers aggregated two-sided quotations for all displayed orders entered into the system.[6] The BYX Depth Data Feed benefits investors by facilitating their prompt access to real-time market depth information contained in BYX Depth Data. The Exchange's Affiliates [7] also offer similar depth-of-book data feeds. Particularly, each of the Exchange's Affiliates offers depth-of-book quotations based on their own quotation and trading activity that is substantially similar to the information provided by the Exchange through the BYX Depth Data Feed.

Currently, the Exchange assesses an Internal Distributor of the BYX Depth Data Feed an Internal Distribution fee of $1,000 per month,[8] Professional and Non-Professional User Fees, and a Non-Display Usage Fee.[9] The Exchange proposes to adopt a fee waiver providing that the Distribution Fee and the Non-Display Usage Fee shall be waived for new Internal Distributors that (i) do not operate a Trading Platform and (ii) have not received the BYX Depth Data Feed in the last 18 months; this allows Internal Distributors time to prepare systems to distribute this feed. The proposed waiver is only available for the period of time required to prepare systems to distribute the BYX Depth data internally to its users, for a period of time not to exceed three months.

To be eligible for the fee waiver for the BYX Depth Data, the new Internal Distributor must (i) not have received the data feed in the last 18 months [10] and (ii) not operate its own Trading Platform. As discussed further below, the Exchange seeks to adopt the proposed Internal Distributor BYX Depth Fee Waiver to incentivize new Internal Distributors to integrate the data feed into its system and to then distribute this data internally to its users. The Exchange notes that both the Exchange [11] and its Affiliates [12] currently offer similar credits to External Distributors for the purpose of allowing them time to enlist new users to receive certain data feeds. The Exchange also notes that Nasdaq Stock Market, LLC (''Nasdaq'') offers a similar waiver for internal distributors to prepare systems and procedures to distribute the applicable data.[13] Specifically, the Exchange notes that Nasdaq offers Pre-Production Waivers to distributors that require time to prepare it systems and procedures to distribute Exchange information. Indeed, Nasdaq offers such a waiver for their comparable data feed, Nasdaq Depth of Book. Moreover, similar to the Nasdaq Depth of Book waiver, the Exchange's proposed waiver is only available for a period not to exceed 3 months.

The Exchange also proposes to remove the asterisks in the BZX Depth section of its fee schedule, that are currently appended to the terms, Non-Display Usage not by Trading Platforms, Non-Display Usage by Trading Platforms, and Enterprise Fee, and to replace them with numbers linked to footnotes.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the ''Act'') and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.[14] Specifically, the Exchange believes the proposed rule change is consistent with the Section

[3] On March 2,2026, the Exchange submitted SR–CboeBZX–2026–006. On March 10, 2026, the Exchange withdrew that filing and submitted this filing.

[4] An ''Internal Distributor'' is a Distributor that receives the Exchange Market Data product and then distributes that data to one or more Users within the Distributor's own entity. *See* BYX Equities Exchange Fees Schedule, Market Data Fees.

[5] The Exchange defines ''Trading Platform'' as any execution platform operated as or by a registered National Securities Exchange (as defined in Section 3(a)(1) of the Exchange Act), an Alternative Trading System (as defined in Rule 300(a) of Regulation ATS), or an Electronic Communications Network (as defined in Rule 600(b)(23) of Regulation NMS). *See* BYX Equities Fee Schedule.

[6] *See e.g.,* Exchange Rule 11.22(a)

[7] The ''Exchange's Affiliates'' or ''Affiliated Exchanges'' include Cboe BZX Exchange, Inc., Cboe EDGX Exchange, Inc., and Cboe EDGA Exchange, Inc.

[8] *See* BYX Equities Exchange Fees Schedule, Market Data Fees.

[9] The Exchange assess either a Non-Display Usage not by Trading Platforms Fee of $1,000/month or a Non-Display Usage by Trading Platforms of $2,000/month. Under this proposed rule, the Non-Display Usage not by Trading Platforms Fee is the applicable fee that shall be waived.

[10] The Exchange notes that it has a similar 18 moth requirement for participants to be considered eligible for the New Uncontrolled External Distributor fee waiver. *See* BYX Equities Exchange Fees Schedule.

[11] *See* BYX Equities Exchange Fees Schedule, outlining the New Uncontrolled External Distributor Fee Waiver and New External Distributor Credit. While the Exchange notes that these programs are for the Summary Depth Feed, and not the Depth Feed, it does not believe this is of note as the Summary Depth Feed offers similar data as the Depth Feed, noting that the Summary Depth Feed only provides out to 5 price levels, but it also includes the individual last sale information, Market Status, Trading Status, and Trade Break messages (*see* Exchange Rule 11.22(k)).

[12] *See* BZX Equities Exchange Fee Schedule, outlining the New External Distributor Credit; *see also* EDGX Equities Exchange Fee Schedule, outlining the New External Distributor Credit; *see also* EDGA Equities Exchange Fee Schedule, outlining the New External Distributor Credit. While the Exchange notes that these programs are for the Summary Depth Feed, and not the Depth Feed, it does not believe this is of note as the Summary Depth Feed offers similar data as the Depth Feed, noting that the Summary Depth Feed only provides out to 5 price levels, but it also includes the individual last sale information, Market Status, Trading Status, and Trade Break messages (*see* BZX Rule 11.22(m); EDGX Rule 13.8(f); and EDGA Rule 13.8(f)).

[13] *See e.g.*, Nasdaq Equities 7 Pricing Schedule, Section 112. Fee Waivers.

[14] 15 U.S.C. 78f(b).

6(b)(5) [15] requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with Section 6(b)(4) of the Act,[16] which requires that Exchange rules provide for the equitable allocation of reasonable dues, fees, and other charges among its Members and other persons using its facilities.

First, the Exchange notes that the BYX Depth Data Feed is distributed and purchased on a voluntary basis, in that neither the Exchange nor data distributors are required by any rule or regulation to make these data products available. Internal Distributors can therefore discontinue use at any time and for any reason, including an assessment of the reasonableness of fees charged. As discussed above, at least one other U.S. equities exchange offers similar fee waivers to internal distributors of market data.[17] The Exchange believes that, by providing the fee waiver for eligible Internal Distributors of the BYX Depth Data Feed, which is similar to those offered by Nasdaq, the proposed waiver increases investor choice and helps remove impediments to, and perfect the mechanism of, a free and open market and a national market system. Further, the Exchange is not required to make any proprietary data products available or to offer any specific pricing alternatives to any customers. Although the Exchange is not required to make any data, including depth data, available through its market data platform, the Exchange believes that making such data available increases investor choice, and contributes to a fair and competitive market.

Additionally, the proposed waiver for Internal Distributors of the BYX Depth Data Feed is intended to incentivize eligible Internal Distributors to integrate the BYX Depth Data Feed into its system and distribute it internally to its users. Internal Distributors require data feeds for testing and development in order to enable integration and distribution of market data feeds to internal users.[18] In order for Internal Distributors to distribute any one data feed, they need time for software development to integrate the data feed itself into its platform and program all of the different messages, fields and flags.[19] The Exchange notes that the proposed fee waivers only apply for the period of time required to prepare systems in order to distribute the data feed internally, and shall not exceed three months. Thus, the Exchange believes it is reasonable not to subject eligible Internal Distributors to fees, specifically the Internal Distributor Fee and the Non-Display Usage not by Trading Platforms Fee, until such time they are able to distribute the BYX Depth Data Feed. The Exchange also believes that the proposed fee waivers promote just and equitable principles of trade by not assessing fees upon eligible Internal Distributors of the BYX Depth Data Feed until the Internal Distributors are ready to internally distribute the BYX Depth Data Feed. Ultimately, the Exchange believes that this fee waiver for Internal Distributors reduces the cost of system development for new internal distributors, thereby lowering their barriers to entry.

As noted above, this proposed waiver only applies to Internal Distributors and does not apply to External Distributors. The Exchange notes that it currently offers similar fee waivers for External Distributors for the BYX Summary Depth Data Feed and new External Distributors may take advantage of the current programs offered by the Exchange.[20] While the Exchange notes that fee waiver for the BZX Summary Depth Data Feed is for *External* Distributors, and the Summary Depth Feed and not the Depth Feed, The Exchange does not believe this is of note as the Summary Depth Feed offers similar data as the Depth Feed. Specifically, while the Summary Depth Feed only provides out to 5 price levels, it also includes the individual last sale information, Market Status, Trading Status, and Trade Break messages.

Additionally, an Internal Distributor that operates a Trading Platform is not eligible for this waiver. The intent of the waiver is to aid firms who seek access to trade on the Exchange. This waiver is intended to help with initial startup costs of connecting to the Exchange that may hinder some smaller firms from seeking access. For this reason, the Exchange believes the proposed rule change is consistent with Section 6(b)(4) of the Act, which requires that Exchange rules provide for the equitable allocation of reasonable dues, fees, and other charges among its Members and other persons using its facilities.

Finally, allowing eligible Internal Distributors time to prepare systems to ingest and distribute the BYX Depth Data Feed ensures such systems are properly established. Thus, the Exchange believes the proposed fee waivers foster cooperation and coordination with persons engaged in processing information with respect to and facilitating transactions in securities.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on intramarket or intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is grounded in the Exchange's efforts to assist in mitigating business costs (*i.e.,* the costs associated with the development of systems required to distribute the BYX Depth Data Feed) for eligible Internal Distributors. The Exchange does not believe that the proposed rule change will impose any burden on intramarket competition because the proposed fee waivers apply uniformly to all market participants, that do not operate a Trading Platform, seeking to distribute the BYX Depth Data Feed internally. The Exchange does not believe that the proposed fee waivers will create an undue burden on intermarket competition because use of the BYX Depth Data Feed is optional and based on the business needs of each market participant. Additionally, the Exchange notes that at least one U.S. equities exchange offers a similar fee waiver for

[15] 15 U.S.C. 78f(b)(5).

[16] 15 U.S.C. 78f(b)(4).

[17] *Supra* note 11.

[18] The Exchange notes that while Non-Professional User Fees and Professional User Fees are assessed, no such waiver is needed for this program as there will be no user receiving such data until the Internal Distributor has integrated the feed and is internally distributing it. At that time, this waiver no longer applies, and the Non-Professional and Professional User Fees will be assessed in accordance with the Fee Schedule in addition to the Internal Distributor Fee of $1,000/month and the Non-Display Usage not by Trading Platforms Fee of $1,000/month.

[19] Distributors are responsible for the development and maintenance of a feed in accordance with the Exchange provided spec. See *e.g.,* Cboe Titanium US Equities/Options Multicast Depth of Book (PITCH) Specification.

[20] *See* BYX Equities Exchange Fees Schedule, outlining the New Uncontrolled External Distributor Fee Waiver and New External Distributor Credit. While the Exchange notes that these programs are for the Summary Depth Feed, and not the Depth Feed, it does not believe this is of note as the Summary Depth Feed offers similar data as the Depth Feed, noting that the Summary Depth Feed only provides out to 5 price levels, but it also includes the individual last sale information, Market Status, Trading Status, and Trade Break messages (*see* Exchange Rule 11.22(k)).

internal market data distributors.[21] As a result, the Exchange believes this proposed rule change permits fair competition among national securities exchanges.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The Exchange neither solicited nor received comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act [22] and paragraph (f) of Rule 19b–4 [23] thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov*. Please include file number SR–CboeBYX–2026–009 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to file number SR–CboeBYX–2026–009. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (*https://www.sec.gov/rules/sro.shtml*). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection.

All submissions should refer to file number SR–CboeBYX–2026–009 and should be submitted on or before April 9, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[24]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–05349 Filed 3–18–26; 8:45 am]

BILLING CODE 8011–01–P

[21] *Supra* note 11.

[22] 15 U.S.C. 78s(b)(3)(A).

[23] 17 CFR 240.19b–4(f).

[24] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–105007; File No. SR–GEMX–2026–06]

Self-Regulatory Organizations; Nasdaq GEMX, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Expand the Exchange's Co-Location Services

March 16, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on March 4, 2026, Nasdaq GEMX, LLC (''GEMX'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to expand its co-location services by offering new cabinet and power options in the Exchange's expanded data center, as described here below.

The text of the proposed rule change is available on the Exchange's website at *https://listingcenter.nasdaq.com/rulebook/gemx/rulefilings,* and at the principal office of the Exchange.

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to expand its co-location services by offering new cabinet and power options in the Exchange's expanded data center. The Exchange's current data center consists of the original data center (''NY11''), an expansion area (''NY11–4''), and a future expansion area (''NY11–5'').

The Exchange submits this filing to propose a new service in NY11–5, as described below. The Exchange will submit a fee filing to establish fees for the services described herein.

New Service in NY11–5: Liquid Cooled Cabinet

Currently, co-location customers have the option of obtaining a cabinet capable of accommodating varying power options. Co-location customers may obtain a Cabinet and choose among varying power options as provided under Rule General 8, Section 1.[3]

The Exchange proposes to introduce an additional cabinet option in NY11–5. Specifically, the Exchange proposes to introduce a cabinet featuring liquid cooling,[4] a cooling method that uses liquid, rather than air, to absorb and transfer heat away from equipment, such as servers (''Liquid-Cooled Cabinet'').[5] As proposed, data center

[3] *See* Rule General 8, Section 1(a)–(c).

[4] The proposed cabinets would offer liquid versus air cooling. Specifically, the liquid-cooling method uses pipes to circulate chilled water or specialized coolant to client equipment. Liquid cooling facilitates heat dissipation, allowing processors to operate more efficiently than those cooled by air-to-air heat exchange. Liquids have a much higher thermal conductivity and heat capacity, so they can absorb and move heat faster and in smaller volumes.

[5] *See* proposed Rule General 8, Section 1(a). To effect this change, the Exchange proposes to amend Rule General 8, Section 1(a) as follows. First, the Exchange proposes to insert the proposed Liquid-

Continued

customers may either supply their own cabinets or elect to have Nasdaq provide the cabinets for the customer's use in connection with the proposed Liquid-Cooled Cabinet service.[6] Depending on business needs of data center customers, a Liquid-Cooled Cabinet might be more attractive to data center customers because liquid cooling is more efficient and enables space optimization in ways that air cooling methods would struggle to support. For example, a Liquid-Cooled Cabinet could handle greater power densities within a given space than would air cooling. For data center customers, this translates into the ability to deploy more computing power within the same cabinet footprint. In effect, Liquid-Cooled Cabinets would allow data center customers to install more of the computing equipment that data center customers typically use within their cabinet than they would with air cooling methods because liquid cooling is more efficient at dissipating heat from a given cabinet space. The Exchange notes that data center customers prefer denser environments to minimize distance between equipment and thus maximize computing power within a given space. As proposed, the Liquid-Cooled Cabinet option would only be offered in NY11–5 because the required liquid-cooled infrastructure necessary to support the proposed cabinets is not available in other parts of the data center.[7] The Exchange notes that Liquid-Cooled Cabinets are offered as one other option for data center customers to choose from because traditionally cooled cabinets throughout the data center will continue to provide the level of thermal management appropriate for each cabinet offering that the Exchange provides.

As discussed above, the Exchange is offering the Liquid-Cooled Cabinets as a convenience to its customers and notes that use of colocation services, including the proposed Liquid-Cooled Cabinet service, is completely optional. Colocation services, including the proposed offering, are voluntary, and each customer may determine whether any colocation option is appropriate for its business needs.

NY11–5 Cabinet Power Circuits

Rule General 8, Section 1(c) provides that the following five cabinet power circuit options are only available in (and that one of these must be selected for) NY11–4: Phase 1 20 amp 240 volt, Phase 1 32 amp 240 volt, Phase 1 40 amp 240 volt, Phase 3 20 amp 415 volt, and Phase 3 32 amp 415 volt.[8] The Exchange proposes to provide that the foregoing five cabinet power circuit options are also available for Liquid-Cooled Cabinets in NY11–5.[9]

The Exchange further proposes to provide two new power options that will be available only for Liquid-Cooled Cabinets in NY11–5: Phase 3, 40 amp, 415 volt and Phase 3, 60 amp 415 volt.[10] These power circuit options are available only for Liquid-Cooled Cabinets in NY11–5 as an additional offering for customers seeking higher power options for their Liquid-Cooled Cabinets. Although different options will be offered throughout the data center due to differing power configurations, the new cabinet power options are not inherently preferable to the existing cabinet power options because customers have varying preferences for power circuits based on their operational needs and the Exchange does not anticipate material differences in equipment performance based on the power distribution. As between the various power circuit options, customers choose power based on their preferences and capacity needs.

Implementation

Although the timing is subject to change,[11] the Exchange anticipates granting access to NY11–5 during the first quarter of 2026, on or about April 3, 2026. As discussed above, the Exchange will submit a fee filing to establish fees for the services described herein.

In concert with this filing, the Exchange will allow customers to place orders for Liquid-Cooled Cabinets in NY11–5, which orders would not be fee

Cooled Cabinet in the table at subparagraph (a) of Rule General 8, Section 1 by inserting the words ''Liquid-Cooled Cabinet—Nasdaq Provided**'' and the words ''Liquid-Cooled Cabinet—Customer Provided**'' immediately following the ''Cabinet'' entry in Rule General 8, Section 1(a). The Exchange further proposes to designate such entries with the symbol ''**'' to make clear, as provided in the proposed footnote to Rule General 8, Section 1(a), that Liquid-Cooled Cabinets, both the Exchange as well as Customer provided, are available only in NY11–5. Pending the submission of a fee filing for the proposed Liquid-Cooled Cabinet, the Exchange proposes a non-substantive change to enter the acronym ''TBD'' under the column titled ''NY11–4/–5 Installation Fee'' as well as the column titled ''Ongoing Monthly Fee.'' The Exchange believes this proposed non-substantive change is appropriate to indicate that all such fees for the proposed Liquid-Cooled Cabinet have yet to be established. Finally, the Exchange proposes to enter ''N/A'' under the column titled ''NY11 Installation Fee'' to clarify that NY–11-related fees are not applicable to Liquid-Cooled Cabinets available only in NY11–5. *See id.*

[6] *See* proposed Rule General 8, Section 1(a). The proposal would permit customers to use either Nasdaq-provided Liquid-Cooled Cabinets or their own, unlike traditional air-cooled cabinets, which must be Nasdaq-provided. Providing the option for customer-provided cabinets is appropriate here because the Liquid-Cooled Cabinet is purpose-built for the customer within a dedicated enclosure specifically designed to suit the customer's liquid-cooling infrastructure requirements for which a self-provided cabinet may, depending on the circumstances, be more appropriate to suit the customer's needs.

[7] To the best of the Exchange's knowledge, no other national securities exchange offers liquid-cooled cabinets as a colocation option.

[8] *See* Rule General 8, Section 1(c).

[9] The five cabinet power circuit options (Phase 1 20A/240V, 32A/240V, 40A/240V; Phase 3 20A/415V, 32A/415V) are available for both air-cooled and Liquid-Cooled Cabinets because the cabinet power they support (approximately 5–23 kW) remains within the thermal capabilities of traditional air-cooling systems. By contrast, the higher-power Phase 3 40A/415V and 60A/415V options (≈29–43 kW) discussed below exceed the threshold at which air cooling is efficient or practicable and therefore are limited to Liquid-Cooled Cabinets. To effect this change, the Exchange proposes to amend the footnotes to Rule General 8, Section 1(c) as follows. The Exchange proposes to modify the footnote designated with a single asterisk (''*'') to add, immediately following the final sentence in that footnote, the following sentence: ''These options are available also for Liquid-Cooled Cabinets in NY11–5.'' In addition, and pending the submission of a proposal to establish fees for proposed Liquid-Cooled Cabinets in NY11–5, the Exchange proposes to clarify, in a new footnote to Rule General 8, Section 1(c) designated with a dagger symbol (''†''), that fees depicted under Rule General 8, Section 1(c) for cabinet power options that are designated with the dagger symbol (''†'') are fees for other than Liquid-Cooled Cabinets in NY11–5. The Exchange believes these proposed changes are appropriate to clarify the applicability of fees under Rule General 8, Section 1(c) and to make clear that fees for cabinet power options applicable to Liquid Cooled Cabinets in NY11–5 have yet to be established. *See* proposed Rule General 8, Section 1(c).

[10] *See* proposed Rule General 8, Section 1(c). To effect this change, the Exchange proposes to enter under subparagraph (c) of Rule General 8, Section 1 the proposed cabinet power circuit options for NY11–5 by inserting ''Phase 3 40 amp 415 volt***'' and ''Phase 3 60 amp 415 volt***'' thereunder. The Exchange proposes to use the symbol triple asterisk (''***'') to clarify that such cabinet power circuits are for use in in Liquid-Cooled Cabinets in NY11–5 only, as provided in the proposed footnote to Rule General 8, Section 1(c). Pending the submission of its fee filing for such Liquid-Cooled Cabinet service, the Exchange further proposes to clarify, in the columns titled ''NY11–4/–5 Installation Fee'' and ''NY11–4/–5 Ongoing Monthly Fee ($550 per kVA)'' and using the acronym ''TBD'' in each instance, that the installation and ongoing monthly fees for such power circuits for Liquid-Cooled Cabinets in NY11–5 have yet to be determined. Finally, the Exchange proposes to enter ''N/A'' under the columns titled ''NY11 Installation Fee'' and ''NY11 Ongoing Monthly Fee ($550 per kVA)'' to clarify that that NY11-specific fees are not applicable to power circuits available only for Liquid-Cooled Cabinets in NY11–5. The Exchange believes the foregoing changes are appropriate to clarify that fees for the proposed services have yet to be determined as well as to provide greater specificity with respect to the applicability of certain fees to the Exchange's offerings, thereby facilitating comprehension of the Exchange's connectivity schedule as well as its use. *See id. See also supra* note 10 and accompanying text (explaining the rationale for limiting these offerings to Liquid-Cooled Cabinets).

[11] The Exchange will announce modifications to the proposed timing via the Nasdaq Customer Portal, which is the web portal used for order and inventory management of colocation services, and email communication to all colocation customers.

liable until fees for such services are established and customers are provided access to the space for their immediate use, whether to trade or otherwise, on or about April 3, 2026.[12] Allowing customers to place orders in advance of opening its doors will allow the Exchange to plan ahead for capacity and demand for services, as well as procure necessary equipment.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[13] in general, and furthers the objectives of Section 6(b)(5) of the Act,[14] in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest. Today, the Exchange offers a cabinet option and varying power options for its data center colocation customers. The Exchange's proposal would expand these cabinet and power circuit options by introducing an additional cabinet featuring liquid cooling, as well as several options for powering such cabinet. Specifically, the proposal would benefit the public interest by providing colocation customers with a Liquid-Cooled Cabinet not offered by other exchanges, and one which offers customers the ability to deploy greater computing power with a defined cabinet space, as compared to air-cooled cabinets. Liquid-Cooled Cabinets are optional, however, because for many data center customers, air-cooled cabinets may be better suited to meet the requirements of their business operations. In general, the proposal is consistent with the Act because the Exchange's expansion of the data center, including the expansion of available cabinet options and related power will enable the Exchange to meet customer preferences and address customer demand for such services. In lieu of collocating directly with the Exchange, market participants may choose not to collocate at all or to collocate indirectly through a vendor.

The Exchange also believes that the proposal will not be unfairly discriminatory, consistent with the objectives of Section 6(b)(5) of the Act[15] because the expanded cabinet and related power options in the data center would be offered equally to all customers. Although optionality varies due to differing power configurations across the data center, any customer may order cabinets and power across the data center on the same terms as any other customer.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange notes that this proposal does not concern itself with the speed at which customers can trade or the Equalization Project[16] because its scope is limited to introducing a liquid-cooled cabinet option in NY11–5 and does not extend to data communications networks.[17]

Nothing in the proposal imposes any burden on the ability of other exchanges to compete. The Exchange operates in a highly competitive market in which exchanges and other vendors offer colocation services as a means to facilitate the trading and other market activities of those market participants who believe that colocation enhances the efficiency of their operations.

Nothing in the Proposal burdens intra-market competition because the Exchange's colocation services, including those proposed herein, are available to any customer that wishes to order cabinets and power, and all such customers can do so on a non-discriminatory basis. Use of any colocation service is completely voluntary, and each market participant is able to determine whether to use colocation services based on the requirements of its business operations.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(iii)[18] of the Act and Rule 19b–4(f)(6) thereunder[19] in that it effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov*. Please include file number SR–GEMX–2026–06 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to file number SR–GEMX–2026–06. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (*https://www.sec.gov/rules/sro.shtml*). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should

[12] Charging customers once access is provided is consistent with current practice and allows customers to set up equipment and begin using power.

[13] 15 U.S.C. 78f(b).

[14] 15 U.S.C. 78f(b)(5).

[15] *Id.*

[16] The Equalization Project is an Exchange initiative to equalize cross connects across the Exchange's entire data center campus. *See* Securities Exchange Act Release No. 34–101078 (Sep. 18, 2024), 89 FR 77937 (Sept. 24, 2024) (SR–NASDAQ–2024–054).

[17] *See supra* note 15 and accompanying text.

[18] 15 U.S.C. 78s(b)(3)(A)(iii).

[19] 17 CFR 240.19b–4(f)(6). Furthermore, Rule 19b–4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file a proposed rule change under that subsection at least five business days prior to the date of filing, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR–GEMX–2026–06 and should be submitted on or before April 9, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[20]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–05338 Filed 3–18–26; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 36020; 812–15982]

Megacorn Fund and Forge Global Advisors LLC

March 17, 2026.

AGENCY: Securities and Exchange Commission (''Commission'' or ''SEC'').

ACTION: Notice.

Notice of an application under section 6(c) of the Investment Company Act of 1940 (the ''Act'') for an exemption from sections 18(a)(2), 18(c) and 18(i) of the Act, under sections 6(c) and 23(c) of the Act for an exemption from rule 23c–3 under the Act, and for an order pursuant to section 17(d) of the Act and rule 17d–1 under the Act.

SUMMARY OF APPLICATION: Applicants request an order to permit certain registered closed-end investment companies to issue multiple classes of shares and to impose asset-based distribution and/or service fees and early withdrawal charges.

APPLICANTS: Megacorn Fund and Forge Global Advisors LLC.

FILING DATE: The application was filed on February 2, 2026.

HEARING OR NOTIFICATION OF HEARING: An order granting the requested relief will be issued unless the Commission orders a hearing. Interested persons may request a hearing on any application by emailing the SEC's Secretary at *Secretarys-Office@sec.gov* and serving the Applicants with a copy of the request by email, if an email address is listed for the relevant Applicant below, or personally or by mail, if a physical address is listed for the relevant Applicant below. The email should include the file number referenced above. Hearing requests should be received by the Commission by 5:30 p.m., Eastern time on April 13, 2026, and should be accompanied by proof of service on the Applicants, in the form of an affidavit, or, for lawyers, a certificate of service. Pursuant to rule 0–5 under the Act, hearing requests should state the nature of the writer's interest, any facts bearing upon the desirability of a hearing on the matter, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by emailing the Commission's Secretary.

ADDRESSES: The Commission: *Secretarys-Office@sec.gov*. Applicants: Joshua B. Deringer, Esq. and David L. Williams, Esq., Faegre Drinker Biddle & Reath LLP, *joshua.deringer@faegredrinker.com* and *david.williams@faegredrinker.com* with copies to Monica Simon, Forge Global Advisors LLC, *monica.simon@forgeglobal.com,* and Gretchen Roin, WilmerHale LLP, *gretchen.roin@wilmerhale.com.*

FOR FURTHER INFORMATION CONTACT: Rachel Loko, Senior Special Counsel, at (202) 551–6825 (Division of Investment Management, Chief Counsel's Office).

SUPPLEMENTARY INFORMATION: For Applicants' representations, legal analysis, and conditions, please refer to Applicants' application, dated February 2, 2026, which may be obtained via the Commission's website by searching for the file number at the top of this document, or for an Applicant using the Company name search field on the SEC's EDGAR system. The SEC's EDGAR system may be searched at *https://www.sec.gov/search-filings.* You may also call the SEC's Office of Investor Education and Advocacy at (202) 551–8090.

For the Commission, by the Division of Investment Management, under delegated authority.

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–05433 Filed 3–18–26; 8:45 am]

BILLING CODE 8011–01–P

SMALL BUSINESS ADMINISTRATION

[Disaster Declaration #21461 and #21462; ILLINOIS Disaster Number IL–20019]

Administrative Declaration of a Disaster for the State of Illinois

AGENCY: U.S. Small Business Administration.

ACTION: Notice.

SUMMARY: This is notice of an Administrative declaration of a disaster for the state of Illinois dated March 16, 2026.

Incident: Severe Storms, Straight-Line Winds, and Flash Flooding.

DATES: Issued on March 16, 2026.

Incident Period: August 16, 2025 through August 19, 2025.

Physical Loan Application Deadline Date: May 15, 2026.

Economic Injury (EIDL) Loan Application Deadline Date: December 16, 2026.

ADDRESSES: *Visit the MySBA Loan Portal at https://lending.sba.gov* to apply for a disaster assistance loan.

FOR FURTHER INFORMATION CONTACT: Sharon Henderson, Office of Disaster Recovery and Resilience, U.S. Small Business Administration, 409 3rd Street SW, Suite 6050, Washington, DC 20416, (202) 205–6734.

SUPPLEMENTARY INFORMATION: Notice is hereby given as a result of the Administrator's disaster declaration, applications for disaster loans may be submitted online using the MySBA Loan Portal *https://lending.sba.gov* or in person at other locally announced locations. For further assistance please contact the SBA disaster assistance customer service center by email at *disastercustomerservice@sba.gov* or by phone at 1–800–659–2955. If you are deaf, hard of hearing, or have a speech disability, please dial 7–1–1 to access telecommunications relay services.

The following areas have been determined to be adversely affected by the disaster:

Primary Counties: Cook.

Contiguous Counties:

Illinois: DuPage, Kane, Lake, McHenry, Will.

Indiana: Lake.

The Interest Rates are:

	Percent
For Physical Damage:	
Homeowners with Credit Available Elsewhere	6.000
Homeowners without Credit Available Elsewhere	3.000
Businesses with Credit Available Elsewhere	8.000
Businesses without Credit Available Elsewhere	4.000
Private Non-Profit Organizations with Credit Available Elsewhere	3.625
Private Non-Profit Organizations without Credit Available Elsewhere	3.625
For Economic Injury:	
Business and Small Agricultural Cooperatives without Credit Available Elsewhere	4.000
Private Non-Profit Organizations without Credit Available Elsewhere	3.625

[20] 17 CFR 200.30–3(a)(12).

The number assigned to this disaster for physical damage is 214616 and for economic injury is 214620.

The states which received an SBA Administrative declaration are Illinois, Indiana.

(Catalog of Federal Domestic Assistance Number 59008)

(Authority: 13 CFR 123.3(b).)

James Stallings,

Associate Administrator, Office of Disaster Recovery & Resilience.

[FR Doc. 2026–05392 Filed 3–18–26; 8:45 am]

BILLING CODE 8026–09–P

DEPARTMENT OF STATE

[Public Notice 12959]

60-Day Notice of Proposed Information Collection: Risk Analysis and Management (RAM) OMB Control Number 1405–0204

ACTION: Notice of request for public comment.

SUMMARY: The Department of State is seeking Office of Management and Budget (OMB) approval for the information collection described below. In accordance with the Paperwork Reduction Act of 1995, we are requesting comments on this collection from all interested individuals and organizations. The purpose of this notice is to allow 60 days for public comment preceding submission of the collection to OMB.

DATES: The Department will accept comments from the public up to May 18, 2026.

ADDRESSES:

For public comments, use the following text:

You may submit comments by any of the following methods:

- *Web:* Persons with access to the internet may comment on this notice by going to *www.Regulations.gov.* You can search for the document by entering ''Docket Number: DOS–2026–0265'' in the Search field. Then click the ''Comment Now'' button and complete the comment form.
- *Email: MURTADHAAN@state.gov.*
- *Regular Mail:* Send written comments to: U.S. Department of State, Office of Risk Analysis and Management, 2401 E St. NW, L408, Washington, DC 20037.

Hand Delivery or Courier: U.S. Department of State, Office of Risk Analysis and Management, 2401 E St. NW, L408, Washington, DC 20037.

You must include the DS form number (if applicable), information collection title, and the OMB control number in any correspondence.

FOR FURTHER INFORMATION CONTACT: Direct requests for additional information regarding the collection listed in this notice, including requests for copies of the proposed collection instrument, and supporting documents, to Annura Murtadha, U.S. Department of State, Office of Risk Analysis and Management, 2401 E St. NW, L408, Washington, DC 20037; who can be reached at 202–657–6020 or at *MURTADHAAN@state.gov.*

SUPPLEMENTARY INFORMATION:

- *Title of Information Collection:* Risk Analysis and Management.
- *OMB Control Number:* 1405–0204.
- *Type of Request:* Extension (or Revision) of a Currently Approved Collection.
- *Originating Office:* Bureau of Administration, Global Operations (A/GO).
- *Form Number:* DS–4184.
- *Respondents:* Potential Contractors and Grantees.
- *Estimated Number of Respondents:* 7,000.
- *Estimated Number of Responses:* 7,000.
- *Average Time Per Response:* 1 hour and 30 minutes.
- *Total Estimated Burden Time:* 10,500 hours.
- *Frequency:* On occasion.
- *Obligation to Respond:* Voluntary.

We are soliciting public comments to permit the Department to:

- Evaluate whether the proposed information collection is necessary for the proper functions of the Department.
- Evaluate the accuracy of our estimate of the time and cost burden for this proposed collection, including the validity of the methodology and assumptions used.
- Enhance the quality, utility, and clarity of the information to be collected.
- Minimize the reporting burden on those who are to respond, including the use of automated collection techniques or other forms of information technology.

Please note that comments submitted in response to this Notice are public record. Before including any detailed personal information, you should be aware that your comments as submitted, including your personal information, will be available for public review.

Abstract of Proposed Collection

The information collected from individuals and organizations is used to conduct screening to ensure that State funded activities do not provide support to entities or individuals deemed to be a risk to national security.

Methodology

The State Department has implemented a Risk Analysis and Management Program to vet potential contractors and grantees seeking funding from the Department of State to mitigate the risk that such funds might benefit entities or individuals who present a national security risk. To conduct this vetting program the Department collects information from contractors, sub-contractors, grantees and sub-grantees regarding their directors, officers and/or key employees through electronic submission. The information collected is compared to information gathered from commercial, public, and U.S. government databases to determine the risk that the applying organization, entity or individual might use Department funds or programs in a way that presents a threat to national security.

Seth E. Green,

Deputy Assistant Secretary, Bureau of Administration, Department of State.

[FR Doc. 2026–05391 Filed 3–18–26; 8:45 am]

BILLING CODE 4710–24–P

DEPARTMENT OF STATE

[Public Notice: 12972]

Defense Trade Advisory Group; Notice of Membership

AGENCY: Department of State.

ACTION: Notice.

SUMMARY: The U.S. Department of State's Bureau of Political-Military Affairs (the Bureau) is accepting membership applications for the Defense Trade Advisory Group (DTAG). The Bureau is interested in applications from subject matter experts, including from the United States defense industry, relevant trade and labor associations, and academic and foundation personnel.

SUPPLEMENTARY INFORMATION: The DTAG was established as an advisory committee under the authority of 22 U.S.C. 2656 and the Federal Advisory Committee Act, 5 U.S.C. 1001 *et seq.* (FACA). The purpose of the DTAG is to provide the Bureau with a formal channel for regular consultation and coordination with U.S. private sector defense exporters and other defense industry specialists on issues involving U.S. laws, policies, and regulations for exports and transfers of defense articles, including technical data, and defense services. The DTAG advises the Bureau

on its support for and regulation of the defense industry to help ensure that impediments to legitimate exports are reduced while the foreign policy and national security interests of the United States continue to be protected and advanced in accordance with the Arms Export Control Act (AECA), as amended. Major topics addressed by the DTAG include (a) policy issues on foreign military sales, defense trade, and technology transfer; (b) regulatory and licensing procedures applicable to defense articles, including technical data, and defense services; (c) technical issues involving the U.S. Munitions List (USML); and (d) questions related to the implementation of the AECA and International Traffic in Arms Regulations (ITAR).

Members are appointed by the Assistant Secretary of State for Political-Military Affairs on the basis of individual qualifications and technical expertise. Past members include representatives of the U.S. defense industry, relevant trade and labor associations, and academic and foundation personnel. In accordance with the DTAG Charter, all DTAG members must be U.S. citizens. DTAG members are expected to serve a consecutive two-year term, which may be renewed or terminated at the discretion of the Assistant Secretary of State for Political-Military Affairs. DTAG members serving as representatives are expected to represent the point of view or perspective of their organizations. All DTAG members should demonstrate an appreciation for the Department's mission to ensure that foreign military sales and commercial exports of defense articles and defense services advance U.S. national security and foreign policy objectives. DTAG members are expected to understand complex issues related to defense trade and industrial competitiveness and are expected to advise the Bureau on these matters.

DTAG members' responsibilities include:

- Making recommendations in accordance with the DTAG Charter and the FACA.
- Making policy and technical recommendations within the scope of the U.S. export controls as set forth in the AECA, the ITAR, and appropriate directives.

Please note that DTAG members may not be reimbursed for travel, per diem, and other expenses incurred in connection with their duties as DTAG members.

How to apply: Applications in response to this notice must contain the following information: (1) Name of applicant; (2) affirmation of U.S. citizenship; (3) organizational affiliation and title, as appropriate; (4) mailing address; (5) work telephone number; (6) email address; (7) resume; and (8) summary of qualifications for DTAG membership.

This information may be provided via two methods:

- *Emailed to the following address: DTAG@State.Gov.* In the subject field, please write, ''*DTAG Membership Application.*''
- *Send hardcopy to the following address:* Paula Harrison, PM/DDTC, SA–1, 12th Floor, Directorate of Defense Trade Controls, Bureau of Political-Military Affairs, U.S. Department of State, Washington, DC 20522–0112. If sent via regular mail, we recommend you call Ms. Harrison (202–663–3310) to confirm she has received your package.

All applications must be postmarked no later than 15 days after the publication date of this notice.

Paula C. Harrison,

Designated Federal Officer, Defense Trade Advisory Group, U.S. Department of State.

[FR Doc. 2026–05408 Filed 3–18–26; 8:45 am]

BILLING CODE 4710–25–P

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Notice of Continuation and Request for Applications for the Industry Trade Advisory Committees; Correction

AGENCY: Office of the United States Trade Representative.

ACTION: Notice of renewal of the charters and request for applications; correction.

SUMMARY: The Secretary of Commerce and the United States Trade Representative (Trade Representative) published a document in the **Federal Register** of March 12, 2026, concerning application for qualified individuals interested in serving as member of the Industry Trade Advisory Committees (ITACs). The document contained a broken weblink.

FOR FURTHER INFORMATION CONTACT: Kelly Coldiron, Deputy Chief of Staff and Director of Industry Engagement, International Trade Administration, U.S. Department of Commerce, and Jesse Graves, Deputy Director of the Office of Industry Engagement and ITAC Program Director, International Trade Administration, U.S. Department of Commerce, at *ITAC@trade.gov.*

Jennifer Bang, Assistant U.S. Trade Representative for Intergovernmental Affairs and Public Engagement, Office of the U.S. Trade Representative, at *Jennifer.D.Bang@ustr.eop.gov.*

SUPPLEMENTARY INFORMATION:

Correction

In the **Federal Register** of March 12, 2026, in FR Doc. 91–12272, on page 12272, in the second column, the correct web address in the **ADDRESSES** section should be ''*https://forms.office.com/g/NThdugHmzw*''.

Jennifer Bang,

Assistant U.S. Trade Representative for Intergovernmental Affairs and Public Engagement, Office of the United States Trade Representative.

[FR Doc. 2026–05409 Filed 3–18–26; 8:45 am]

BILLING CODE 3390–F4–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

[Docket No.: FAA–2026–0958; Summary Notice No. –2026–09]

Petition for Exemption; Summary of Petition Received; Andrew Stewart Banks

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

ACTION: Notice.

SUMMARY: This notice contains a summary of a petition seeking relief from specified requirements of Federal Aviation Regulations. The purpose of this notice is to improve the public's awareness of, and participation in, the FAA's exemption process. Neither publication of this notice nor the inclusion nor omission of information in the summary is intended to affect the legal status of the petition or its final disposition.

DATES: Comments on this petition must identify the petition docket number and must be received on or before April 8, 2026.

ADDRESSES: Send comments identified by docket number FAA–2026–0958 using any of the following methods:

- *Federal eRulemaking Portal:* Go to *http://www.regulations.gov* and follow the online instructions for sending your comments electronically.
- *Mail:* Send comments to Docket Operations, M–30; U.S. Department of Transportation, 1200 New Jersey Avenue SE, Room W12–140, West Building Ground Floor, Washington, DC 20590–0001.
- *Hand Delivery or Courier:* Take comments to Docket Operations in Room W12–140 of the West Building Ground Floor at 1200 New Jersey Avenue SE, Washington, DC 20590–0001, between 9 a.m. and 5 p.m.,

Monday through Friday, except Federal holidays.

• *Fax:* Fax comments to Docket Operations at (202) 493–2251.

Privacy: In accordance with 5 U.S.C. 553(c), DOT solicits comments from the public to better inform its rulemaking process. DOT posts these comments, without edit, including any personal information the commenter provides, to *http://www.regulations.gov,* as described in the system of records notice (DOT/ALL–14 FDMS), which can be reviewed at *http://www.dot.gov/privacy.*

Docket: Background documents or comments received may be read at *http://www.regulations.gov* at any time. Follow the online instructions for accessing the docket or go to the Docket Operations in Room W12–140 of the West Building Ground Floor at 1200 New Jersey Avenue SE, Washington, DC 20590–0001, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Nia Daniels, (202) 267–7626, Office of Rulemaking, Federal Aviation Administration, 800 Independence Avenue SW, Washington, DC 20591.

This notice is published pursuant to 14 CFR 11.85.

Issued in Washington, DC.

Dan A. Ngo,

Manager, Part 11 Petitions Branch, Office of Rulemaking.

Petition for Exemption

Docket No.: FAA–2026–0958.

Petitioner: Andrew Stewart Banks.

Section of 14 CFR Affected: 61.159(a)(3).

Description of Relief Sought: Andrew Stewart Banks petitions for an exemption from Title 14 Code of Federal Regulations § 61.159(a)(3) that allows Mr. Banks to credit his U.S. Air Force CV–22 powered-lift flight time conducted in horizontal flight to be credited toward the 50 hours of flight time in the class of airplane required for issuance of an airline transport pilot certificate with an airplane category and class rating.

[FR Doc. 2026–05410 Filed 3–18–26; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

[Docket No. FAA–2026–2718]

Notice of Intent To Designate as Abandoned Century Flight Systems, Inc. Supplemental Type Certificates

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of intent to designate Century Flight Systems, Inc., supplemental type certificates as abandoned; request for comments.

SUMMARY: This notice announces the FAA's intent to designate 765 Century Flight Systems, Inc., Supplemental Type Certificates (STCs) as abandoned and make the related engineering data available upon request. The FAA has received a request to provide engineering data concerning these STCs. The FAA has been unsuccessful in contacting Century Flight Systems, Inc., concerning these STCs. This action is intended to enhance aviation safety.

DATES: The FAA must receive all comments by September 15, 2026.

ADDRESSES: You may send comments on this notice by any of the following methods:

• *Federal eRulemaking Portal:* Go to *regulations.gov.* Follow the instructions for submitting comments.

• *Mail:* Aourolia Kristianti, AIR–761, Federal Aviation Administration, Central Certification Branch, 1801 South Airport Rd., Room 100, Wichita, KS 67209.

• *Email: 9-AVS-CCB-Correspondence@faa.gov.* Include ''Docket No. FAA–2026–2718'' in the subject line of the message.

• *Hand Delivery:* Deliver to Mail address above between 8 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Aourolia Kristianti, Aviation Safety Specialist, Federal Aviation Administration, Central Certification Branch, 1801 South Airport Rd., Room 100, Wichita, KS 67209; telephone (316) 946–4121; email *9-AVS-CCB-Correspondence@faa.gov.*

SUPPLEMENTARY INFORMATION:

Comments Invited

The FAA invites interested parties to provide comments, written data, views, or arguments relating to this notice. Send your comments to an address listed under **ADDRESSES**. Include ''Docket No. FAA–2026–2718'' at the beginning of your comments. The FAA will consider all comments received on or before the closing date. All comments received will be available in the docket for examination by interested persons.

Background

The FAA is posting this notice to inform the public that the FAA intends to designate as abandoned and subsequently release the related engineering data for the following Century Flight Systems, Inc. STC Nos.: SA08528SW–D, SA09623AC, SA09666AC, SA1006SW, SA1026SW, SA1027SW, SA1053SW, SA1065SW, SA1080SW, SA1081SW, SA1091SW, SA1118SW, SA1142SW, SA1157SW, SA1158SW, SA1172SW, SA1173SW, SA1174SW, SA1175SW, SA1190SW, SA1195SW, SA1196SW, SA1199SW, SA1204SW, SA1205SW, SA1206SW, SA1211SW, SA1218SW, SA1219SW, SA1220SW, SA1221SW, SA1231SW, SA1232SW, SA1233SW, SA1234SW, SA1235SW, SA1236SW, SA1237SW, SA1244SW, SA1255SW, SA1262SW, SA1265SW, SA1269SW, SA1270SW, SA1272SW, SA1276SW, SA1299SW, SA1300SW, SA1312SW, SA1321SW, SA1322SW, SA1323SW, SA1325SW, SA1326SW, SA1327SW, SA1331SW, SA1334SW, SA1342SW, SA1343SW, SA1346SW, SA1348SW, SA1351SW, SA1359SW, SA1360SW, SA1365SW, SA1366SW, SA1376SW, SA1377SW, SA1378SW, SA1386SW, SA1393SW, SA1394SW, SA1402SW, SA1403SW, SA1404SW, SA1406SW, SA1409SW, SA1410SW, SA1417SW, SA1430SW, SA1431SW, SA1441SW, SA1442SW, SA1449SW, SA1454SW, SA1458SW, SA1472SW, SA1478SW, SA1479SW, SA1486SW, SA1494SW, SA1500SW, SA1501SW, SA1502SW, SA1503SW, SA1504SW, SA1505SW, SA1506SW, SA1507SW, SA1510SW, SA1517SW, SA1520SW, SA1521SW, SA1522SW, SA1523SW, SA1524SW, SA1526SW, SA1554SW, SA1555SW, SA1556SW, SA1565SW, SA1571SW, SA1572SW, SA1578SW, SA1579SW, SA1580SW, SA1594SW, SA1607SW, SA1608SW, SA1609SW, SA1611SW, SA1612SW, SA1634SW, SA1635SW, SA1638SW, SA1640SW, SA1644SW, SA1645SW, SA1653SW, SA1667SW, SA1668SW, SA1672SW, SA1687SW, SA1701SW, SA1704SW, SA1716SW, SA1717SW, SA1722SW, SA1741SW, SA1743SW, SA1744SW, SA1775SW, SA1777SW, SA1786SW, SA1787SW, SA1797SW, SA1798SW, SA1799SW, SA1808SW, SA1811SW, SA1812SW, SA1845SW, SA1846SW, SA1865SW, SA1866SW, SA1887SW, SA1902SW, SA1922SW, SA3001SW–D, SA3002SW–D, SA3003SW–D, SA3004SW–D, SA3005SW–D, SA3006SW–D, SA3007SW–D, SA3008SW–D, SA3009SW–D, SA3010SW–D,

SA3011SW–D, SA3012SW–D, SA3013SW–D, SA3014SW–D, SA3015SW–D, SA3016SW–D, SA3017SW–D, SA3018SW–D, SA3019SW–D, SA3020SW–D, SA3021SW–D, SA3022SW–D, SA3023SW–D, SA3024SW–D, SA3025SW–D, SA3026SW–D, SA3027SW–D, SA3028SW–D, SA3029SW–D, SA3030SW–D, SA3031SW–D, SA3032SW–D, SA3033SW–D, SA3034SW–D, SA3035SW–D, SA3036SW–D, SA3037SW–D, SA3038SW–D, SA3039SW–D, SA3040SW–D, SA3041SW–D, SA3042SW–D, SA3043SW–D, SA3044SW–D, SA3045SW–D, SA3046SW–D, SA3047SWD, SA3047SW–D, SA3048SWD, SA3048SW–D, SA3049SWD, SA3049SW–D, SA3050SW–D, SA3051SW–D, SA3052SW–D, SA3053SW–D, SA3054SW–D, SA3055SW–D, SA3056SW–D, SA3057SW–D, SA3058SW–D, SA3059SW–D, SA3060SW–D, SA3061SW–D, SA3062SW–D, SA3063SW–D, SA3064SW–D, SA3065SW–D, SA3066SW–D, SA3067SW–D, SA3068SW–D, SA3069SW–D, SA3070SW–D, SA3071SW–D, SA3072SW–D, SA3073SW–D, SA3074SW–D, SA3075SW–D, SA3076SW–D, SA3077SW–D, SA3078SW–D, SA3079SW–D, SA3080SW–D, SA3081SW–D, SA3082SW–D, SA3083SW–D, SA3084SW–D, SA3085SW–D, SA3086SW–D, SA3087SW–D, SA3088SW–D, SA3089SW–D, SA3090SW–D, SA3091SW–D, SA3092SW–D, SA3094SW–D, SA3095SW–D, SA3096SW–D, SA3097SW, SA3098SW–D, SA3099SW–D, SA3100SW–D, SA3101SW–D, SA3102SW–D, SA3103SW–D, SA3104SW–D, SA3105SW–D, SA3106SW–D, SA3107SW–D, SA3108SW–D, SA3109SW–D, SA3110SW–D, SA3111SW–D, SA3112SW–D, SA3113SW–D, SA3114SW–D, SA3115SW–D, SA3116SW–D, SA3117SW–D, SA3118SW–D, SA3120SW–D, SA3121SW–D, SA3122SW–D, SA3123SW–D, SA3124SW–D, SA3125SW–D, SA3126SW–D, SA3127SW–D, SA3128SW–D, SA3129SW–D, SA3130SW–D, SA3131SW–D, SA3133SW–D, SA3134SW–D, SA3135SW–D, SA3136SW–D, SA3137SW–D, SA3138SW–D, SA3139SW–D, SA3140SW–D, SA3141SW–D, SA3142SW–D, SA3143SW–D, SA3144SW–D, SA3145SW–D, SA3146SW–D, SA3147SW–D, SA3148SW–D, SA3149SW–D, SA3150SW–D, SA3151SW–D, SA3152SW–D, SA3153SW–D, SA3154SW–D, SA3155SW–D, SA3156SW–D, SA3157SW–D, SA3158SW–D, SA3159SW–D, SA3160SW–D, SA3161SW–D, SA3162SW–D, SA3163SW–D, SA3164SW–D, SA3165SW–D, SA3166SW–D, SA3167SW–D, SA3168SW–D, SA3169SW–D, SA3170SW–D, SA3171SW–D, SA3172SW–D, SA3173SW–D, SA3174SW–D, SA3175SW–D, SA3176SW–D, SA3177SW–D, SA3178SW–D, SA3179SW–D, SA3180SW–D, SA3181SW–D, SA3182SW–D, SA3183SW–D, SA3184SW–D, SA3185SW–D, SA3186SW–D, SA3187SW–D, SA3188SW–D, SA3189SW–D, SA3190SW–D, SA3191SW–D, SA3192SW–D, SA3193SW–D, SA3194SW–D, SA3195SW–D, SA3196SW–D, SA3197SW–D, SA3198SW–D, SA3199SW–D, SA3200SW–D, SA3201SW–D, SA3202SW–D, SA3203SW–D, SA3204SW–D, SA3205SW–D, SA3206SW–D, SA3207SW–D, SA3208SW–D, SA3209SW–D, SA3210SW–D, SA3211SW–D, SA3212SW–D, SA3213SW–D, SA3214SW–D, SA3215SW–D, SA3216SW–D, SA3217SW–D, SA3218SW–D, SA3219SW–D, SA3220SW–D, SA3221SW–D, SA3222SW–D, SA3223SW–D, SA3224SW–D, SA3225SW–D, SA3226SW–D, SA3227SW–D, SA3228SW–D, SA3229SW–D, SA3230SW–D, SA3231SW–D, SA3232SW–D, SA3233SW–D, SA3234SW–D, SA3235SW–D, SA3236SW–D, SA3237SW–D, SA3238SW–D, SA3239SW–D, SA3240SW–D, SA3242SW–D, SA3243SW–D, SA3244SW–D, SA3245SW–D, SA3246SW–D, SA3247SW–D, SA3248SW–D, SA3249SW–D, SA3250SW–D, SA3251SW–D, SA3252SW–D, SA3253SW–D, SA3254SW–D, SA3255SW–D, SA3256SW–D, SA3257SW–D, SA3258SW–D, SA3259SW–D, SA3260SW–D, SA3261SW–D, SA3262SW–D, SA3263SW–D, SA3264SW–D, SA3265SW–D, SA3266SW–D, SA3267SW–D, SA3268SW–D, SA3269SW–D, SA3270SW–D, SA3271SW–D, SA3273SW–D, SA3274SW–D, SA3275SW–D, SA3276SW–D, SA3277SW–D, SA3278SW–D, SA3279SW–D, SA3280SW–D, SA3281SW–D, SA3282SW–D, SA3283SW–D, SA3284SW–D, SA3288SW–D, SA3289SW–D, SA3290SW–D, SA3291SW–D, SA3292SW–D, SA3293SW–D, SA3294SW–D, SA3295SW–D, SA3296SW–D, SA3297SW–D, SA3298SW–D, SA3299SW–D, SA3300SW–D, SA3301SW–D, SA3302SW–D, SA3303SW–D, SA3304SW–D, SA3305SW–D, SA3306SW–D, SA3307SWD, SA3307SW–D, SA3308SWD, SA3308SW–D, SA3309SW–D, SA3310SW–D, SA3311SW–D, SA3312SW–D, SA3313SW–D, SA3314SW–D, SA3315SW–D, SA3316SW–D, SA3317SW–D, SA3318SW–D, SA3319SW–D, SA3320SW–D, SA3321SW–D, SA3322SW, SA3323SW–D, SA3324SW–D, SA3325SWD, SA3325SW–D, SA3326SWD, SA3326SW–D, SA3327SW, SA3328SW, SA3329SW–D, SA3330SW–D, SA3331SW–D, SA3332SW–D, SA3333SW–D, SA3334SW–D, SA3335SW–D, SA3336SW–D, SA3337SW–D, SA3338SW–D, SA3339SW, SA3340SW–D, SA3341SW, SA3342SW, SA3343SW–D, SA3344SW, SA3345SW, SA3346SW, SA3348SW, SA3349SW, SA3350SW, SA3351SW–D, SA3352SW, SA3354SW–D, SA3355SW, SA3356SW, SA3357SW–D, SA3358SW–D, SA3359SW, SA3360SW–D, SA3361SW, SA3362SW–D, SA3363SW, SA3364SW, SA3366SW–D, SA3367SW–D, SA3368SW–D, SA3369SW–D, SA3371SW–D, SA3372SW–D, SA3374SW–D, SA3375SW–D, SA3376SW–D, SA3377SW–D, SA3378SW–D, SA3379SW–D, SA3380SW–D, SA3381SW–D, SA3382SWD, SA3382SW–D, SA3383SWD, SA3383SW–D, SA3384SW–D, SA3385SW–D, SA3386SW–D, SA3387SW–D, SA3388SW–D, SA3389SW–D, SA3390SW–D, SA3391SW–D, SA3392SW–D, SA3393SW–D, SA3394SW–D, SA3395SW–D, SA3396SW–D, SA3397SW–D, SA3398SW–D, SA3399SW–D, SA3400SW–D, SA3401SW–D, SA3402SW–D, SA3403SW–D, SA3404SW–D, SA3405SW–D, SA3406SW–D, SA3407SW–D, SA3408SW–D, SA3409SW–D, SA3410SW–D, SA3411SW–D, SA3412SW–D, SA3413SW–D, SA3415SW–D, SA3416SW–D, SA3417SW–D, SA3418SW–D, SA3419SW–D, SA3420SW–D, SA3422SW–D, SA3423SW–D, SA3424SW–D, SA3425SW–D, SA3426SW–D, SA3427SW–D, SA3428SW–D, SA3429SW–D, SA3431SW–D, SA3432SW–D, SA3433SW–D, SA3434SW–D, SA3435SW–D, SA3436SW–D,

SA3437SW–D, SA3438SW–D, SA3439SW–D, SA3440SW–D, SA3442SW–D, SA3443SW–D, SA3444SW–D, SA3445SWD, SA3445SW–D, SA3446SW–D, SA3447SW–D, SA3448SW–D, SA3449SW–D, SA3450SW–D, SA3451SW–D, SA3452SW–D, SA3453SW–D, SA3454SW–D, SA3455SW–D, SA3456SW–D, SA3457SW–D, SA3458SW–D, SA3459SW–D, SA3460SW–D, SA3461SW–D, SA3462SW–D, SA3463SW–D, SA3466SW–D, SA3467SW–D, SA3468SW–D, SA3469SW–D, SA3470SW–D, SA3471SW–D, SA3472SW–D, SA3473SW–D, SA3474SW–D, SA3475SW–D, SA3476SW–D, SA3477SW–D, SA3478SW–D, SA3479SW–D, SA3480SW–D, SA3481SW–D, SA3482SW–D, SA3484SW–D, SA3485SW–D, SA3486SW–D, SA3487SW–D, SA3488SW–D, SA3489SW–D, SA3490SW–D, SA3491SW–D, SA3492SW–D, SA3494SW–D, SA3495SW–D, SA3496SW–D, SA3497SW–D, SA3896SW, SA4383SW–D, SA530SW, SA532SW, SA533SW, SA538SW, SA539SW, SA540SO, SA566SW, SA576SW, SA581SW, SA596SW, SA603SW, SA607SW, SA617SW, SA621SW, SA624SW, SA637SW, SA638SW, SA645SW, SA651SW, SA658SW, SA662SW, SA667SW, SA668SW, SA669SW, SA675SW, SA676SW, SA680SW, SA681SW, SA693SW, SA701SW, SA705SW, SA709SW, SA727SW, SA732SW, SA737SW, SA7417SW, SA742SW, SA745SW, SA747SW, SA754SW, SA755SW, SA756SW, SA757SW, SA761SW, SA767SW, SA784SW, SA788SW, SA789SW, SA791SW, SA795SW, SA800SW, SA801SW, SA808SW, SA822SW, SA824SW, SA829SW, SA837SW, SA838SW, SA842SW, SA8488SW–D, SA8489SW–D, SA8490SW–D, SA8491SW–D, SA8494SW–D, SA8495SW–D, SA8496SW–D, SA8499SW–D, SA8501SW–D, SA8502SW–D, SA8503SW–D, SA8504SW–D, SA8505SW–D, SA8508SW–D, SA8509SW–D, SA850SW, SA8510SW–D, SA8512SW–D, SA8513SW–D, SA8514SW–D, SA8515SW–D, SA8516SW–D, SA8518SW–D, SA8519SW–D, SA8520SW–D, SA8521SW–D, SA8522SW–D, SA8523SW–D, SA8524SW–D, SA8526SW–D, SA8529SW–D, SA8530SW–D, SA8531SW–D, SA8532SW–D, SA8533SW–D, SA8534SW–D, SA8535SW–D, SA8538SW–D, SA8539SW–D, SA8541SW–D, SA8543SW–D, SA8544SW–D, SA8545SW–D, SA8546SW–D, SA8548SW–D, SA8558SW–D, SA860SW, SA862SW, SA869SW, SA882SW, SA896SW, SA921SW, SA925SW, SA929SW, SA939SW, SA961SW, SA962SW, SA968SW, SA981SW, and SH3458SW–D.

Descriptions of the STC design changes and affected aircraft models are available at *https://drs.faa.gov/browse/STC/doctypeDetails.*

The FAA has received a third-party request for the release of the aforementioned engineering data under the provisions of the Freedom of Information Act (FOIA), 5 U.S.C. 552. The FAA cannot release commercial or financial information under FOIA without the permission of the data owner. However, in accordance with title 49 of the United States Code § 44704(a)(5), the FAA can provide STC ''engineering data'' it possesses for STC maintenance or improvement, upon request, if the following conditions are met:

1. The FAA determines the STC has been inactive for 3 years or more;

2. Using due diligence, the FAA is unable to locate the owner of record or the owner of record's heir; and

3. The availability of such data will enhance aviation safety.

There has been no activity on this STC for more than 3 years.

On December 17, 2025, the FAA sent a registered letter to Century Flight Systems, Inc., to its last known address: 3003 FM 1195, Mineral Wells, TX 76067–0610. The letter informed Century Flight Systems, Inc., that the FAA had received a request for engineering data related to STC No. SA3496SW–D and SA3497SW–D and was conducting a due diligence search to determine whether these STCs and 763 other STCs were inactive and may be considered abandoned. The letter further requested that the company respond in writing within 60 days and state whether it is the holder of these 765 STCs. The FAA has also attempted to make contact with Century Flight Systems, Inc., by other means, including telephone communication and emails, but without success.

Information Requested

If you are the owner or heir or a transferee of all the 765 STCs or have any knowledge regarding who may now hold any of these STCs, please contact Aourolia Kristianti using a method described in this notice under **FOR FURTHER INFORMATION CONTACT**. If you are the heir of the owner, or the owner by transfer of any of these STCs, you must provide a notarized copy of your government-issued identification with a letter and background establishing your ownership of any of the STCs and, if applicable, your relationship as the heir to the deceased holder of the STCs.

Conclusion

If the FAA does not receive any response by September 15, 2026, the FAA will consider all 765 STCs as abandoned, and the FAA will proceed with the release of the requested data. This action is for the purpose of maintaining the airworthiness of an aircraft and enhancing aviation safety.

(Authority: 49 U.S.C. 44704(a)(5))

Issued on March 16, 2026.

Paul R. Bernado,

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

[FR Doc. 2026–05324 Filed 3–18–26; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

[Docket No. NHTSA–2026–0463]

Agency Information Collection Activities; Notice and Request for Comment; Crash Report Sampling System (CRSS), Non-Traffic Surveillance (NTS), and Special Study Data Collection

AGENCY: National Highway Traffic Safety Administration (NHTSA), Department of Transportation (DOT).

ACTION: Notice and request for comments on a request for extension with modification of a currently approved information collection.

SUMMARY: NHTSA invites public comments about our intention to request approval from the Office of Management and Budget (OMB) for an extension with modification of a currently approved information collection. Before a Federal agency can collect certain information from the public, it must receive approval from OMB. Under procedures established by the Paperwork Reduction Act of 1995, before seeking OMB approval, Federal agencies must solicit public comment on proposed collections of information, including extensions and reinstatement of previously approved collections. This document describes a collection of information for which NHTSA intends to seek OMB approval on Crash Report Sampling System (CRSS), Non-Traffic Surveillance (NTS), and Special Study Data Collection.

DATES: Comments must be submitted on or before May 18, 2026.

ADDRESSES: You may submit comments identified by the Docket No. NHTSA–2026–0463 through any of the following methods:

- *Electronic submissions:* Go to the Federal eRulemaking Portal at *http://www.regulations.gov.* Follow the online instructions for submitting comments.
- *Fax:* (202) 493–2251.
- *Mail or Hand Delivery:* Docket Management, U.S. Department of Transportation, 1200 New Jersey Avenue SE, West Building, Room W12–140, Washington, DC 20590, between 9 a.m. and 5 p.m., Monday through Friday, except on Federal holidays.

Instructions: All submissions must include the agency name and docket number for this notice. Note that all comments received will be posted without change to *http://www.regulations.gov* including any personal information provided. Please see the Privacy Act heading below.

Privacy Act: Anyone is able to search the electronic form of all comments received into any of our dockets by the name of the individual submitting the comment (or signing the comment, if submitted on behalf of an association, business, labor union, etc.). You may review DOT's complete Privacy Act Statement in the **Federal Register** published on April 11, 2000 (65 FR 19477–78) or you may visit *https://www.transportation.gov/privacy.*

Docket: For access to the docket to read background documents or comments received, go to *http://www.regulations.gov* or the street address listed above. Follow the online instructions for accessing the dockets via internet.

FOR FURTHER INFORMATION CONTACT: For additional information or access to background documents, contact Barbara Rhea, State Data Reporting Systems Division (NSA–120), (202) 560–6724, National Highway Traffic Safety Administration, Room W43–313, U.S. Department of Transportation, 1200 New Jersey Avenue SE, Washington, DC 20590. Please identify the relevant collection of information by referring to its OMB Control Number (2127–0714).

SUPPLEMENTARY INFORMATION: Under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), before an agency submits a proposed collection of information to OMB for approval, it must first publish a document in the **Federal Register** providing a 60-day comment period and otherwise consult with members of the public and affected agencies concerning each proposed collection of information. The OMB has promulgated regulations describing what must be included in such a document. Under OMB's regulation (at 5 CFR 1320.8(d)), an agency must ask for public comment on the following: (a) whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (b) the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used; (c) how to enhance the quality, utility, and clarity of the information to be collected; and (d) how to minimize the burden of the collection of information on those who are to respond, including the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.* permitting electronic submission of responses. In compliance with these requirements, NHTSA asks for public comments on the following proposed collection of information for which the agency is seeking approval from OMB.

Title: Crash Report Sampling System (CRSS), Non-Traffic Surveillance (NTS), and Special Study Data Collection.

OMB Control Number: 2127–0714.

Form Number(s): NHTSA Form 2178, NHTSA Form 2174.

Type of Request: Extension with modification of a currently approved collection of information.

Type of Review Requested: Regular.

Requested Expiration Date of Approval: Three years from date of approval.

Summary of the Collection of Information:

NHTSA is authorized by 49 U.S.C. 30182 and 23 U.S.C. 403 to collect data on motor vehicle traffic crashes to aid in the identification of issues and the development, implementation, and evaluation of motor vehicle and highway safety countermeasures to support efforts to reduce injuries and fatalities caused by motor vehicle crashes. The Crash Report Sampling System (CRSS) is a voluntary collection of data from police-reported crashes involving all types of motor vehicles, pedestrians, and cyclists; this includes property damage only crashes as well as those resulting in injuries and fatalities. The Non-Traffic Surveillance (NTS) is a virtual data collection effort for collecting information about non-traffic crashes and non-crash incidents. The NTS data provide counts and details regarding fatalities and injuries that occur in non-traffic crashes and in non-crash incidents. This request for extension is a modification to the previously approved as OMB Control No. 2127–0714 (current expiration Date: 8/31/2026). The previous request for this information collection (OMB No. 2127–0714) estimated the annual burden to be 42,680 burden hours and this request decreases the burden to 18,167 hours. This ICR is adjusted due to (a) reducing burden hour estimates for CRSS information collection to reflect current efficiencies, (b) remove the Non-Sampled PJ Crash Count Special Study.

Description of the Need for the Information and Proposed Use of the Information:

NHTSA is authorized by 49 U.S.C. 30182 and 23 U.S.C. 403 to collect data on motor vehicle traffic crashes to aid in the identification of issues and the development, implementation, and evaluation of motor vehicle and highway safety countermeasures to reduce fatalities and the property damages associated with motor vehicle crashes. Using this authority, NHTSA established the Crash Report Sampling System (CRSS), Non-Traffic Surveillance (NTS) and targeted Special Studies to collect data on motor vehicle crashes. These data collection effort support the Department of Transportation's strategic goal for safety by working toward the elimination of transportation related deaths, injuries, and property damage.

CRSS

The CRSS is a voluntary collection of data from police-reported crashes involving all types of motor vehicles, pedestrians, and cyclists; this includes property damage only crashes as well as those resulting in injuries and fatalities. CRSS obtains its data from a nationally representative probability sample selected from the estimated six million police-reported crashes that occur annually in the United States. By focusing attention on police-reported crashes, CRSS concentrates on the crashes of greatest concern to the highway safety community and the public.

CRSS depends on the voluntary participation and cooperation of State and law enforcement agencies. This allows NHTSA and its contractors to access the crash reports to review, list, and categorize the crashes. CRSS data is solely based on crash reports. The crash reports provide essential data: detailed information regarding the location of the crash, the vehicles, and the people involved. The crash reports are official local and State government forms that include the location of the crash and the pre-crash environment, explains the number and types of vehicles involved

as well as describing the persons, injuries and other variables to express how the person was involved in the crash. No personally identifiable information is collected or released via the CRSS data. Selected crashes are released to the public in the annual CRSS file following quality control processes conducted by NHTSA. These data files are used by NHTSA and the public for highway safety research purposes.

NTS

The NTS is a data collection effort for collecting information about counts and details regarding fatalities and injuries that occur in non-traffic crashes and non-crash incidents. U.S. Congress required the Secretary of Transportation (NHTSA by delegation) to collect and maintain information about fatalities and injuries in nontraffic and non-crash incidents in the Cameron Gulbransen Kids Transportation Safety Act of 2007 (K.T. Safety Act) (Pub. L. 110–189). NHTSA designed and implemented the Non-Traffic Surveillance (NTS) study to fulfill the requirements of the K.T. Safety Act.

Non-traffic crashes are crashes that occur off a public trafficway (*e.g.* private roads, parking lots, or driveways), and non-crash incidents are incidents involving motor vehicles but without a crash scenario such as, carbon monoxide poisoning and hypo/hyperthermia. The NTS non-traffic crash data are obtained through NHTSA's data collection efforts for the Crash Report Sampling System (CRSS),[1] the Crash Investigation Sampling System (CISS),[2] and the Fatality Analysis Reporting System (FARS).[3] NTS also includes data outside of NHTSA's own data collections. NTS' non-crash injury data is based upon emergency department records from a special study conducted by the Consumer Product Safety Commission's National Electronic Injury Surveillance System (NEISS) All Injury Program. The NTS non-crash fatality data is derived from death certificate information from the Centers for Disease Control's National Vital Statistics System.

This ICR only seeks approval for the collection of data for NTS non-traffic crash data collection from the CRSS data collection effort. The burden for NTS is included across three information collections because the data is collected differently under each of NHTSA's three data collection efforts that feed into NTS. The CRSS and CISS data collection efforts obtain NTS applicable reports received from the sample sites during their normal data collection efforts for CRSS and CISS. The FARS data collection effort uncovers NTS applicable reports received from the State during their normal data collection activities for FARS. Therefore, portions of the burden for NTS are included in the ICRs for all three data collection efforts.

Special Studies

Initially, the previous ICR requested approval for two special studies to be considered.

—Non-Sampled PJ Crash Count Special Study

—PJ Frame Evaluation Special Study

Upon reevaluation, the statisticians determined that PJ Frame Evaluation Special Study would be the most beneficial for reducing underestimation in the CRSS estimates. Consequently, the Non-Sampled PJ Crash Count Special Study will no longer be utilized. However, information for both special studies is provided below for reference.

Non-Sampled PJ Crash Count Special Study

In addition to the CRSS data collection, NHTSA may require a special study to collect crash counts from the non-sampled CRSS jurisdictions. The data to be collected from the non-sampled PJs includes the crash counts by the crash report Strata—within in scope for CRSS, NTS applicable, or out of scope. Non-sampled PJs are defined as PJs that investigate motor vehicle crashes within the CRSS Primary Sampling Units (PSU) boundaries but are not selected for the CRSS data collection.

The majority of the CRSS estimates are sub-population totals and percentages. To make these estimates efficient, both CRSS PSU and PJ samples were selected using probability proportional to size sampling method. Here the PSU and PJ crash counts were used as the measure of size (MOS). On the other hand, CRSS PSU and PJ samples are panel samples—once selected they are used for many years' data collection. A drawback of using panel sample is the MOS may become outdated over time so that the estimates become less efficient. To mitigate this inadvertent effect, it is necessary to collect the crash counts of the non-sampled PJs periodically and use them together with the sampled PJ's crash counts to calibrate the PJ weights. The completion of the Non-Sampled PJ Crash Count Special Study supplements the CRSS data collection effort to reduce PJ frame coverage errors, sampling variance and potential PJ non-response bias. In addition, non-sampled counts are also used to update the PJ frame for future PJ sample re-selection.

There are various tasks associated with the non-sampled PJ crash counts, including working with the non-sampled police jurisdictions to gain access to crash reports. Then, for an entire data collection year, the collection of the non-sampled PJ crash counts would include the review of crash reports from the non-sampled PJs that are to be stratified and tallied.

PJ Frame Evaluation Special Study

Another special study NHTSA may require is the CRSS PJ frame evaluation. The current CRSS PJ sample was selected from a PJ frame created in 2016. However, the PJ frame is constantly changing: new PJs start operating, existing PJs are closed, multiple PJs are merged into one PJ, or one PJ splits into multiple PJs. The current CRSS PJ sample was selected from the 2016 PJ frame and the PJ weights were calculated accordingly. If the PJ frame has changed dramatically from the 2016 PJ frame, the CRSS PJ weights are no longer correct and the CRSS estimates may be biased. To prevent this, NHTSA needs to evaluate the current PJ frame. Specifically, this includes the following:

1. The PJ frame evaluation should identify all the current PJs (including new PJs, closed PJs, any changes) that provide Police Crash Report (PCRs) in the non-Electronic Data Transfer (EDT) PSUs.

2. For all identified PJs in the PJ frame, collect six crash counts (total crashes, fatal crashes, injury crashes, pedestrian crashes, motorcycle crashes, and commercial motor vehicle crashes). These crash counts will be used as PJ measurement of size for PJ sample selection or PJ weight adjustment if needed.

The CRSS States have a combination of crash report access methods, which include but are not limited to the EDT, access to State websites and web service transfer. The EDT is a routine automated transfer of State crash data from a State agency to NHTSA to support crash data collection efforts for various crash report data collection systems. EDT reduces the level of effort need to share crash data to support NHTSA record-based and crash investigation studies.

Absent the data collected and disseminated via the CRSS, NTS and the two special studies, US DOT, State Highway Safety Offices, and other traffic safety analysts would not have

[1] The CRSS information collection is assigned OMB Control No. 2127–0714.

[2] The CISS information collection is assigned OMB Control No. 2127–0706.

[3] The FARS information collection is assigned OMB Control No. 2127–0006.

information data crucial to problem identification and countermeasure development for motor vehicle crashes and non-traffic crashes, respectively.

Affected Public: Various Police Jurisdiction and State Agencies.

Estimated Number of Respondents: 1,367.

Frequency: Annual.

Estimated Total Annual Burden Hours: 18,167.

Burden for CRSS and NTS

Within the 30 States or 60 CRSS PSUs there are PJs, from which a CRSS sampler must obtain crash reports for listing, categorization, and sampling. Currently, 54 PSUs provide NHTSA data electronically—through EDT, State website access, or web service portal. For one State, the crash reports are obtained through EDT and manually since not all crashes are reported through EDT. A total of 6 PSUs, or 37 local PJs, where crash reports collection is conducted in the field using a combination of electronic and manual methods as dictated by the sample PJ's crash report collection methods. The manual PJs required field samplers which incur an increased burden due to the labor-intensive administrative practices and privacy protections associated with manually accessing the crash reports.

The annual burden estimate detailed in Table 1 is produced by identifying the crash report access method for each PSU and PJ and assigning the appropriate burden hours for that method as outlined below. Since NTS data is collected with CRSS data, the burden estimates also include NTS burdens.

- EDT Maintenance—For PSUs providing crash report through EDT, the burden is estimated at five hours annually. This accounts for yearly updates to programming needed to successfully transmit data, such as updating data structures if new data elements are added or any changes to the state made to their crash report or databases.
- State website—User Access Only: For PSUs providing crash reports via a state repository/website or database, the burden is estimated at 10 hours annually per PSU and PJ in the State. This represents time to process user account requests, establish credentials, and routine maintenance of the State's data repositories.
- State website—User Access and Additional Administrative Functions: For PSUs providing crash reports directly to NHTSA via web service or where the State employees provide user access accounts in addition to regularly searches for crash reports, compiles the lists of crashes to send to NHTSA monthly, the burden is estimated at 60 hours annually per PSU and PJ in the State. This represents implementation, data transfer monitoring, and communications with NHTSA and its contractors.
- For PJs providing crash reports to NHTSA via manual crash report access methods (*i.e.,* copying crash reports and mailing them, and searching for recently completed crash reports and uploading crash reports to secure email links), the burden is estimated at 470 hours annually per PJ. This represents—but is not limited to—maintaining a law enforcement presence while the crash reports are being reviewed, and/or providing resources to the CRSS sampler in order to access the crash reports. This is the most labor extensive access type due to the administrative burden and the additional processes required to protect PII. Other local police jurisdictions may photocopy crash reports and FedEx to the contractors or download electronic crash reports to submit electronically via secure email or thumb drive monthly. This total also accounts for States that have monthly manual processes to identify crash reports in their state databases, compile crash reports and share with NHTSA.

This hourly burden was calculated using the Bureau of Labor Statistics' mean hourly wage estimate for Court, Municipal, and License Clerks (Standard Occupational Classification #43–4031) [4] from May 2024 of $24.61 Therefore, NHTSA estimates the hourly wage associated with the estimated 17,820 burden hours to be $438,550.20 (17,820 hours × $24.61 per hour). The Bureau of Labor Statistics estimates that for State and local government workers, wages represent 61.5% of total compensation.[5] Therefore, the total cost of burden associated with this collection is estimated to be $713,089. 76 ($438,550.20 ÷ 0.6150).

TABLE 1—CRSS AND NTS DATA COLLECTION BURDEN HOURS

Access method	Hours per jurisdiction (PJ or States)	Number of respondents (PJ or States)	Total hours
EDT (Maintenance)	5	14 States	70
State Website (user access only)	10	10 States and 2PJs	120
State Website (user access and additional administrative functions)	60	1 States	60
Web Service (user access and States query and compile info)	60	1 State and 2 PJs	180
Mixed Manual	470	37 PJs	17,390
Grand Total		67 Respondents	17,820

Annually, there is the potential to reselect police jurisdictions, which is dependent on maintenance of cooperation and access to crash reports. If cooperation is lost, replacement jurisdictions are sought. Regardless, the PJ frame is updated, and the PJ sample is reselected every year. However, the changes in the sampled PJs are minimal because Pareto sampling method is used for PJ sample selection. Any changes to the PJ frame could impact the reported burden rates. For more details, please refer to Pages 29–32 of the Technical Report: *https://crashstats.nhtsa.dot.gov/Api/Public/ViewPublication/812706.*

Special Studies

The CRSS special studies are important to evaluate the PJ frame of the CRSS PSUs, determine PJ weights and measure of size for the CRSS PJ sample selection. For NHTSA to accomplish its mission, motor vehicle crash data must be of the highest quality which includes

[4] *See* May 2023 National Industry-Specific Occupational Employment and Wage Estimates, 43–4031—Court, Municipal, and License Clerks, available at *Occupational Employment and Wage Statistics* (accessed December 23, 2025).

[5] *See* Table 1. Employer Costs for Employee Compensation by ownership for state and local government workers, available at *https://www.bls.gov/news.release/ecec.nr0.htm* (accessed December 23, 2025).

sampling from an accurate PJ frame to select a nationally representative sample of crashes.

Non-Sampled PJ Crash Count Special Study (This study is Removed From This ICR)

The burden calculation for the Non-Sampled PJ Crash Count Special Study is difficult to determine. Each burden calculation is associated with the agreed upon crash report access method for sample sites. For non-sampled PJs we have no established relationship nor is it known which type of access to crash report is feasible. Most importantly, Non-sampled Sampled PJ Crash Count Special Studies are conducted on an ad-hoc basis and not implemented every year. We estimate that the Non-sampled Sampled PJ Crash Count Special Study will at most be conducted once in the next three-year cycle. Table 2 illustrates the burden hours for this special study by access method. EDT has been removed from the table because CRSS samples from the entire county for EDT States, therefore there is no distinction between the non-sampled and sampled PJs. This is an added benefit to EDT implementation as we get an accurate assessment of the PSU frame by CRSS strata. State websites with user access have non-sampled PJs however, there is no added burden because the initial access granted is at the state level. State website with user access and additional administrative functions provide NHTSA data at the county level, which includes both sampled and non-sampled PJs, thus there is no additional burden to the state. Webservice agreements also provide data at the county level, thus there is no additional burden to the state to provide non-sampled crash reports. States noted as having manual methods only account for the sampled PJs. Without established cooperation, NHTSA can't forecast individual PJ's access methods for the purposes of the burden calculation. Therefore, NHTSA assumes that all the non-sampled PJs within the PSUs using the mixed manual method will also use this method. Thus, NHTSA estimates 136 PJs will participate in the non-sampled special study using the mixed manual method. The maximum burden for the Non-Sampled PJ Crash Count Special Study's estimated burden is 63,920 with the possibility of reduction with cooperative agreements finalized. If the Non-Sampled PJ Crash Count Special Study were to be collected once in the next three year, dividing the 63,920 total burden hours by three would yield an annual burden of 21,307 hours.

After the statisticians revaluated the Non-Sampled PJ Crash Count Special Study, it was concluded that the PJ frame evaluation and the updated six crash counts would be the most beneficial to reduce underestimation in the CRSS estimates. Thus, the Non-Sampled PJ Crash Count Special Study will be no longer utilized. The new burden hours will no longer reflect this special study in Table 4.

TABLE 2—NON-SAMPLED PJ CRASH COUNT SPECIAL STUDY BURDEN HOURS

Access method	Hours per jurisdiction	Number of respondents jurisdiction (PJ) or States	Total hours
Manual	470	136	21,307 (470*136/3)
Grand Total		136	21,307

PJ Frame Evaluation Special Study

The activities associated with PJ frame evaluation special study include identifying the in-scope PJs and collecting six crash count from the in-scope PJs. NHTSA estimates there are total 40 non-EDT PSUs and about 1,300 PJs in those non-EDT PSUs. NHTSA anticipates approximately 16 minutes (0.25 hours) for each PJ to prepare the six crash counts. NHTSA estimates the total number of hours of response burden is about 347 hours.

TABLE 3—PJ FRAME EVALUATION SPECIAL STUDY BURDEN HOURS

PJ Frame evaluation	Hours per jurisdiction (minutes)	Number of respondents jurisdiction (PJ)	Total hours
Manual	16	1,300	347 (16/60*1,300)
Grand Total		1,300	347

The total cost of burden associated with PJ frame evaluation special study is $13,885.64 (347 hours × $24.61 per hour/.6150 compensation) using the same mean hourly wage estimate for Court, Municipal and license clerks and estimates that for State and local government workers, wages represent 61.50% of total compensation.[6]

The total annual burden hours for the CRSS, and NTS and is estimated at 18,167 (17,820 + 347) for a data collection year when all studies are implemented.

The total cost of burden associated with this collection is estimated to be $726,975.40 ($713,089.76 + $13,885.64).

[6] *See* Table 1. Employer Costs for Employee Compensation by ownership for state and local government workers, available at *https://www.bls.gov/news.release/ecec.nr0.htm* (accessed December 23, 2025).

TABLE 4—SUMMARY OF BURDEN CHANGES

Information collections	Number of respondents	Previous burden hours	New burden hours	Difference	Reasoning
CRSS	67	21,040	17,820	3,220	Increased efficiencies with more States participating in EDT and Robotic Process Automation (RPA)
NTS	0	0	0	0	Included with CRSS burden above
Non-sampled PJ Crash Count Special Study.	0	21,307	0	21,307	This special study is removed from the data collection.
PJ Frame Evaluation Special Study	1,300	333	347	14	Estimated number is increased to account for newly identified in-scope PJs during evaluation.
Total	1,367	42,680	18,167	24,513	

Estimated Total Annual Burden Cost: $0.

There are no additional costs to respondents participating.

Public Comments Invited: You are asked to comment on any aspects of this information collection, including (a) whether the proposed collection of information is necessary for the proper performance of the functions of the Department, including whether the information will have practical utility; (b) the accuracy of the Department's estimate of the burden of the proposed information collection; (c) ways to enhance the quality, utility and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including the use of automated collection techniques or other forms of information technology.

(Authority: The Paperwork Reduction Act of 1995; 44 U.S.C. Chapter 35, as amended; 49 CFR 1.49; and DOT Order 1351.29A.)

Chou-Lin Chen,

Associate Administrator, National Center for Statistics and Analysis.

[FR Doc. 2026–05366 Filed 3–18–26; 8:45 am]

BILLING CODE 4910–59–P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

Agency Information Collection Activities: Comment Request on Burden Related to the Election To Treat a Qualified Revocable Trust as Party of an Estate

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of information collection and request for comments.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, the IRS is inviting comments on the information collection request outlined in this notice.

DATES: Written comments should be received on or before May 18, 2026 to be assured of consideration.

ADDRESSES: Direct all written comments and recommendations to Andrés Garcia, Internal Revenue Service, Room 6526, 1111 Constitution Avenue NW, Washington, DC 20224, or by email at *pra.comments@irs.gov.* Please include, ''OMB Number: 1545–1881—Public Comment Request Notice'' in the subject line of the message.

FOR FURTHER INFORMATION CONTACT: View the latest drafts of the tax forms related to the information collection listed in this notice at *https://www.irs.gov/draft-tax-forms.* Requests for additional information or copies of this collection should be directed to Ronald J. Durbala, (202) 317–5746 or via email at *RJoseph.Durbala@irs.gov.*

SUPPLEMENTARY INFORMATION: The IRS, in accordance with the Paperwork Reduction Act of 1995 (PRA) (44 U.S.C. 3506(c)(2)(A)), provides the public and Federal agencies with an opportunity to comment on proposed, revised, and continuing collections of information. This helps the IRS assess its impact and minimize the burden of its information collection requirements. Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval. All comments will become a matter of public record and be viewable on relevant websites. For this reason, please do not include in your comments information of a confidential nature, such as sensitive personal information.

Comments are invited on: (a) Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology; and (e) estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

Title: Election To Treat a Qualified Revocable Trust as Party of an Estate.

OMB Number: 1545–1881.

Form Number(s): 8855.

Abstract: Form 8855 is used to make a section 645 election that allows a qualified revocable trust to be treated and taxed (for income tax purposes) as part of its related estate during the election period.

Current Actions: There are no changes being made to the form at this time.

Type of Review: Extension of a currently approved collection.

Affected Public: Business or other for-profit organizations.

Estimated Number of Respondents: 15,500.

Estimated Time per Respondent: 5 Hrs., 38 min.

Estimated Total Annual Burden Hours: 87,420.

Dated: March 17, 2026.

Ronald J. Durbala,

Tax Analyst.

[FR Doc. 2026–05393 Filed 3–18–26; 8:45 am]

BILLING CODE 4831–GV–P

DEPARTMENT OF VETERANS AFFAIRS

Health Systems Research Scientific Merit Review Board

AGENCY: Department of Veterans Affairs.

ACTION: Notice of Intent to File.

SUMMARY: We are giving notice that the Secretary of Veterans Affairs intends to

renew the Department of Veterans Affairs (VA) Health Systems Research Scientific Merit Review Board for a 2-year period. The Secretary has determined that the Committee is necessary and in the public interest.

FOR FURTHER INFORMATION CONTACT: Jeffrey Moragne, Committee Management Office, Department of Veterans Affairs, Advisory Committee Management Office (00AC), 811 Vermont Avenue, 4th floor, NW, Washington, DC 20420; telephone (202) 714–1578; or email at *Jeffrey.Moragne@va.gov.*

SUPPLEMENTARY INFORMATION: Pursuant to the Federal Advisory Committee ACT, the Secretary of Veterans Affairs intends to renew the Health Systems Research Scientific Merit Review Board (HSR or Board) for two (2) years from the filing date of the charter's renewal. The objective of the Board is to provide for the fair and equitable selection of the most meritorious research projects for support by VA research funds and to offer advice for research program officials on program priorities and policies. The ultimate objective of the Board is to ensure through recommendations the high quality and mission relevance of VA's HSR Program.

Also in pursuant to 41 C.F.R § 102–3.65, the Department of Veterans Affairs provides this written notice determination stating that the Board is in the public interest and found to be in accordance with the Federal Advisory Community Act (FACA), the FACA 2025 Final Rule, and current to the U.S. General Services Administration, Committee Management Secretariat guidance. The following factors below provide an overview of the Committee's operations and public interest intent.

Annual Budget—The overall operating costs for HSR is $1,450,000. All members receive travel expenses and a per diem allowance in accordance with the Federal Travel Regulation for any travel made in connection with their duties as members of the Board. The expected costs are broken into:

(i) Federal personnel (based on full-time equivalent (FTE) usage basis) is 7.8 with other Federal internal costs being $1,360,000.

(ii) Proposed payments to Non-Federal Members are $90,000. There are up to 12 members on the Parent Committee and 12 Subcommittees with more than 500 consultant members who do not serve on the Parent Committee. Subcommittee members are recruited based on the number and the research focus of the applications received. Non-Federal members receive up to $300/day of service.

(iii) Reimbursable costs are $0.00 non-applicable for the Board.

This Committee does not have any dollar value of grants expected for the fiscal year.

Membership Selection—The Board is composed of members having training and expertise in a variety of scientific, technical and medical disciplines, including but not limited to health care and clinical management; behavioral, social, and cultural determinants of health; health, health care informatics; mental and behavioral health; health care system organization, design and delivery; research methods and models; post-acute and long-term care and aging; nursing research initiatives; public health and epidemiology; access to care; post-deployment care including traumatic brain injury; health equity and health disparities; rural health; women's health; complementary and integrative health; mobility, activity and function; implementation science; patient experience; community care and VA/non-VA care coordination; mobile and connected health and patient-reported outcomes; management of chronic pain; opioids and suicide prevention; health economics; genomics and precision medicine in clinical practice; patient safety; predictive analytic; health behavior change; operations research and health systems re-engineering; and the development of talented VA researchers. The HSR will represent the required subject matter expertise and technical skills along with Veterans of different eras and branches of service.

Existing Federal Advisory Committees—The following list of 27 VA advisory committees includes 18 that are statute (with an asterisk *) and 9 non-statutory committees.

(1) VA National Academic Affiliations Council
(* 2) Advisory Committee on Cemeteries and Memorials
(3) Cooperative Studies Scientific Evaluation Committee
(* 4) Advisory Committee on Disability Compensation
(* 5) Veterans' Advisory Committee on Education
(* 6) Veterans' Advisory Committee on Environmental Hazards (Administratively Inactive)
(* 7) Advisory Committee on Former Prisoners of War
(* 8) Geriatrics and Gerontology Advisory Committee
(* 9) Research Advisory Committee on Gulf War Veterans' Illnesses
(10) Health Systems Research Service Merit Review Board
(* 11) Advisory Committee on Homeless Veterans
(12) Joint Biomedical Laboratory Research and Development and Clinical Science Research and Development Services Scientific Merit Review Board
(* 13) Advisory Committee on Minority Veterans
(14) National Research Advisory Council
(* 15) Advisory Committee on U.S. Outlying Areas and Freely Associated States
(* 16) Advisory Committee on Prosthetics and Special Disabilities Programs
(* 17) Advisory Committee on the Readjustment of Veterans
(* 18) Veterans' Advisory Committee on Rehabilitation
(19) Rehabilitation Research and Development Service Scientific Merit Review Board
(20) Veterans' Rural Health Advisory Committee
(* 21) Special Medical Advisory Group
(* 22) Advisory Committee on Structural Safety of Department of Veterans Affairs Facilities
(* 23) Advisory Committee on Tribal and Indian Affairs
(24) Veterans' Family, Caregiver, and Survivor Advisory Committee
(* 25) Veterans and Community Oversight and Engagement Board
(26) Department of Veterans Affairs Voluntary Service National Advisory Committee
(* 27) Advisory Committee on Women Veterans

Justification—The review of research proposals requires highly specialized subject matter expertise and experience. Ensuring broad and appropriate expertise on the HSR is obtained by recruiting experts both from within and outside of the Federal Government.

Summary of Previous Committee Accomplishments—This FACA Scientific Merit Review Board (SMRB) reviews and evaluates approximately 400 health systems research proposals per year through its subcommittees. These evaluations have assisted VA Office of Research Development (ORD) in selecting the most meritorious research projects that will ultimately lead to improvements in Veteran health and healthcare, quality of life and participation in their lives and community. VA ORD funds approximately 20% of the proposals it receives. This SMRB needs to continue its activities so VA ORD can continue to benefit from expert evaluations when making funding decisions.

Why Committee is Essential—Health Systems Research provides advice on the fair and equitable selection of the

most meritorious research projects for support by VA research funds and for research program officials on program priorities and policies; ensures the high quality and mission relevance of VA's legislatively mandated research and development program; and advises on the scientific and technical merit, the mission relevance and the protection of human and animal subjects proposals. Peer review of research proposals by the external subject matter experts on this Board is a critical element of the VA's Research program. VA research is a statutory mandate under 38 U.S. Code § 7303, Public Law 117–328. VA Research priorities are further mandated by the Hannon Act (traumatic brain injury), the PACT Act (military toxic exposures and Gulf War Illness), the CARA act (Pain and opioid treatment), the Cleland Dole Act (Precision Oncology), and the MISSION and Elizabeth Dole Acts (community care). There is no other mechanism for VA to get this expert advice.

In conclusion, this Notice of Intent states that this renewing Board is in the public interest, essential to the conduct of agency business and that the information provided is not available through any other advisory committee or source within the Federal Government.

Dated: March 16, 2026.

LaTonya L. Small,

Federal Advisory Committee Management Officer.

[FR Doc. 2026–05361 Filed 3–18–26; 8:45 am]

BILLING CODE 8320–01–P

DEPARTMENT OF VETERANS AFFAIRS

Cooperative Studies Scientific Evaluation Committee

AGENCY: Department of Veterans Affairs.

ACTION: Notice of Intent to File.

SUMMARY: We are giving notice that the Secretary of Veterans Affairs intends to renew the Department of Veterans Affairs (VA) Cooperative Studies Scientific Evaluation Committee for a 2-year period. The Secretary has determined that the Committee is necessary and in the public interest.

FOR FURTHER INFORMATION CONTACT: Jeffrey Moragne, Committee Management Office, Department of Veterans Affairs, Advisory Committee Management Office (00AC), 811 Vermont Avenue, 4th floor, NW, Washington, DC 20420; telephone (202) 714–1578; or email at *Jeffrey.Moragne@va.gov.*

SUPPLEMENTARY INFORMATION: Pursuant to the Federal Advisory Committee ACT, the Secretary of Veterans Affairs intends to renew the Cooperative Studies Scientific Evaluation Committee (CSSEC or Committee) for two (2) years from the filing date of the charter's renewal. The purpose of the Committee is to review proposed and ongoing cooperative studies and multi-site clinical research activities (including clinical trials, epidemiological studies, and related efforts) and advises VA on scientific merit, feasibility, the adequacy of the plan of investigation, related activities and requested resources, technical details including the involvement of human subjects, and mission relevance. The Committee further evaluates and discusses written materials supplied by the proponents of each project as part of its review.

Also in pursuant to 41 CFR § 102–3.65, the Department of Veterans Affairs provides this written notice determination stating that the CSSEC is in the public interest and found to be in accordance with the Federal Advisory Community Act (FACA), the FACA 2025 Final Rule, and current to the U.S. General Services Administration, Committee Management Secretariat guidance. The following factors below provide an overview of the Committee's operations and public interest intent.

Annual Budget—The overall operating costs for the Committee is $35,000. All members receive travel expenses and a per diem allowance in accordance with the Federal Travel Regulation for any travel made in connection with their duties as members of the Committee. The expected costs are broken into:

(i) Federal personnel (based on full-time equivalent (FTE) usage basis) is 0.1 with other Federal internal costs being $14,850.

(ii) Proposed payments to Non-Federal Members is $2,500. Payments to Federal Members are $7,250 and to consultants is $900. The Committee is composed of up to 12 members who may be Regular Government Employees or Special Government Employees.

(iii) Reimbursable costs equate to travel reimbursement for Non-Federal Members is $2,500, for Federal Members is $4,500 and for Federal Staff is $2,500.

This Committee does not have any dollar value of grants expected for the fiscal year.

Membership Selection—The Committee is composed of members having experience and expertise in major medical specialties and disciplines, including biostatistics and epidemiology, and selected based on professional expertise and achievement in clinical research. Committee membership represents and considers the required technical skills in VA positions or other Federal positions, along with diverse geographical backgrounds and Veterans of different eras and branches to the extent possible. The Cooperative Studies Program (CSP) staff also submits recommendations to the VA Chief Research and Development Officer (CRADO) for nominees to be considered for appointments at CSSEC.

Existing Federal Advisory Committees—The following list of 27 VA advisory committees includes 18 that are statute (with an asterisk *) and 9 non-statutory committees.

(1) VA National Academic Affiliations Council
(* 2) Advisory Committee on Cemeteries and Memorials
(3) Cooperative Studies Scientific Evaluation Committee
(* 4) Advisory Committee on Disability Compensation
(* 5) Veterans' Advisory Committee on Education
(* 6) Veterans' Advisory Committee on Environmental Hazards (Administratively Inactive)
(* 7) Advisory Committee on Former Prisoners of War
(* 8) Geriatrics and Gerontology Advisory Committee
(* 9) Research Advisory Committee on Gulf War Veterans' Illnesses
(10) Health Systems Research Service Merit Review Board
(* 11) Advisory Committee on Homeless Veterans
(12) Joint Biomedical Laboratory Research and Development and Clinical Science Research and Development Services Scientific Merit Review Board
(* 13) Advisory Committee on Minority Veterans
(14) National Research Advisory Council
(* 15) Advisory Committee on U.S. Outlying Areas and Freely Associated States
(* 16) Advisory Committee on Prosthetics and Special Disabilities Programs
(* 17) Advisory Committee on the Readjustment of Veterans
(* 18) Veterans' Advisory Committee on Rehabilitation
(19) Rehabilitation Research and Development Service Scientific Merit Review Board
(20) Veterans' Rural Health Advisory Committee
(* 21) Special Medical Advisory Group
(* 22) Advisory Committee on Structural Safety of Department of Veterans Affairs Facilities

(* 23) Advisory Committee on Tribal and Indian Affairs
(24) Veterans' Family, Caregiver, and Survivor Advisory Committee
(* 25) Veterans and Community Oversight and Engagement Board
(26) Department of Veterans Affairs Voluntary Service National Advisory Committee
(* 27) Advisory Committee on Women Veterans

Justification—There is no other committee (in the Federal Government or elsewhere) which is specifically selected based on its multi-disciplinary makeup directly related to cooperative clinical research among the VA patient population and qualified to review the scientific merit of submissions for related multi-center clinical studies and research activities.

Summary of Previous Committee Accomplishments—Since FY 2003, the CSSEC has made 177 recommendations to VA on the scientific merit of proposals for multi-center clinical studies and research activities. In doing so, the Committee has advanced landmarks, definitive clinical trials and observational studies in cardiovascular disease, infectious disease, surgery, gastroenterology, mental health, oncology, and endocrinology improving the health and well-being of Veterans and the nation.

Why Committee is Essential—Peer review of research proposals by the external subject matter experts on this committee is a critical element of the VA's Research program. VA research is a statutory mandate under 38 U.S. Code § 7303, Public Law 117–328. VA Research priorities are further mandated by the Hannon Act (traumatic brain injury), the PACT Act (military toxic exposures and Gulf War Illness), the CARA act (Pain and opioid treatment), the Cleland Dole Act (Precision Oncology), and the MISSION and Elizabeth Dole Acts (community care). The CSSEC provides expert advice on VA cooperative studies, which includes multi-site clinical trials and other large multi-site clinical research activities, and policies related to conducting and managing these efforts. Such advice is to ensure that new and ongoing clinical trials/research sponsored by VA meets the highest standards of scientific merit, mission relevance, and quality, and is conducted safely, efficiently, and economically. There is no other mechanism for VA to get this expert advice.

In conclusion, this Notice of Intent states that this renewing committee is in the public interest, essential to the conduct of agency business and that the information provided is not available through any other advisory committee or source within the Federal Government.

Dated: March 16, 2026.

LaTonya L. Small,

Federal Advisory Committee Management Officer.

[FR Doc. 2026–05363 Filed 3–18–26; 8:45 am]

BILLING CODE 8320–01–P

DEPARTMENT OF VETERANS AFFAIRS

Joint Brain, Behavioral, and Mental Health and Medical Health Scientific Merit Review Board

AGENCY: Department of Veterans Affairs.

ACTION: Notice of intent to file.

SUMMARY: We are giving notice that the Secretary of Veterans Affairs intends to renew the Department of Veterans Affairs (VA) Joint Brain, Behavioral, and Mental Health and Medical Health Scientific Merit Review Board (formerly Joint Biomedical Laboratory Research and Development and Clinical Science Research and Development Services Scientific Merit Review Board) for a 2-year period. The Secretary has determined that the Committee is necessary and in the public interest.

FOR FURTHER INFORMATION CONTACT: Jeffrey Moragne, Committee Management Office, Department of Veterans Affairs, Advisory Committee Management Office (00AC), 811 Vermont Avenue, 4th floor, NW, Washington, DC 20420; telephone (202) 714–1578; or email at *Jeffrey.Moragne@va.gov.*

SUPPLEMENTARY INFORMATION: Pursuant to the Federal Advisory Committee ACT, the Secretary of Veterans Affairs intends to renew the Health Systems Research Scientific Merit Review Board (Joint Brain Behavioral or Board) for two (2) years from the filing date of the charter's renewal. The Board is to provide for the fair and equitable selection of the most meritorious research projects for support by VA research funds and to offer advice for research program officials on program priorities and policies. The Board ultimate objective is to provide expert review of the scientific quality, budget, safety, and mission-relevance of investigator-initiated research applications submitted for VA merit review consideration and to offer advice for research program officials on program priorities and policies.

Also in pursuant to 41 CFR § 102–3.65, the Department of Veterans Affairs provides this written notice determination stating that the Board is in the public interest and found to be in accordance with the Federal Advisory Community Act (FACA), the FACA 2025 Final Rule, and current to the U.S. General Services Administration, Committee Management Secretariat guidance. The following factors below provide an overview of the Committee's operations and public interest intent.

Annual Budget—The overall operating costs for Joint Brain Behavioral is $1,600,000. All members receive travel expenses and a per diem allowance in accordance with the Federal Travel Regulation for any travel made in connection with their duties as members of the Board. The expected costs are broken into:

(i) Federal personnel (based on full-time equivalent (FTE) usage basis) is 4.9 with other Federal internal costs being $1,060,000.

(ii) Proposed payments to Non-Federal Members are $540,000. There are 32 members on the Parent Committee and 32 Subcommittees with more than 1,000 consultant members who do not serve on the Parent Committee. Subcommittee members are recruited based on the number and the research focus of the applications received.

Non-Federal members receive up to $300/day of service.

(iii) Reimbursable costs are $0.00 non-applicable for the Board. This Committee does not have any dollar value of grants expected for the fiscal year.

Membership Selection—The Board members are selected based on professional achievement and expertise in the research subject areas needed. Board membership shall represent, to the extent possible, diverse geographical backgrounds, Veterans of diverse eras, and branches of service.

Existing Federal Advisory Committees—The following list of 27 VA advisory committees includes 18 that are statute (with an asterisk *) and 9 non-statutory committees.

(1) VA National Academic Affiliations Council
(* 2) Advisory Committee on Cemeteries and Memorials
(3) Cooperative Studies Scientific Evaluation Committee
(* 4) Advisory Committee on Disability Compensation
(* 5) Veterans' Advisory Committee on Education
(* 6) Veterans' Advisory Committee on Environmental Hazards (Administratively Inactive)
(* 7) Advisory Committee on Former Prisoners of War

(* 8) Geriatrics and Gerontology Advisory Committee
(* 9) Research Advisory Committee on Gulf War Veterans' Illnesses
(10) Health Systems Research Service Merit Review Board
(* 11) Advisory Committee on Homeless Veterans
(12) Joint Biomedical Laboratory Research and Development and Clinical Science Research and Development Services Scientific Merit Review Board
(* 13) Advisory Committee on Minority Veterans
(14) National Research Advisory Council
(* 15) Advisory Committee on U.S. Outlying Areas and Freely Associated States
(* 16) Advisory Committee on Prosthetics and Special Disabilities Programs
(* 17) Advisory Committee on the Readjustment of Veterans
(* 18) Veterans' Advisory Committee on Rehabilitation
(19) Rehabilitation Research and Development Service Scientific Merit Review Board
(20) Veterans' Rural Health Advisory Committee
(* 21) Special Medical Advisory Group
(* 22) Advisory Committee on Structural Safety of Department of Veterans Affairs Facilities
(* 23) Advisory Committee on Tribal and Indian Affairs
(24) Veterans' Family, Caregiver, and Survivor Advisory Committee
(* 25) Veterans and Community Oversight and Engagement Board
(26) Department of Veterans Affairs Voluntary Service National Advisory Committee
(* 27) Advisory Committee on Women Veterans

Justification—The review of biomedical research proposals requires highly specialized expertise. The Broad and appropriate expertise can only be obtained by recruiting experts both from within and outside of the Federal Government.

Summary of Previous Committee Accomplishments—This FACA Scientific Merit Review Board (SMRB) reviews and evaluates approximately 1,000 biomedical research proposals per year through its subcommittees. These evaluations have assisted VA Office of Research Development (ORD) in selecting the research projects most likely to lead to improvements in Veteran health and healthcare. VA ORD funds approximately 20% of the proposals it receives. This SMRB needs to continue its activities so VA ORD can continue to benefit from expert evaluations when making funding decisions.

Why Committee is Essential—The Joint Brain, Behavioral, and Mental Health and Medical Health Scientific Merit Review Board provides expert review of the scientific quality, budget, safety, and mission-relevance of investigator-initiated research applications that are submitted for VA merit review consideration and to offers advice for research program officials on program priorities and policies. The applications the Board reviews address research questions within the general area of biomedical and behavioral research or clinical science research. VA research is a statutory mandate under 38 U.S. Code § 7303, Public Law 117–328. VA Research priorities are further mandated by the Hannon Act (traumatic brain injury), the PACT Act (military toxic exposures and Gulf War Illness), the CARA act (Pain and opioid treatment), the Cleland Dole Act (Precision Oncology), and the MISSION and Elizabeth Dole Acts (community care). There is no other mechanism for VA to get this expert advice.

In conclusion, this Notice of Intent states that this renewing Board is in the public interest, essential to the conduct of agency business and that the information provided is not available through any other advisory committee or source within the Federal Government.

Dated: March 16, 2026.

LaTonya L. Small,

Federal Advisory Committee Management Officer.

[FR Doc. 2026–05362 Filed 3–18–26; 8:45 am]

BILLING CODE 8320–01–P

DEPARTMENT OF VETERANS AFFAIRS

Rehabilitation Research, Development and Translation Scientific Merit Review Board AGENCY: Department of Veterans Affairs.

ACTION: Notice of Intent to File.

SUMMARY: We are giving notice that the Secretary of Veterans Affairs intends to renew the Department of Veterans Affairs (VA) Rehabilitation Research, Development and Translation Scientific Merit Review Board (formerly Rehabilitation Research and Development Service Scientific Merit Review Board) for a 2-year period. The Secretary has determined that the Committee is necessary and in the public interest.

FOR FURTHER INFORMATION CONTACT: Jeffrey Moragne, Committee Management Office, Department of Veterans Affairs, Advisory Committee Management Office (00AC), 811 Vermont Avenue, 4th floor, NW, Washington, DC 20420; telephone (202) 714–1578; or email at *Jeffrey.Moragne@va.gov.*

SUPPLEMENTARY INFORMATION: Pursuant to the Federal Advisory Committee ACT, the Secretary of Veterans Affairs intends to renew the Rehabilitation Research, Development and Translation Scientific Merit Review Board (RRDT or Board) for two (2) years from the filing date of the charter's renewal. The purpose of RRDT is to provide for the fair and equitable selection of the most meritorious research projects for support by VA research funds and to offer advice for research program officials on program priorities and policies. The ultimate objective of the Board is to ensure that the VA rehabilitation research program promotes functional independence and improves the quality of life for impaired and disabled Veterans.

Also in pursuant to 41 C.F.R § 102–3.65, the Department of Veterans Affairs provides this written notice determination stating that the Board is in the public interest and found to be in accordance with the Federal Advisory Community Act (FACA), the FACA 2025 Final Rule, and current to the U.S. General Services Administration, Committee Management Secretariat guidance. The following factors below provide an overview of the Committee's operations and public interest intent.

Annual Budget—The overall operating costs for Joint Brain Behavioral is $1,500,000. All members receive travel expenses and a per diem allowance in accordance with the Federal Travel Regulation for any travel made in connection with their duties as members of the Board.

The expected costs are broken into:

(i) Federal personnel (based on full-time equivalent (FTE) usage basis) is 7.8 with other Federal internal costs being $1,340,000.

(ii) Proposed payments to Non-Federal Members are $160,000. There are 12 members on the Parent Committee and 12 Subcommittees with more than 600 consultant members who do not serve on the Parent Committee. Subcommittee members are recruited based on the number and the research focus of the applications received. Non-Federal members receive up to $300/day of service.

(iii) Reimbursable costs are $0.00 non-applicable for the Board.

This Committee does not have any dollar value of grants expected for the fiscal year.

Membership Selection—The Board is composed of members having training, subject matter expertise, and scientific merit review experience in a variety of scientific, technical, and medical disciplines including, but not limited to, aging, brain health and injury (*e.g.,* traumatic brain injury, stroke, epilepsy), chronic medical conditions, sensory systems (*e.g.,* hearing, vision, tinnitus, balance), behavioral health and social reintegration, musculoskeletal health and disorders, neurology (*e.g.,* spinal cord injury, neurodegenerative diseases), prosthetics/orthotics, pain, regeneration, rehabilitation and biomedical engineering, and communication disorders (*e.g.,* speech/language). RRDT represents the required subject matter expertise and technical skills along with applicable academia position and Veterans of different eras and branches of military service if possible.

Existing Federal Advisory Committees—The following list of 27 VA advisory committees includes 18 that are statute (with an asterisk *) and 9 non-statutory committees.

(1) VA National Academic Affiliations Council
(* 2) Advisory Committee on Cemeteries and Memorials
(3) Cooperative Studies Scientific Evaluation Committee
(* 4) Advisory Committee on Disability Compensation
(* 5) Veterans' Advisory Committee on Education
(* 6) Veterans' Advisory Committee on Environmental Hazards (Administratively Inactive)
(* 7) Advisory Committee on Former Prisoners of War
(* 8) Geriatrics and Gerontology Advisory Committee
(* 9) Research Advisory Committee on Gulf War Veterans' Illnesses
(10) Health Systems Research Service Merit Review Board
(* 11) Advisory Committee on Homeless Veterans
(12) Joint Biomedical Laboratory Research and Development and Clinical Science Research and Development Services Scientific Merit Review Board
(* 13) Advisory Committee on Minority Veterans
(14) National Research Advisory Council
(* 15) Advisory Committee on U.S. Outlying Areas and Freely Associated States
(* 16) Advisory Committee on Prosthetics and Special Disabilities Programs
(* 17) Advisory Committee on the Readjustment of Veterans
(* 18) Veterans' Advisory Committee on Rehabilitation
(19) Rehabilitation Research and Development Service Scientific Merit Review Board
(20) Veterans' Rural Health Advisory Committee
(* 21) Special Medical Advisory Group
(* 22) Advisory Committee on Structural Safety of Department of Veterans Affairs Facilities
(* 23) Advisory Committee on Tribal and Indian Affairs
(24) Veterans' Family, Caregiver, and Survivor Advisory Committee
(* 25) Veterans and Community Oversight and Engagement Board
(26) Department of Veterans Affairs Voluntary Service National Advisory Committee
(* 27) Advisory Committee on Women Veterans

Justification—The review of rehabilitation research proposals requires highly specialized subject matter expertise and experience. Ensuring broad and appropriate expertise on the RRDT is obtained by recruiting experts both from within and outside of the Federal Government.

Summary of Previous Committee Accomplishments—This FACA Scientific Merit Review Board (SMRB) reviews and evaluates approximately 450 rehabilitation research proposals per year through its subcommittees. These evaluations have assisted VA Office of Research Development (ORD) in selecting the most meritorious research projects that will ultimately lead to improvements in Veteran health and healthcare, quality of life and participation in their lives and community. VA ORD funds approximately 20% of the proposals it receives. This SMRB needs to continue its activities so VA ORD can continue to benefit from expert evaluations when making funding decisions.

Why Committee is Essential—Rehabilitation Research, Development and Translation Scientific Merit Review Board provides advice on the fair and equitable selection of the most meritorious research projects for support by VA research funds; advice for research program officials on program priorities and policies; and ensures that the VA Rehabilitation Research and Development program promoted functional independence and improved the quality of life for impaired and disabled Veterans. Peer review of research proposals by external subject matter experts (SMEs) is a critical element of the VA's Research program. Organizing VA's Scientific Merit Review Boards under Federal Advisory Committee Act committees gives us the legal authority to recruit external SMEs. VA research is a statutory mandate under 38 U.S. Code § 7303, Public Law 117–328. VA Research priorities are further mandated by the Hannon Act (traumatic brain injury), the PACT Act (military toxic exposures and Gulf War Illness), the CARA act (Pain and opioid treatment), the Cleland Dole Act (Precision Oncology), and the MISSION and Elizabeth Dole Acts (community care). There is no other mechanism for VA to get this expert advice.

In conclusion, this Notice of Intent states that this renewing Board is in the public interest, essential to the conduct of agency business and that the information provided is not available through any other advisory committee or source within the Federal Government.

Dated: March 16, 2026.

LaTonya L. Small,

Federal Advisory Committee Management Officer.

[FR Doc. 2026–05365 Filed 3–18–26; 8:45 am]

BILLING CODE 8320–01–P

DEPARTMENT OF VETERANS AFFAIRS

[OMB Control No. 2900–0900]

Agency Information Collection Activity: Department of Veterans Affairs Acquisition Regulation (VAAR) Contract Clause—Information and Information Systems Security

AGENCY: Office of Acquisition and Logistics, Department of Veterans Affairs.

ACTION: Notice.

SUMMARY: In compliance with the Paperwork Reduction Act (PRA) of 1995, this notice announces that the Office of Acquisition and Logistics (OAL), Department of Veterans Affairs (VA), will submit the collection of information abstracted below to the Office of Management and Budget (OMB) for review and comment. The PRA submission describes the nature of the information and its expected cost and burden, and it includes the actual data collection instrument.

DATES: Comments and recommendations on the proposed information collection should be sent by April 20, 2026.

ADDRESSES: To submit comments and recommendations for the proposed information collection, please type the following link into your browser: *www.reginfo.gov/public/do/PRAMain,* select ''Currently under Review—Open

for Public Comments'', then search the list for the information collection by Title or ''OMB Control No. 2900–0900.''

FOR FURTHER INFORMATION CONTACT:

VA PRA information: Dorothy Glasgow, 202–461–1084, *VAPRA@va.gov.*

SUPPLEMENTARY INFORMATION:

Title: Department of Veterans Affairs Acquisition Regulation (VAAR) Contract Clause—Information and Information Systems Security.

OMB Control Number: 2900–0900 *https://www.reginfo.gov/public/do/PRASearch.*

Type of Review: Revision of a currently approved collection.

Abstract: Under Public Law 113–283, Federal Information Security Modernization Act of 2014, each agency of the Federal Government must provide security for the information and information systems that support the operations and assets of the agency. To comply with Public Law 113–283, VA developed VAAR clause, 852.204–71, Information and Information System Security, and section 804.1970, Information security policy—contractor general responsibilities. The clause and the section apply to contractors with access to VA information or information systems. Among other things, the clause and section require a contractor to report a known or suspected security/privacy incident or data breach related to VA information or information systems. The clause also requires a contractor to notify VA when a contractor employee has been reassigned or terminated and no longer needs access to a VA information system.

An agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a currently valid OMB control number. The **Federal Register** Notice with a 60-day comment period soliciting comments on this collection of information was published at 91 FR 330, January 5, 2026.

Affected Public: Business or other for-profit.

Estimated Annual Burden: 4,069 hours.

Estimated Average Burden per Respondent: 30 minutes.

Frequency of Response: Less than quarterly.

Estimated Number of Respondents: 8,223.

Authority: 44 U.S.C. 3501 *et seq.*

Lanea Haynes,

Alternate, VA PRA Clearance Officer, Office of Information Technology, Data Governance Analytics, Department of Veterans Affairs.

[FR Doc. 2026–05400 Filed 3–18–26; 8:45 am]

BILLING CODE 8320–01–P

FEDERAL REGISTER

Vol. 91 Thursday,

No. 53 March 19, 2026

Part II

Securities and Exchange Commission

Joint Industry Plan; Order Approving an Amendment to the National Market System Plan Governing the Consolidated Audit Trail, as Modified by the Commission, Regarding Implementation of a Revised Funding Model; Notice

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–105003; File No. 4–698]

Joint Industry Plan; Order Approving an Amendment to the National Market System Plan Governing the Consolidated Audit Trail, as Modified by the Commission, Regarding Implementation of a Revised Funding Model

March 16, 2026.

I. Introduction

On September 5, 2025, the Consolidated Audit Trail, LLC (''CAT LLC''), on behalf of the Participants [1] to the National Market System Plan Governing the Consolidated Audit Trail (''CAT NMS Plan'' or ''Plan''),[2] filed with the Securities and Exchange Commission (''Commission''), pursuant to Section 11A of the Exchange Act [3] and Rule 608 of Regulation National Market System (''Regulation NMS'') thereunder,[4] a proposed amendment to the CAT NMS Plan (''Initial Proposed Amendment'') to implement a revised funding model (the ''Executed Share Model'') for the consolidated audit trail (''CAT'') [5] and to establish a fee schedule for Participant CAT fees in accordance with the Executed Share Model.[6] The Initial Proposed Amendment was published for comment in the **Federal Register** on September 17, 2025.[7]

On November 21, 2025, the Commission instituted proceedings pursuant to Rule 608(b)(2)(i) of Regulation NMS [8] to determine whether to disapprove the Initial Proposed Amendment or to approve the Initial Proposed Amendment with any changes or subject to any conditions the Commission deems necessary or appropriate after considering public comment (''OIP'').[9] On December 18, 2025, CAT LLC, on behalf of the Participants to the CAT NMS Plan, filed an amendment to the Initial Proposed Amendment.[10]

This order approves the Proposed Amendment, as modified by the Commission (hereinafter, the ''Proposed Amendment'' unless otherwise noted).[11] For the reasons discussed below, the Commission finds that the Proposed Amendment, as modified by the Commission, is appropriate in the public interest, for the protection of investors and the maintenance of fair and orderly markets, to remove impediments to, and perfect the mechanism of, a national market system, or is otherwise in furtherance of the purposes of the Exchange Act.

II. Background

On July 11, 2012, the Commission adopted Rule 613 of Regulation NMS, which required the SROs to submit a national market system (''NMS'') plan to create, implement and maintain a consolidated audit trail that would capture customer and order event information for orders in NMS securities.[12] On November 15, 2016, the Commission approved the CAT NMS Plan.[13] Under the CAT NMS Plan, the Operating Committee of the Company, of which each Participant is a member, has the discretion (subject to the funding principles set forth in the Plan) to establish funding for the Company to operate the CAT, including establishing fees to be paid by the Participants and Industry Members.[14]

Under the CAT NMS Plan, CAT fees are to be implemented in accordance with various funding principles, including an ''allocation of the Company's related costs among Participants and Industry Members that is consistent with the Exchange Act taking into account . . . distinctions in the securities trading operations of Participants and Industry Members and their relative impact upon the Company resources and operations'' and the ''avoid[ance of] any disincentives such as placing an inappropriate burden on competition and reduction in market quality.'' [15] The Plan specifies that, in establishing the funding of the Company, the Operating Committee shall establish ''a tiered fee structure in which the fees charged to: (1) CAT Reporters [16] that are Execution Venues,[17] including ATSs,[18] are based upon the level of market share; (2) Industry Members' non-ATS activities are based upon message traffic; and (3) the CAT Reporters with the most CAT-related activity (measured by market

[1] The Participants are: 24X National Exchange LLC, BOX Exchange LLC, Cboe BYX Exchange, Inc., Cboe BZX Exchange, Inc., Cboe C2 Exchange, Inc., Cboe EDGA Exchange, Inc., Cboe EDGX Exchange, Inc., Cboe Exchange, Inc., Financial Industry Regulatory Authority, Inc. (''FINRA''), Investors Exchange LLC, Long-Term Stock Exchange, Inc., MEMX LLC, Miami International Securities Exchange LLC, MIAX Emerald, LLC, MIAX PEARL, LLC, MIAX Sapphire, LLC, Nasdaq GEMX, LLC, Nasdaq ISE, LLC, Nasdaq MRX, LLC, Nasdaq PHLX LLC, Nasdaq Texas, LLC, The NASDAQ Stock Market LLC, New York Stock Exchange LLC, NYSE American LLC, NYSE Arca, Inc., NYSE National, Inc., and NYSE Texas, Inc. (collectively, the ''Participants,'' ''self-regulatory organizations,'' or ''SROs'').

[2] The CAT NMS Plan is a national market system plan approved by the Commission pursuant to Section 11A of the Securities Exchange Act of 1934 (''Exchange Act'') and the rules and regulations thereunder. *See* Securities Exchange Act Release No. 78318 (Nov. 15, 2016), 81 FR 84696 (Nov. 23, 2016) (''CAT NMS Plan Approval Order''). The CAT NMS Plan is Exhibit A to the CAT NMS Plan Approval Order. *See* CAT NMS Plan Approval Order, 81 FR at 84943–85034. The CAT NMS Plan functions as the limited liability company agreement of the jointly owned limited liability company formed under Delaware state law through which the Participants conduct the activities of the CAT (''Company''). Each Participant is a member of the Company and jointly owns the Company on an equal basis. The Participants submitted to the Commission a proposed amendment to the CAT NMS Plan on August 29, 2019, which they designated as effective on filing. On August 29, 2019, the Participants replaced the CAT NMS Plan in its entirety with the limited liability company agreement of a new limited liability company, CAT LLC, which became the Company. *See* Securities Exchange Act Release No. 87149 (Sept. 27, 2019), 84 FR 52905 (Oct. 3, 2019). The latest version of the CAT NMS Plan is available at *https://catnmsplan.com/about-cat/cat-nms-plan.*

[3] 15 U.S.C. 78k–1.

[4] 17 CFR 242.608.

[5] The Proposed Amendment modifies the existing funding model in Article XI of the CAT NMS Plan.

[6] *See* Letter to Vanessa Countryman, Secretary, Commission, from Robert Walley, Chair, CAT NMS Plan Operating Committee, dated Sept. 5, 2025.

[7] *See* Securities Exchange Act Release No. 103960 (Sept. 12, 2025), 90 FR 44910 (''Notice''). Comments received in response to the Notice can be found on the Commission's website at *https://www.sec.gov/comments/4-698/4-698-a.htm.*

[8] 17 CFR 242.608(b)(2)(i).

[9] *See* Securities Exchange Act Release No. 104234 (Nov. 21, 2025), 90 FR 54438 (Nov. 26, 2025). Comments received in response to the OIP can be found on the Commission's website at *https://www.sec.gov/comments/4-698/4-698-a.htm.*

[10] *See* Letter to Vanessa Countryman, Secretary, Commission, from Robert Walley, Chair, CAT NMS Plan Operating Committee, dated Dec. 18, 2025, *available at: https://www.sec.gov/comments/4-698/4698-685927-2125515.pdf* (''CAT LLC December 2025 Response Letter'' or ''Amendment No. 1''). In Amendment No. 1, CAT LLC proposes to revise proposed Section 11.3(e) of Appendix D of the CAT NMS Plan to ''better, reflect that the Proposed Amendment was approved under the Plan and avoid statements suggesting that all Participants voted for the proposal,'' by modifying the provision to modify a clause stating that ''[e]ach Participant agrees not to file . . .'' to instead be, ''[n]o Participant will file.'' *Id.* at 5.

[11] The Commission is modifying the Proposed Amendment to reflect Amendment No. 1 and approving the Proposed Amendment, as so modified, pursuant to Rule 608(b)(2), as discussed in more detail in Part III.A.2 below.

[12] 17 CFR 242.613.

[13] *See* CAT NMS Plan.

[14] The CAT NMS Plan defines ''Industry Member'' as ''a member of a national securities exchange or a member of a national securities association.'' *See* CAT NMS Plan, at Section 1.1. *See also id.* at Section 11.1(b).

[15] *Id.* at Section 11.2(b) and (e).

[16] The CAT NMS Plan defines ''CAT Reporter'' as ''each national securities exchange, national securities association and Industry Member that is required to record and report information to the Central Repository pursuant to SEC Rule 613(c).'' *Id.* at Section 1.1.

[17] The CAT NMS Plan defines ''Execution Venue'' as ''a Participant or an alternative trading system ('ATS') (as defined in Rule 300 of Regulation ATS) that operates pursuant to Rule 301 of Regulation ATS (excluding any such ATS that does not execute orders).'' *Id.*

[18] *Id.*

share and/or message traffic, as applicable) are generally comparable (where, for these comparability purposes, the tiered fee structure takes into consideration affiliations between or among CAT Reporters, whether Execution Venues and/or Industry Members).'' [19]

On May 15, 2020, the Commission adopted amendments to the CAT NMS Plan designed to increase the Participants' financial accountability for the timely completion of the CAT (''Financial Accountability Amendments'').[20] The Financial Accountability Amendments added Section 11.6 to the CAT NMS Plan to govern the recovery from Industry Members of any fees, costs, and expenses (including legal and consulting fees, costs and expenses) incurred by or for the Company in connection with the development, implementation and operation of the CAT from June 22, 2020 until such time that the Participants have completed Full Implementation of CAT NMS Plan Requirements [21] (''Post-Amendment Expenses''). Section 11.6 establishes target deadlines for four Financial Accountability Milestones (Periods 1, 2, 3 and 4) [22] and reduces the amount of fee recovery available to the Participants if these deadlines are missed.[23]

Since the CAT plan's approval in 2016, CAT LLC has proposed, withdrawn, and refiled several iterations of the funding amendment, resulting in an extensive process of evaluating and receiving comment on various funding models. On September 6, 2023, the Commission approved an amendment to the CAT NMS Plan to implement a new funding model (the ''Executed Share Model''), which charged fees based on executed equivalent share volume of transactions in Eligible Securities (''2023 Funding Model Amendment'').[24]

The Executed Share Model established two categories of CAT fees: (1) ''CAT Fees'' payable by Participants and Industry Members that are CAT Executing Brokers for the Buyer and for the Seller with regard to CAT Costs not previously paid by the Participants (''Prospective CAT Costs''); and (2) ''Historical CAT Assessments'' to be payable by Industry Members who were CAT Executing Brokers for the Buyer and for the Seller with regard to CAT Costs previously paid by the Participants (''Past CAT Costs'').[25] For each of these categories, Participants were to submit fee filings pursuant to Section 19(b) of the Exchange Act to establish CAT Fees and a Historical CAT Assessment to be charged to Industry Members based on the Executed Share Model. To date, each of the Participants filed fee filings related to three CAT fees and one Historical CAT Assessment, and as of the initial filing of the Proposed Amendment, CAT LLC collected or was collecting such CAT fees.[26]

On July 25, 2025, the U.S. Court of Appeals for the Eleventh Circuit (the ''Court'') issued an opinion vacating the 2023 Funding Model Order and remanding the matter to the Commission for further proceedings consistent with its opinion.[27] The Court did not take issue with—and, in their briefing, the petitioners did not challenge the reasonableness of—the Executed Share Model or its allocation of fees among the Participants and the Executing Brokers for the Buyer and for the Seller. Rather, the Court concluded that the 2023 Funding Model Order was arbitrary and capricious because the Commission ''did not explain or justify'' its decision not to preemptively prohibit the Participants from ''pass[ing] through'' their share of CAT costs onto Industry Members in future fee filings and failed to incorporate actual CAT costs into its economic analysis.[28] The Court stayed its judgment for sixty days following the issuance of its mandate, recognizing that vacatur would ''leave[ ] the CAT without a mechanism for the equitable allocation of costs between self-regulatory organizations and broker-dealers'' and that ''the Commission and the industry need some time to adjust and react to this reality.'' [29] Prior to the effective date of the Court's judgment (December 1, 2025), the Participants filed the Proposed Amendment, seeking to implement an Executed Share Model similar to that in the 2023 Funding Model Amendment with the addition of a provision related to direct pass-through fees.[30]

III. Discussion and Commission Findings

The Commission is currently engaged in a comprehensive review of the CAT which is intended to include, among other things, its design and functionality, the scope of information it collects, and an examination of CAT costs.[31] Several commenters suggest that the Proposed Amendment should not be approved in advance of the outcome of that review.[32] FINRA and the Cboe

[19] *See* CAT NMS Plan, at Section 11.2(c). *See id.* at Article XI for additional detail.

[20] *See* Securities Exchange Act Release No. 88890, 85 FR 31322 (May 22, 2020).

[21] ''Full Implementation of CAT NMS Plan Requirements'' means ''the point at which the Participants have satisfied all of their obligations to build and implement the CAT, such that all CAT system functionality required by Rule 613 and the CAT NMS Plan has been developed, successfully tested, and fully implemented at the initial Error Rates specified by Section 6.5(d)(i) or less, including functionality that efficiently permits the Participants and the Commission to access all CAT Data required to be stored in the Central Repository pursuant to Section 6.5(a), including Customer Account Information, Customer-ID, Customer Identifying Information, and Allocation Reports, and to analyze the full lifecycle of an order across the national market system, from order origination through order execution or order cancellation, including any related allocation information provided in an Allocation Report. This Financial Accountability Milestone shall be considered complete as of the date identified in a Quarterly Progress Report meeting the requirements of Section 6.6(c).'' CAT NMS Plan, at Section 1.1.

[22] *See* CAT NMS Plan, Section 11.6(a)(i).

[23] *Id.* at Section 11.6(a)(ii) and (iii).

[24] *See* Notice, at 44910; Securities Exchange Act Release No. 98290, 88 FR 62628 (Sept. 12, 2023) (the ''2023 Funding Model Order'')

[25] *Id.*

[26] *See* Notice, at 44911. On November 25, 2025, CAT LLC issued CAT Fee Alert 2025–4, which states that CAT Reporters would not receive further monthly invoices for CAT Fees and for Historical CAT Assessments until further notice. *See* CAT Fee Alert 2025–4, dated Nov. 25, 2025, *available at: https://www.catnmsplan.com/sites/default/files/2025-11/11.25.25-CAT-Fee-Alert-2025-4.pdf.* The Commission anticipates that CAT LLC will establish a new CAT Fee and Historical CAT Assessment, and that the Participants will submit new rule filings pursuant to Section 19(b) of the Exchange Act to implement those fees, after approval of the Proposed Amendment, as modified by the Commission.

[27] *See Am. Sec. Ass'n* v. *SEC,* 147 F.4th 1264 (11th Cir. 2025).

[28] *Id.* at 1269, 1274.

[29] *Id.* at 1280.

[30] *See supra* note 7.

[31] *See* Prepared Remarks Before SEC Speaks, Chairman Paul S. Atkins, May 19, 2025, *available at https://www.sec.gov/newsroom/speeches-statements/atkins-prepared-remarks-sec-speaks-051925.*

[32] *See* Letters to Vanessa Countryman, Secretary, Commission, from Steffen N. Johnson, Wilson Sonsini Goodrich & Rosati, dated October 17, 2025 (''FINRA October 2025 Letter''), at 14–15 and dated Jan. 30, 2026 (''FINRA Wilson Sonsini January 2026 Letter''), at 5; Letter to Vanessa Countryman, Secretary, Commission, from Marcia E. Asquith, Corporate Secretary, EVP, Board and External Relations, FINRA, dated January 30, 2026, at 2 (''FINRA January 2026 Letter''); Letters to Vanessa Countryman, Secretary, Commission, from Stephen John Berger, Managing Director, Global Head of Government & Regulatory Policy, Citadel Securities, dated October 17, 2025 (''Citadel October 2025 Letter''), at 14 and dated Jan. 30, 2026 (''Citadel January 2026 Letter''), at 8; Letter, to Vanessa Countryman, Secretary, Commission, from Katie Kolchin, CFA, Managing Director, Head of Equity & Options Market Structure and Joseph Corcoran, Managing Director and Associate General Counsel, Securities Industry and Financial Markets Association, dated October 21, 2025 (''SIFMA October 2025 Letter''), at 4 Letters to Vanessa Countryman, Secretary, Commission, from Christopher A. Iacovella, President & Chief Executive Officer, American Securities Association, dated October 31, 2025 (''ASA October 2025 Letter''), at 2 and dated Feb. 10, 2026 (''ASA January 2026 Letter''), at 2; Letter to Vanessa Countryman, Secretary, Commission, from Gentry Collins, CEO, AmFree Chamber, dated October 17,

Continued

Exchanges, both Participants or representing multiple Participants of the CAT NMS Plan, suggest that the Commission should consider a time-limited interim funding solution.[33]

CAT LLC states in response that it supports the Commission's announced comprehensive review as well as its broader efforts to ensure that CAT achieves its intended regulatory purposes in a cost-effective manner, but asserts that a time-limited, interim funding solution would not address the pressing need to implement a stable funding mechanism for the CAT given the CAT's significant costs and its substantial regulatory value to regulators.[34] CAT LLC cautions that it ''should not be assumed that any Participant will voluntarily agree to loan funds to the Company once the operational reserve is exhausted,'' and that, ''absent Commission action to approve a viable funding model for the CAT, there is significant uncertainty regarding the continued operation of the CAT and the Company's ability to continue as a going concern.'' [35]

The Commission agrees with commenters that it would be premature to adopt a new, permanent funding model while it considers changes to the CAT that could potentially affect its design, functionality, the information it collects, and how and by whom it is funded. Any such changes to the system could bear on the Commission's analysis of options for a permanent funding solution. At the same time, the SROs and the Commission currently rely on CAT to carry out their market oversight functions, and a defined funding source is needed to ensure its continued existence and funding during the period in which the Commission conducts its review. Operating CAT without consistent, defined funding during this interim period would be a potentially destabilizing option, that is inconsistent with the CAT NMS Plan's premise that the costs of CAT are to be allocated to both the Participants and Industry Members.[36]

As discussed in detail below, the Commission concludes that the Proposed Amendment constitutes a reasonable approach to allocating the costs of CAT during the interim period. The Commission is therefore approving the Proposed Amendment, with a modification, pursuant to Rule 608(b)(2), that provides for a two-year deadline for the proposed funding model. Specifically, new subparagraph (f) to Section 11.3 (Recovery) of the CAT NMS Plan will state the following:

(f) Time Limitation. The Company, the Plan Processor and the Participants will not be permitted to bill or otherwise request the payment of CAT Fees or Historical CAT Assessments from Industry Members after March 31, 2028. No Industry Member can be required to directly contribute to the funding of the CAT by the Company, the Plan Processor, or any Participant after such date except for CAT Fees or Historical CAT Assessments billed to the Industry Member prior to March 31, 2028.

This provision will effectively end the collection of fees pursuant to the funding model in the Proposed Amendment in two years absent further action by the Commission. To the extent that commenters disagree with the Commission's conclusions regarding the likely effects of the Proposed Amendment, the Commission will be able to take the experience with this interim funding model into account when considering a longer-term replacement.

After careful review, the Commission, pursuant to Section 11A of the Exchange Act,[37] and Rule 608(b)(2) [38] thereunder, is approving the Proposed Amendment, as modified by the Commission, to provide for funding of the CAT for a two-year interim period while the Commission engages in its comprehensive review of the CAT. Section 11A of the Exchange Act authorizes the Commission, by rule or order, to authorize or require the self-regulatory organizations to act jointly with respect to matters as to which they share authority under the Exchange Act in planning, developing, operating, or regulating a facility of the national market system.[39] Rule 608 of Regulation NMS authorizes two or more SROs, acting jointly, to file with the Commission proposed amendments to an effective NMS plan,[40] and further provides that the Commission shall approve an amendment to an effective NMS plan if it finds that the amendment is necessary or appropriate in the public interest, for the protection of investors and the maintenance of fair and orderly markets, to remove impediments to, and perfect the mechanisms of, a national market system, or otherwise in furtherance of the purposes of the Exchange Act.[41]

The Participants have sufficiently demonstrated that the proposed allocation of fees is appropriate and meets the Rule 608(b) approval standard. In the interim period during which the Commission undertakes its comprehensive review of the CAT, the CAT must be funded to ensure that the SROs and the Commission can continue to fulfill their regulatory responsibilities to oversee the equities and options markets. There are a number of potential approaches to allocating the costs of operating the CAT, all of which have relative strengths and weaknesses. The CAT NMS Plan requires both Execution Venues (which include the Participants) and Industry Members (which include CAT Executing Brokers) to fund the CAT. The Proposed Amendment provides for the allocation of one-third of CAT fees each to the applicable Participant in a transaction, the CAT Executing Broker for the buyer in a transaction, and the CAT Executing Broker for the seller in a transaction.[42] In our view, splitting the costs of the CAT evenly among the buyer, seller, and market regulator in transactions reportable to the CAT—at least during this interim period—constitutes a reasonable and equitable allocation of costs among the primary parties that participate in and benefit from such trading activity and the market oversight CAT enables.

Unlike the funding model approved in the 2023 Funding Model Order, the Proposed Amendment, as modified by the Commission,[43] states that no Participant will file with the SEC a proposed rule change pursuant to Section 19(b) and Rule 19b–4 thereunder that would establish a new

2025 (''AmFree Letter''), at 1; Letter to Vanessa Countryman, Secretary, Commission, from Patrick Sexton, EVP, General Counsel, Corporate Secretary, Cboe Exchanges, dated October 31, 2025 (''Cboe Letter''), at 2; Letter to Vanessa Countryman, Secretary, Commission, from Joanna Mallers, Secretary, PTG, dated Nov. 24, 2025 (''PTG Letter''), at 2; The Cboe Exchanges include Cboe BYX Exchange, Inc., Cboe BZX Exchange, Inc., Cboe C2 Exchange, Inc., Cboe EDGA Exchange, Inc., Cboe EDGX Exchange, Inc., and Cboe Exchange, Inc. (collectively, ''the Cboe Exchanges''). *See* Cboe Letter, at 1, n.1.

[33] *See* Cboe Letter, at 2; FINRA October 2025 Letter; FINRA Wilson Sonsini January 2026 Letter, at 5.

[34] *See* CAT LLC December 2025 Response Letter, at 9.

[35] *Id.* at 13. In a comment letter submitted in connection with the 2023 Funding Model Amendment, a commenter objected to a reference to the financial viability of the CAT as an attempt to ''coerce the Commission into prematurely opining on a funding proposal that does not meet basic Exchange Act requirements.'' *See* Letter to Vanessa Countryman, Secretary, Commission, from Stephen John Berger, Managing Director, Global Head of Government & Regulatory Policy, Citadel Securities, dated August 22, 2023 (''Citadel August 2023 Letter''), at 1. For the reasons explained in this order, the Proposed Amendment, as modified by the Commission, meets the applicable standard for approval.

[36] *See* CAT NMS Plan, at Section 11.2(b).

[37] 15 U.S.C. 78k–1.

[38] 17 CFR 242.608(b)(2).

[39] *See* 15 U.S.C. 78k–1(a)(3)(B).

[40] *See* 17 CFR 242.608.

[41] *See* 17 CFR 242.608(b)(2).

[42] *See infra* Part III.A.2.

[43] *See supra* note 10 and accompanying text.

fee for passing through to its members the CAT fee charged to such Participant.[44] The Commission believes that this prohibition on directly passing through CAT fees by Participants reasonably aligns with the premise of the Plan since the time of its approval that there is to be an ''allocation of the costs'' of CAT among the Participants and Industry Members.[45] The proposed prohibition reasonably responds to the concern that a Participant's ability to create a new fee directly passing-through the one-third share of CAT costs that the Plan allocates to the Participant calls into question whether there is an ''allocation of the costs'' of the CAT as contemplated by the Plan.[46] By precluding the simple filing of a new fee to directly pass through CAT costs, it places Participants in a similar position as Industry Members who must also make decisions as to how to fund their financial obligations to the CAT in the context of their overall regulatory and business expenses.

The provision would not prohibit Participants from funding their share of CAT costs through other mechanisms that may indirectly result in Industry Members (or others, including investors) ultimately bearing those costs, any more than it limits Industry Members' discretion to pass some or all of their costs onto their customers. As both a legal and practical matter, the Plan's cost-sharing premise governs the *initial* allocation of costs between Participants and Industry Members. From the inception of the CAT NMS Plan, the Commission has recognized both that some portion of the costs of the CAT should be allocated to the Participants and that the Exchange Act expressly permits the Participants to recover their regulatory costs—including the portion of costs that the Plan allocates to them—from their members through fee filings, subject to the requirements of the Act.[47] Similarly, the Commission has long recognized that, despite the initial allocation of CAT costs to the Participants and Industry Members, ''some or most of the costs of CAT will be passed on to investors.'' [48] Thus, while the Proposed Amendment prevents the Participants from effectively altering the initial allocation of costs by directly passing their share through to Industry Members, the Plan has never purported to regulate the business decisions individual Participants or Industry Members may make to finance the costs they incur to comply with their regulatory obligations, including the costs allocated to them by the Plan.

In leaving open the possibility that the Participants could propose to recover their share of costs from Industry Members indirectly by increasing existing fees, the Commission is making no determination that it would be permissible to so recover costs in any particular instance. To the extent a Participant were to seek to offset the CAT costs it incurs by raising the rates of its other member fees, any such indirect pass-through fees would be subject to the rule filing process under Section 19(b)(2) of the Act and must be reasonable, equitable, and not unfairly discriminatory.[49] Participants must file proposed rule changes relating to fees with the Commission and these proposed rule changes are published by the Commission and there is an opportunity for public comment. The Commission has a statutory obligation to suspend and disapprove proposed rule changes if they do not satisfy the Act's requirements.[50] Moreover, if the Participants were to attempt to increase existing fees for the purpose of recovering their share of CAT costs during the two-year period in which the Proposed Amendment is in effect, the Commission can take that experience into account in assessing options for a longer-term funding model. But the Commission cannot now assess a hypothetical future fee filing by an unknown Participant seeking recovery of an unknown amount of costs in an unknown manner under unknown circumstances. While this order therefore makes no determination as to the lawfulness of any future attempt by a Participant to indirectly pass through its share of CAT costs, the Commission nonetheless considers ''the effects of potential broker-dealer only funding'' of CAT for the next two years below,[51] consistent with the Eleventh Circuit's opinion.[52]

The use of executed equivalent share volume provides an appropriate basis for the calculation of CAT fees. Executed equivalent share volume is readily determinable and—because it is based on trading activity, which impacts CAT costs—provides a reasonable proxy for the costs to CAT, allowing CAT Reporters to be assessed fees corresponding to the cost burden they impose on the CAT. Charging CAT Executing Brokers is also appropriate because the proposed Executed Share Model is based on *executed* equivalent shares (emphasis added). Therefore, charging the CAT Executing Brokers would reflect their executing role in each transaction, which is already recorded in transaction reports from the exchanges and FINRA's equity trade reporting facilities. Because such entities are already identified and their CAT fees are known, this method could streamline the billing process and allow such entities to calculate their own fees. The Commission also concludes that the division of fees into Prospective CAT Fees and the Historical CAT Assessment provides an appropriate method of allowing Participants to ensure funding for operation of the system during the interim period. In addition, the provision of fee calculation information, approach to billing and collection of fees, conforming changes and the proposal for a fee schedule are all appropriate, and will provide transparency to CAT Reporters regarding the calculation of their CAT

[44] *See* proposed Section 11.3(e).

[45] *See* CAT NMS Plan Approval Order, at 84795; *see also* CAT NMS Plan Section 11.2(b); *Am. Secs. Ass'n,* 147 F.4th at 1274–75.

[46] *See Am. Secs. Ass'n,* 147 F.4th at 1274–75, 1279 & n.1 (discussing FINRA fees directly passing through FINRA's share of CAT costs). For example, the FINRA pass-through fees highlighted by the Eleventh Circuit were specific ''cost recovery fee[s] designed to permit FINRA to recoup its designated portion of the reasonably budgeted CAT costs of the [CAT NMS Plan].'' *See* Securities Exchange Act Release No. 103373 (July 2, 2025), 90 FR 30171, 30171 (July 8, 2025) (SR–FINRA–2025–010).

[47] For example, in adopting Rule 613 in 2012, the Commission explained that ''although the [SROs] likely would initially incur the costs to establish and fund the central repository''—*i.e.,* to establish and operate CAT—''directly, they may seek to recover some or all of these costs from their members.'' Securities Exchange Act Release No. 67457 (July 18, 2012), 77 FR 45722, 45795 (Aug. 1, 2012) (''Rule 613 Adopting Release''). In approving the Plan in 2016, the Commission similarly acknowledged that the Exchange Act permits the Participants to recover their regulatory costs through fees on members if such fees meet the requirements of the Act. *See, e.g.,* CAT NMS Plan Approval Order, at 84794 (''The Participants, as SROs, have traditionally recovered their regulatory costs through the collection of fees from their members, and such fees are specifically contemplated by the Exchange Act . . . . [S]uch fees must be consistent with applicable statutory standards under the Exchange Act.''); *id.* (''[T]he Exchange Act specifically permits the Participants to charge members fees to fund their self-regulatory obligations.''); *id.* at 84796–97 (''[T]he Exchange Act permits the Participants to assess fees among their members to recoup their regulatory costs, as long as such fees meet the applicable Exchange Act standards.''). This understanding is also reflected in the Commission's assumption in the CAT NMS Plan Approval Order that the Participants would recover from Industry Members 100% of the CAT development costs they had incurred to date. *See id.* at 84,855, 84,858, 84, 864.

[48] *See* CAT NMS Plan Approval Order, at 84863.

[49] *See* Section 6(b)(4); Section 15A(b)(5); Section 6(b)(5); Section 15A(b)(6). 15 U.S.C. 78f(b)(4); 15 U.S.C. 78f(b)(6); 15 U.S.C. 78o–3(b)(5); 15 U.S.C. 78o–3(b)(6).

[50] *See Bloomberg L.P.* v. *SEC,* 45 F.4th 462, 476 (D.C. Cir. 2022) (recognizing that the Commission ''has control over proposed [SRO] fees and will not approve them unless they are reasonable and equitable such that they are consistent with the Exchange Act'').

[51] *See infra* Part IV.B.

[52] *See Am. Secs. Ass'n,* 147 F.4th at 1275.

Fees and should permit CAT Execution Brokers the ability to confirm the accuracy of their invoices for CAT Fees.

As discussed above, the Commission is modifying the Proposed Amendment to provide for a two-year limitation on collecting funds from Industry Members under this funding model. This limitation could be removed in the future, but removing the limitation (and thus codifying the funding model in the Proposed Amendment) would require another CAT NMS Plan amendment, either submitted by the Participants and approved by the SEC, or initiated by Commission rulemaking. The Commission believes that this is appropriate in light of the Commission's ongoing comprehensive review of the CAT,[53] and potential benefits of further deliberation on the mechanism and system for funding the CAT on a long-term basis. The Commission is therefore approving the Proposed Amendment, as modified and discussed above.

A. Funding Model

1. Overview

CAT LLC proposes to replace the funding model set forth in Article XI of the CAT NMS Plan (''Original Funding Model'') with the Executed Share Model. The Executed Share Model is in most material respects identical to the funding model approved in the 2023 Funding Model Order, with the exception of the prohibition on new fees to directly pass-through costs incurred by the Participants to Industry Members. The Original Funding Model involved a bifurcated approach, where costs associated with building and operating the CAT would be borne by (1) Industry Members (other than alternative trading systems (''ATSs'') that execute transactions in Eligible Securities (''Execution Venue ATSs'')) through fixed tiered fees based on message traffic for Eligible Securities, and (2) Participants and Industry Members that are Execution Venue ATSs for Eligible Securities through fixed tiered fees based on market share.[54] In contrast, the Executed Share Model would charge fees based on the executed equivalent share volume of transactions in Eligible Securities.[55] In addition, instead of charging fees to Industry Members, under the Executed Share Model, fees would be charged to each Industry Member that is a CAT Executing Broker[56] for the buyer in a transaction in Eligible Securities (''CAT Executing Broker for the Buyer'' or ''CEBB'') and each Industry Member that is the CAT Executing Broker for the seller in a transaction in Eligible Securities (''CAT Executing Broker for the Seller'' or ''CEBS'').[57]

Under the Executed Share Model, CAT LLC proposes to establish two categories of CAT fees. The first category of CAT fees would be fees payable by Participants and Industry Members that are CAT Executing Brokers for the Buyer and for the Seller with regard to CAT costs not previously paid by the Participants (''Prospective CAT Costs'').[58] The second category of CAT fees would be fees (''Historical CAT Assessments'') to be payable by Industry Members that are CAT Executing Brokers for the Buyer and for the Seller with regard to CAT costs previously paid by the Participants (''Past CAT Costs'').[59]

For each category of fees, each CEBB and each CEBS will be required to pay a CAT fee for each such transaction in Eligible Securities in the prior month based on CAT Data.[60] The CEBB's CAT fee or CEBS's CAT fee (as applicable) for each transaction in Eligible Securities will be calculated by multiplying the number of executed equivalent shares in the transaction by one-third and by the reasonably determined Fee Rate,[61] as described below.[62] Participants would incur CAT Fees only for Prospective CAT Costs and the Participant CAT Fee will be calculated by multiplying the number of executed equivalent shares in the transaction by one-third and by the reasonably determined Fee Rate.[63] The Participants' one-third share of Historical CAT Costs[64] and such other additional Past CAT Costs as reasonably determined by the Operating Committee will be paid by the cancellation of loans made to the Company on a pro rata basis based on the outstanding loan amounts due under the loans.[65]

FINRA CAT would be responsible for calculating the CAT fees and submitting invoices to the CAT Executing Brokers based on this CAT Data.[66] All data used to calculate the fees under the Executed Share Model would be CAT Data, and, therefore, it would be directly available through the CAT to FINRA CAT for calculating CAT fees.[67] CAT fees would be charged to Industry Members pursuant to separately filed proposed rule filings pursuant to Section 19(b) of the Exchange Act,[68] establishing the amounts of the proposed CAT Fees and Historical CAT Assessments to be charged to Industry Members, subject to the satisfaction of applicable Financial Accountability Milestones as set forth in Section 11.6 of the CAT NMS Plan and the implementation of the billing and collection system for the CAT fees.[69] In each proposed rule filing, if the Participants seek to recover amounts under the Financial Accountability Milestones, they would need to discuss their completion of the applicable milestone.[70]

Commenters state that the Proposed Amendment lacks input from the industry.[71] One commenter states that the SROs through the CAT Operating Committee have for years sought to establish a funding model for CAT without meaningful industry input, including the Proposed Amendment

[53] *See* Securities Exchange Act Release No. 104144 (Sept. 30, 2025), 90 FR 47853, 47854 (Oct. 2, 2025) (stating that ''the Chairman of the Commission instructed the staff to undertake a comprehensive review of the CAT'' and citing Prepared Remarks Before SEC Speaks, Chairman Paul S. Atkins, May 19, 2025, *available at https://www.sec.gov/newsroom/speeches-statements/atkins-prepared-remarks-sec-speaks-051925*). *See also* SIFMA October 2025 Letter, at 2 (stating that the commenter ''wholeheartedly'' supports the announced comprehensive review of the CAT and is submitting a separate letter with several high-level recommendations).

[54] *See* CAT NMS Plan, at Section 11.3(a) and (b).

[55] *See* Notice, 90 FR at 44917–19.

[56] *See infra* Part III.A.4. for the definition of CAT Executing Broker.

[57] *See* Notice, 90 FR at 44919.

[58] *Id.,* at 44916; *see also* proposed Section 11.3(a). The defined term ''CAT Fees'' applies specifically to CAT fees related to Prospective CAT Costs. *Id.*

[59] *See* Notice, 90 FR at 44920; *see also* proposed Section 11.3(b).

[60] *See* Notice, 90 FR at 44919; *see also* proposed Section 11.3(a)(iii), proposed Section 11.3(b)(iii).

[61] *See infra* Part III.A.5.a. (Prospective CAT Fees—Fee Rate Formula) for the definition and description of the calculation of the Fee Rate.

[62] *See* Notice, 90 FR at 44919; *infra* Parts III.A.2 and III.A.5.a. *See also* proposed Section 11.3(a)(iii), proposed Section 11.3(b)(iii).

[63] *See* Notice, 90 FR at 44919; *see also* proposed Section 11.3(a)(ii).

[64] The actual amount of Past CAT Costs to be recovered through the Historical CAT Assessments would be reduced by an amount of excluded costs. The resulting amount would be defined as ''Historical CAT Costs'' in proposed Section 11.3(b)(i)(C) of the CAT NMS Plan. *See infra* Part III.A.6.a. for a discussion of Historical CAT Costs.

[65] *See* proposed Section 11.3(b)(ii).

[66] *See* Notice, 90 FR at 44913.

[67] *Id.*

[68] 15 U.S.C. 78s(b).

[69] *See* Notice, 90 FR at 44923.

[70] Proposed Section 11.3(b)(iii)(B)(III) would prohibit any Participant from filing proposed rule filings pursuant to Section 19(b) of the Exchange Act regarding any Historical CAT Assessment until any applicable Financial Accountability Milestone in Section 11.6 of the CAT NMS Plan has been satisfied.

[71] *See, e.g.,* SIFMA October 2025 Letter, at 3; PTG Letter, at 3. *See also* FINRA June 2022 Letter, at 8, 9 (advocating for a more inclusive development process that would include input from the industry); Letter to Vanessa Countryman, Secretary, Commission, from Stephen John Berger, Managing Director, Global Head of Government & Regulatory Policy, dated July 14, 2023 (''Citadel July 2023 Letter''), at 9–10.

which was filed without prior consultation with Industry Members.[72]

Two of these commenters submitted comment letters stating that they incorporate prior comment letters submitted regarding the 2023 Funding Model Amendment.[73] Because the 2023 Funding Model Amendment is substantively identical to the Proposed Amendment, with the exception of the pass-through prohibition discussed in Part III.A.2 below, the Commission is considering comment letters from these two commenters regarding the 2023 Funding Model Amendment to the extent that they are still applicable to the Proposed Amendment. In addition, the Commission is considering CAT LLC's responses to those previous comment letters, submitted in various response letters by CAT LLC in the context of the 2023 Funding Model Amendment.[74] The Commission is not otherwise discussing or considering comment letters submitted in connection with the 2023 Funding Model Amendment, which was a proposed amendment to the CAT NMS Plan that was subject to its own distinct comment period.

In connection with the 2023 Funding Model Amendment, one of these commenters states that the Operating Committee refuses to engage the industry in constructive dialogue, instead choosing to file funding proposals that are inconsistent with the Exchange Act.[75] The commenter also states that the CAT Advisory Committee has been completely ignored by the Operating Committee and that its recommendations are non-binding.[76]

CAT LLC states that commenters incorrectly state that the Proposed Amendment lacks input from the industry and that CAT LLC has engaged with the industry extensively and in good faith since 2016 as it has explored different approaches to CAT funding and considered various CAT funding issues, and as detailed in the CAT LLC May 2023 Response Letter and CAT LLC July 2023 Response Letter.[77] CAT LLC previously stated that it has engaged with the industry on the funding model over the prior seven years, explaining that it has discussed funding model issues with the CAT Advisory Committee, which includes representation from the industry, as well as with industry associations such as SIFMA and the Financial Information Forum, and with individual Industry Members; analyzed and responded to comment letters on the prior proposals; and hosted webinars for the industry on funding issues.[78] CAT LLC listed ideas suggested by the industry that it adopted in revised versions of the funding model in 2023,[79] which is largely identical to the funding model proposed in the Proposed Amendment, and previously stated that ''the current model results from years of modifications that have been made in significant part in response to industry comments to earlier versions.'' [80] CAT LLC previously stated that it welcomes industry input on the funding model but believes a decision on the model is overdue.[81] CAT LLC states that it remains ''committed to working constructively with the industry on issues related to CAT funding.'' [82]

2. Allocation of Fees Between Participants and Industry Members

Under the Executed Share Model, CAT fees would be allocated one-third to the applicable Participant, one-third to the CEBS and one-third to the CEBB of a transaction. Certain commenters opposed the proposed allocation.[83]

Comments on the 2023 Funding Model Amendment

In comment letters submitted previously in response to the 2023 Funding Model Amendment, and incorporated by reference in the FINRA October 2025 Letter, FINRA stated that, while the Proposed Amendment justified the fairness of the Executed Share Model because it would operate like other fees, such as FINRA's Trading Activity Fee (''TAF''), Section 31 fees, and the options regulatory fee,[84] the Proposed Amendment did not support why those fee frameworks should be used as a model in this context.[85] For example, FINRA stated that the TAF is designed to recover the costs of FINRA's regulatory activities, while the CAT fees are intended to align with the costs to build, operate and administer the CAT.[86] Further, FINRA stated that the Proposed Amendment has insufficiently explained the connection between the TAF and CAT fees, merely stating that they are similar fees because they are transaction-based fees used to provide funding for regulatory costs.[87] FINRA stated that ''CAT LLC's observations superficially focus on the fact that these fees also use transaction-based metrics (and may be assessed on members) and neglects other factors relevant to the analysis including, for example, that these fees are used in combination with other funding mechanisms and metrics to support an overall funding framework.'' [88]

Furthermore, in a comment on the 2023 Funding Model Amendment that FINRA incorporated by reference because it applies to the Proposed Amendment, FINRA objected to statements that Industry Members can pass through to their customers their CAT cost allocation and additional costs resulting from an increase in FINRA

[72] *See* SIFMA October 2025 Letter, at 3; *supra* note 27.

[73] *See* Citadel January 2026 Letter, at 5 n.5 (stating that Citadel Securities incorporates and restates the comments set forth in all of its prior submissions regarding the CAT); FINRA October 2025 Letter, at 4 (incorporating by reference FINRA's prior comment letters concerning the Executed Share Model and the 2023 Funding Model Amendment). Comments received in response to the 2023 Funding Model Amendment can be found on the Commission's website at *https://www.sec.gov/comments/4-698/4-698-a.htm.*

[74] *See* CAT LLC December 2025 Response Letter at 3, n.10 (stating that CAT LLC incorporates by reference its prior letters concerning the Executed Shares Model).

[75] *See* Citadel July 2023 Letter, at 9–10.

[76] *Id.* at 6.

[77] *See* CAT LLC December 2025 Response Letter, at 6.

[78] *See* Letter to Vanessa Countryman, Secretary, Commission, from Brandon Becker, Chair, CAT NMS Plan Operating Committee, dated May 18, 2023 (''CAT LLC May 2023 Response Letter''), at 12; Letter to Vanessa Countryman, Secretary, Commission, from Brandon Becker, CAT NMS Plan Operating Committee Chair, dated July 28, 2023 (''CAT LLC July 2023 Response Letter''), at 26–27; *see also* CAT LLC December 2025 Response Letter, at 6 (stating that, as ''discussed in detail'' in the CAT LLC May 2023 Response Letter, and CAT LLC July 2023 Response Letter, CAT LLC has engaged with the industry—including the CAT Advisory Committee, industry associations, as well as individual Industry Members—extensively and in good faith since 2016 as it has explored different approaches to CAT funding and considered various CAT funding issues).

[79] *See* CAT LLC July 2023 Response Letter, at 27–28.

[80] *Id.* at 28. CAT LLC also stated that it has ''repeatedly sought the views of SIFMA and other industry participants on specific aspects of the model.'' *Id.*

[81] *See* CAT LLC May 2023 Response Letter, at 12.

[82] *See* CAT LLC December 2025 Response Letter, at 6.

[83] *See* Citadel October 2025 Letter, at 6–8; Citadel July 2023 Letter; Citadel August 2023 Letter; ASA October 2025 Letter, at 2 (stating that ''neither Rule 613 nor the national market system (NMS) plan adopted for the CAT in 2016 authorizes a single dollar of those expenses to be paid by broker-dealers''); Letters to Vanessa Countryman, Secretary, Commission, from Marcia E. Asquith, Corporate Secretary, EVP, Board and External Relations, FINRA, dated May 25, 2023 (''FINRA May 2023 Letter''); April 11, 2023 (''FINRA April 2023 Letter''); and June 22, 2022 (''FINRA June 2022 Letter'') (the FINRA June 2022 Letter was submitted in response to the prior funding proposal and was attached and incorporated by reference in the FINRA April 2023 Letter).

[84] *See* Notice, 90 FR at 44926–27.

[85] *See* FINRA June 2022 Letter, at 4. *See also* 2023 Funding Model Amendment Approval Order, at 62630.

[86] *See* FINRA April 2023 Letter, at 8.

[87] *Id.* FINRA also stated that ''it is unclear how assessing on FINRA the largest allocation of the SRO portion of CAT expenses 'provides funding for regulatory costs' in any reasonable and equitable sense comparable to the TAF. . .'' *Id.*

[88] *See* FINRA May 2023 Letter, at 3.

fees.[89] FINRA stated that ''[s]ummarily stating that investors can be made to bear the costs resulting from the Funding Model without a detailed description of and transparency into how these fees would be determined or passed on to customers is inadequate, and does not provide interested parties sufficient information to consider the costs and benefits related to the Fee Proposal.'' [90] In response to that comment on the 2023 Funding Model Amendment, CAT LLC stated that Industry Members can pass through their own CAT fees to their customers, like broker-dealers do for transaction-based fees.[91] CAT LLC stated that this may result in Industry Members not having any funding burden if they decide to entirely pass-through their allocation to investors.[92] CAT LLC also stated that Participants are permitted by the Exchange Act to charge their members fees to fund the Participants' share of CAT fees, as long as they submit fee filings that demonstrate that any proposed fee is consistent with the Exchange Act.[93]

Another commenter states that the proposed CAT funding model cannot be compared to Section 31 fees, the TAF, or the options regulatory fee because the commenter believes that CAT fees appear to be unconstrained and out of the industry's control.[94] The commenter explains that, unlike the proposed CAT fees, Section 31 fees are based on an annual budget set by Congress and the options regulatory fee is only applied to customer transactions and thus can be easily passed-on to other market participants (unlike CAT fees for market making activity).[95] Additionally, the commenter states that there is no precedent for fees to be allocated to Industry Members in perpetuity, stating that this would contravene the Exchange Act.[96]

In response to the comment stating that there is no precedent for CAT fees to be allocated to Industry Members in perpetuity, and that the Exchange Act would not allow CAT LLC to require Industry Members to fund unlimited costs in perpetuity,[97] CAT LLC states that the proposed allocation would not require Industry Members to fund all costs since it would divide CAT costs such that one-third would be paid each by the Participant, CEBB and CEBS in a transaction.[98] Furthermore, CAT LLC states that fees would not be paid in perpetuity, as the Fee Rate set by the Operating Committee at the beginning of each year would be based on reasonably budgeted CAT costs and projected total executed equivalent share volume for the year and would be adjusted mid-year, and that to implement the Fee Rates, the Participants would need to file fee filings pursuant to Rule 19b–4 with the Commission that must be consistent with the Exchange Act and allow the public the opportunity to comment on the fees.[99] CAT LLC adds that the Executed Share Model would operate similarly to other fees that the Commission has determined are consistent with the Exchange Act, such as Participants' sales value fees related to Section 31, the TAF and the options regulatory fee, and that the comment did not recognize that Industry Members can choose to pass-through CAT fees to their customers like they do the Section 31-related sales value fees.[100]

FINRA also states that the Proposed Amendment did not justify why the proposed allocation by thirds to the Participant, buy-side and sell-side is equitable in the context of the CAT NMS Plan.[101] FINRA also states that the Proposed Amendment did not consider alternatives suggested by commenters on a prior proposed funding model,[102] such as a model similar to Section 31 fees and a CAT funding model based on the ''Cost Recovery Principle'' and the ''Benefits Received Principle.'' [103] FINRA urges the Commission to require those alternatives to be analyzed.[104] Another commenter states that once analyzed by the Commission, ''it will be clear'' that allocating at least two-thirds of CAT system costs to broker-dealers and their customers in the manner contemplated by the Proposed Amendment is not fair and equitable under the Exchange Act, and that that Commission must also consider the economic implications of the ''winners and losers'' in terms of the proposed allocation of costs.[105]

In response to the comment stating that the Participants had not analyzed a suggested Section 31-style approach to a funding model,[106] CAT LLC stated in a response letter submitted for the 2023 Funding Model Amendment that the CAT fee approach is similar to the Section 31 fee approach in how an exchange would be obligated to pay a transaction fee based on transactions occurring on that exchange, and that FINRA would be obligated to pay a transaction fee based on transactions in the over-the-counter market.[107] CAT LLC stated that the approaches are also similar because, in both, an exchange would be able to determine to pass the fee onto its members, as would FINRA.[108] CAT LLC stated that if the Section 31 approach would comply with the Exchange Act, then the proposed CAT fee approach should also comply with the Exchange Act and CEBBs and CEBSs could determine whether to pass such fees onto their clients.[109]

In response, FINRA stated that the CAT LLC May 2023 Response Letter misrepresented the commenter's letter by incorrectly stating that the commenter's letter recommended an approach similar to Section 31 fees.[110] FINRA clarified that it was noting that the Commission had received comments suggesting a model like the Section 31 fees, that the Participants had not ''meaningfully analyzed'' the suggested alternatives in the Proposed Amendment, and that the Commission should require the Participants to analyze the alternatives.[111]

CAT LLC further responded to FINRA's objections to the use of the TAF as precedent for CAT fees—specifically, FINRA's statement that unlike the proposed CAT fees, the TAF recovers the costs of FINRA's regulatory activities, while the Proposed Amendment is designed to align with the costs to build, operate and administer the CAT.[112] CAT LLC stated that there is no distinction between the

[89] *See* FINRA April 2023 Letter, at 6–7.

[90] *Id.* at 7.

[91] *See* CAT LLC July 2023 Response Letter, at 8.

[92] *Id.*

[93] *See* CAT LLC July 2023 Response Letter, at 9.

[94] *See* Citadel July 2023 Letter, at 27. *See also* 2023 Funding Model Order, at 62630–31.

[95] *Id.* The commenter also stated that FINRA has sought to avoid increases in the TAF. *Id.*

[96] *Id.* This commenter states that it is inequitable to require Industry Members to fund CAT costs in perpetuity when they lack representation on the Operating Committee and therefore have little transparency into the drivers of the costs, and there is no plan to contain the costs. *See id.* at 2.

[97] *See* Citadel July 2023 Letter, at 27.

[98] *See* CAT LLC July 2023 Response Letter, at 14.

[99] *Id.*

[100] *Id.*

[101] *See* FINRA June 2022 Letter, at 3.

[102] *See* Securities Exchange Act Release Nos. 94984 (May 25, 2022), 87 FR 33226 (June 1, 2022); 96394 (Nov. 28, 2022), 87 FR 74183 (Dec. 2, 2022); and Letter from Michael Simon, Chair Emeritus, CAT NMS Plan Operating Committee, to Vanessa Countryman, Secretary, Commission (Feb. 15, 2023).

[103] *See* FINRA April 2023 Letter, at 5 (*citing* Letter to Vanessa Countryman, Secretary, Commission, from Lawrence Harris, Fred V. Keenan Chair in Finance, Professor of Finance and Business and Economics, U.S.C. Marshall School of Business, dated June 21, 2022).

[104] *Id.*

[105] *See* Citadel October 2025 Letter, at 8.

[106] *See* FINRA April 2023 Letter, at 5.

[107] *See* CAT LLC May 2023 Response Letter, at 9.

[108] *Id.*

[109] *Id.*

[110] *See* FINRA May 2023 Letter, at 3, n.8.

[111] *Id.*

[112] *See* FINRA May 2023 Letter, at 3.

two points raised by the commenter because CAT only has a regulatory purpose; therefore, costs to build, operate and administer the CAT are inherently regulatory costs.[113] CAT LLC also noted that FINRA distinguished the TAF from the proposed CAT fees by describing the TAF as being used in combination with other funding mechanisms to support a funding framework, but CAT LLC stated that ''this does not change the general conclusion that a transaction-based fee complies with the Exchange Act.'' [114]

In a comment letter submitted previously in response to the 2023 Funding Model Amendment, a commenter states that the Proposed Amendment does not demonstrate that it is equitable, as required by Section 6(b)(4),[115] or rational, as required by the Administrative Procedure Act,[116] to allocate two-thirds of CAT costs to Industry Members, stating that ''there is no suggestion that Industry Members somehow receive 67% of the benefits from CAT.'' [117] Furthermore, the commenter states that the Proposed Amendment would result in an inequitable allocation to a small number of Industry Members.[118]

In response to comments that object to the proposed allocation to Industry Members because Industry Members would not benefit from the CAT,[119] CAT LLC states allocating costs based on who benefits from the CAT is ''not appropriate or practical.'' [120] CAT LLC states that the CAT is intended to benefit all market participants, explaining how it would benefit Industry Members, and stated that it would be ''impractical to determine a model that allocates a measurable amount of benefit that each market participant receives from the CAT.'' [121] In response to a commenter that suggests that Industry Members should not be allocated any ''costs for matters that primarily benefit the CAT Operating Committee or the SROs.'' [122] CAT LLC disagrees that Industry Members do not benefit from the CAT because CAT is critical for the protection of investors and because CAT supports fair and efficient markets.[123] CAT LLC also states that it was not ''reasonable or practical to attempt to parse CAT costs by who 'primarily benefits' from those costs.'' [124]

The commenter also states that the Proposed Amendment would result in the allocation of all of the costs to build and operate the CAT to Industry Members and would therefore be inconsistent with Section 6(b)(4) to equitably allocate reasonable fees.[125] The commenter states that, in addition to the proposed allocation to Industry Members, FINRA's 11% cost allocation would be passed-on to Industry Members and that exchanges would also pass-on their 22% cost allocation.[126] The commenter stated that, with FINRA's allocation, 78% of the costs to build and operate the CAT would be allocated to Industry Members under the 2023 Funding Model Amendment.[127] The commenter stated that 78% is the same amount allocated to Industry Members in a prior CAT funding model proposal from 2021, and states that in the 2023 Funding Model Amendment, the Operating Committee concedes that the 2021 allocation ''may have an adverse effect on competition, liquidity or other aspects of market structure,'' [128] however the 2023 Funding Model Amendment does not explain why using a different metric—executed share volume rather than message traffic—to create the same allocation would not result in similar consequences.[129]

Further, the commenter states that Industry Members may also be required to pay the exchange cost allocation,[130] citing a statement in the 2023 Funding Model Amendment that ''each Participant may determine to charge their members fees to fund their share of the CAT fees.'' [131] The commenter states that if exchanges choose to do this, then Industry Members would be responsible for 100% of CAT costs, which would ''distort incentives and hinder the prioritization of critical cost-control measures, as the firms governing CAT are not bearing any of the associated costs.'' [132] The commenter requests that the Commission prohibit exchanges from passing-on their CAT costs.[133] The commenter also states that even after restructuring the funding model to base allocation on share volume instead of message traffic, as in prior funding model proposals, the allocation to exchanges stayed the same, arguing that the exchanges are unwilling to allocate themselves more than 22% of total costs.[134] The commenter states that the proposed allocation methodology is inconsistent with the Exchange Act because of the excessive percentage of total costs proposed to be allocated to Industry Members and the unfair method of allocating costs among Industry Members,[135] stating, ''[t]he allocation methodology will have a direct and negative impact on market efficiency, competition, and capital formation, and the Commission must comprehensively assess those impacts before approving this filing.'' [136]

In response to comments that state that Industry Members could bear 100% of CAT costs if Participants decide to pass-through their costs to them,[137] and in the context of the 2023 Funding Model Amendment, CAT LLC states that Industry Members can pass through their own CAT fees to their customers, like broker-dealers do for transaction-based fees.[138] CAT LLC states that this may result in Industry Members not having any funding burden if they decide to entirely pass-through their allocation to investors.[139] In response to commenters that request that Participants be prohibited from passing-on their CAT costs to their members,[140] CAT LLC states that Participants are permitted by the Exchange Act to charge their members fees to fund the Participants' share of CAT fees, as long as they submit fee filings that demonstrate that any proposed fee is consistent with the Exchange Act.[141] As discussed below, unlike the 2023 Funding Model Amendment, the Proposed Amendment includes a proposed provision limiting the ability of Participants to establish new fees to pass-through their CAT costs.

[113] *See* CAT LLC July 2023 Response Letter, at 35.
[114] *Id.*
[115] 15 U.S.C. 78f(b)(4).
[116] 5 U.S.C. 551 *et seq.*
[117] *See* Citadel July 2023 Letter, at 17.
[118] *Id.*
[119] *See* Citadel July 2023 Letter, at 17.
[120] *See* CAT LLC July 2023 Response Letter, at 10.
[121] *Id.* at 11.
[122] *See* Citadel July 2023 Letter, at 32.
[123] *See* CAT LLC July 2023 Response Letter, at 13.
[124] *Id.* at 12. *See also id.* at 13.
[125] *Id.* at 1, 16, 22.
[126] *Id.* at 1, 21, 22.
[127] *Id.* at 21.
[128] *Id.*
[129] *See* Citadel July 2023 Letter, at 21.
[130] *Id.* at 22. *See also* Citadel August 2023 Letter, at 2.
[131] *See* Citadel July 2023 Letter, at 22. *See also* 2023 Funding Model Amendment, 88 FR at 17107. The commenter also states that while the 2023 Funding Model Amendment describes the funding model as ''neutral as to location and manner of execution,'' counterparties to off-exchange transactions would receive higher fees than on-exchange transactions if exchanges choose not to pass-on their cost allocation to Industry Members. *See* Citadel July 2023 Letter, at 21. *See also* 2023 Funding Model Amendment, 88 FR at 17087; Notice, 90 FR at 44911.
[132] Citadel July 2023 Letter, at 22. *See also id.* at 16. *See also* Citadel August 2023 Letter, at 2 (stating that an allocation of 100% of CAT costs to Industry Members cannot be lawful).
[133] Citadel July 2023 Letter, at 22.
[134] *Id.* at 10.
[135] *Id.* at 15.
[136] *Id.*
[137] *See* Citadel July 2023 Letter, at 16, 22.
[138] *See* CAT LLC July 2023 Response Letter, at 8.
[139] *Id.*
[140] *See* Citadel July 2023 Letter, at 3, 22, 30.
[141] *See* CAT LLC July 2023 Response Letter, at 9.

The commenter stated that the 2023 Funding Model Amendment does not provide the percentage of total costs to build and operate the CAT that will be borne by Industry Members in practice.[142] The commenter states that it is necessary to determine the ultimate allocation of CAT costs to evaluate whether the proposed allocation is consistent with the Exchange Act, arguing that the statements made in support of the allocation were premised on the Participants being responsible for one-third of total CAT costs, and that if this is untrue, ''the filing must be completely reconsidered, taking into account (a) the impact on market efficiency, competition and capital formation of allocating this magnitude of additional costs to Industry Members, (b) whether such a lopsided allocation is fair and equitable, and (c) the implications for CAT governance and budget control if the firms governing CAT do not have any skin-in-the-game.'' [143]

This commenter states that the allocation does not take into account fees currently paid by the industry and implementation costs incurred by Industry Members to comply with CAT reporting requirements.[144] The commenter states that Industry Members already provide funding for regulatory matters to exchanges through regulatory fees, membership fees, market data fees, and registration fees, and that these fees must be factored into any equitable or rational allocation of CAT costs.[145] The commenter states that although the 2023 Funding Model Amendment states that there is no precedent for regulatory fees to be determined based on the cost of compliance of a regulated entity, it is necessary to take into account all CAT-related costs including those already allocated to Industry Members to assess whether the Proposed Amendment is equitable.[146]

In response to comments objecting to the proposed allocation to Industry Members for not taking into account regulatory fees currently paid by Industry Members,[147] CAT LLC states that the Proposed Amendment is intended to assess fees ''directly associated with the costs of establishing and maintaining the CAT, and not unrelated SRO services.'' [148]

This commenter also objects to statements made regarding the complexity of Industry Member business models contributes substantially to the costs of the CAT. This commenter states that the complexity arguments in the Proposed Amendment contradict statements from the Operating Committee that stringent performance and other requirements for processing CAT data are significant drivers of CAT costs,[149] and that the complexity arguments suggest that costs should be allocated evenly among Industry Members, not just a small group of Industry Members based on volume.[150]

In response to comments regarding the complexity of Industry Member business models as a driver of CAT costs,[151] CAT LLC states that its analysis of the complexity of the industry's business models is based on the effects of those models on the costs of the CAT, which it states are more profound than those of Participants, not on complexity of the market in general.[152] CAT LLC explains that the complexity of the Industry Members' business models results in significant data processing and storage costs, which Participants do not contribute to as they do not originate market activity or orders.[153] CAT LLC explains that (1) the complexity and diversity of Industry Members' business models and order handling practices require processing and storing hundreds of reporting scenarios for Industry Members, resulting in significant data processing and storage costs; [154] (2) Industry Members have more late data and corrections than Participants, resulting in significant linker costs; [155] and (3) Industry Members have customers, which results in CAT costs related to customer account information (FDID, CCID and CAIS) and customer investment strategies.[156] CAT LLC also states that Participants would pay the same amount as the CEBBs and CEBSs in each transaction.[157] CAT LLC states that commenters did not demonstrate a causal connection between exchange fee structures and CAT costs.[158] CAT LLC states that it was not involved in these Industry Member business decisions and a substantial amount of CAT costs result from such business decisions.[159] CAT LLC also states that Participant activity does not contribute as much to CAT costs as complex Industry Member activity.[160]

This commenter also states that, while most Industry Members will pay little to no CAT costs, 20 Industry Members will be responsible for 75% of the costs allocated to Industry Members.[161] The commenter states that this would contradict the 2023 Funding Model Amendment's arguments that there are more Industry Members than Participants and that Industry Members have greater financial resources than Participants because the Operating Committee would outnumber the Industry Members that would be paying the most in costs.[162]

The commenter also states that the Proposed Amendment lacks support for the proposed allocation.[163] The commenter states that the Operating Committee has not met its burden to demonstrate that the proposed allocation is consistent with the Exchange Act.[164] The commenter also states that the Proposed Amendment does not consider the impact of the proposed allocation to Industry Members on market efficiency, competition and capital formation, particularly with respect to the costs the industry will incur to build systems to pass-through their CAT fees, the expected impact on volumes, the expected impact on retail investors, and the expected impact on market makers.[165]

---

[142] *See* Citadel August 2023 Letter, at 2.

[143] *Id.*

[144] *See* Citadel July 2023 Letter, at 17.

[145] *See* Citadel July 2023 Letter, at 17 (further stating, ''Industry Members are already bearing nearly all of the total CAT-related costs, at a rate much higher than the Commission estimated in its approval of the 2016 CAT NMS Plan.'' *Id.* at 18).

[146] *Id.*

[147] *See* Citadel July 2023 Letter, at 17. CAT LLC also objected to one commenter's description of the CAT as an exchange ''revenue generator,'' stating that CAT LLC is a business league under Section 501(c)(6) of the Internal Revenue Code, and that enforcement activity obtains restitution for investors and deters future misconduct rather than generating revenue. *See* CAT LLC July 2023 Response Letter, at 13–14 (responding to Citadel July 2023 Letter, at 17).

[148] *See* CAT LLC July 2023 Response Letter, at 13.

[149] *See* Citadel July 2023 Letter, at 17–18. *See also* Notice, at 44927 (noting the ''complexity of market activity'').

[150] *Id.* at 18.

[151] *See* Citadel July 2023 Letter, at 17–18.

[152] *See* CAT LLC May 2023 Response Letter, at 6; CAT LLC July 2023 Response Letter, at 6.

[153] *See* CAT LLC May 2023 Response Letter, at 7; CAT LLC July 2023 Response Letter, at 7.

[154] *See* CAT LLC July 2023 Response Letter, at 7.

[155] *Id.*

[156] *Id.*

[157] *Id.* at 6.

[158] *See* CAT LLC July 2023 Response Letter, at 6.

[159] *Id.*

[160] *Id.*

[161] *See* Citadel July 2023 Letter, at 17. The commenter also stated that the Proposed Amendment does not explain why it would be equitable to allocate 50% of total CAT costs to 20 Industry Members and 22% of total CAT costs to 24 exchanges. *Id.*

[162] *Id.*

[163] *Id.* at 13. *See also* Citadel August 2023 Letter, at 2.

[164] *See* Citadel July 2023 Letter, at 13.

[165] *Id.* at 2, 16, 19, 20. The commenter further stated that the Proposed Amendment is inconsistent with the Exchange Act because it cannot equitably allocate fees and will harm market efficiency, competition and capital formation. *Id.* at 16.

The commenter suggests alternatives to the proposed allocation methodology.[166] The commenter states that Industry Members should not be allocated more than 50% of ongoing CAT costs (including FINRA's allocation) due to their lack of industry voting representation and because they already bear nearly all of the total CAT-related costs.[167] The commenter also suggests that exchanges should be prohibited from passing-on their CAT cost allocation to market participants,[168] and that the Participants consider allocating costs to the Commission ''to align incentives.'' [169] The commenter recommends a consistent methodology for allocating costs to both Industry Members and exchanges.[170] The commenter also recommends an allocation methodology that would ensure that ''a small group of firms are not disproportionately bearing costs given that CAT is designed to facilitate market-wide surveillance across all market participants,'' [171] and would not inequitably allocate costs to specific market segments (such as ''retail trading activity in NMS stocks'').[172] The commenter suggests that the approach could have ''(I) minimum and maximum fee levels, (II) appropriate calibrations for liquidity provision, (III) a volume component based on notional (instead of executed shares), and (IV) consideration of additional metrics that could achieve a more equitable outcome (*e.g.,* broker-dealer capital).'' [173]

In response to the commenter that recommended allocating no more than 50% of CAT costs to Industry Members, including the FINRA allocation,[174] CAT LLC states that the commenter did not offer a reasoned basis why such an allocation would be consistent with the Exchange Act.[175] CAT LLC also states that such an allocation would raise fairness concerns because, as compared to Participants, Industry Members have greater financial resources, and their complex business models ''contribute substantially to the costs of the CAT.'' [176] Furthermore, in response to the commenter's other suggested allocation methodology which the commenter states would ensure that a small group of firms and specific market segments would not be subject to inequitable cost burdens,[177] CAT LLC states that the commenter did not explain how the suggested methodology would fit into a funding model or how such a funding model would be consistent with the Exchange Act.[178] CAT LLC states that it evaluated various other funding models over the past seven years and concluded that ''the Executed Share Model provides a variety of advantages in comparison to the alternatives, and satisfies the requirements of the Exchange Act.'' [179]

In response, the commenter states that its suggestions, which included minimum and maximum fee levels, calibrations for liquidity provision, and consideration of additional metrics,[180] were included in prior funding model proposals.[181] The commenter states that the CAT Operating Committee should explain why it changed its position on ''the importance of these elements as part of a fair and equitable funding proposal that is consistent with the Exchange Act.'' [182]

This commenter also states that many of the largest Industry Members would be allocated CAT fees based on proprietary trading activity, so they would not be able to pass through their fees to investors.[183] The commenter urges for an analysis of proprietary executed volume compared to customer executed volume in order to evaluate how CAT costs will be allocated among Industry Members and whether the allocation methodology is fair, equitable and not unfairly discriminatory.[184] The commenter also states that the 2023 Funding Model Amendment is inconsistent with Section 6(b)(5) by imposing a new and increasing expense on investors, which would negatively impact liquidity and efficiency, and that the proposed allocation to Industry Members would disproportionately impact market makers (because 20 firms would have to pay most of the costs) and retail investors (due to their trading in sub-dollar NMS stocks that increase executed share volume), in violation of Section 6(b)(8).[185]

Comments on the Proposed Amendment

Subsequent to the 2023 Funding Model Order and vacatur of that order by the Eleventh Circuit, the Participants submitted the Proposed Amendment which would include a new paragraph (e) to Section 11.3 of the CAT NMS Plan that would provide that each Participant agrees not to establish a new fee for passing through its CAT fees, which the Participants state is to ''address the Eleventh Circuit's opinion regarding the potential for Participants to pass-through 100% of their CAT fees to Industry Members, and its effect on the allocation of CAT costs under the Executed Share Model.'' [186] Proposed Section 11.3(e) of the CAT NMS Plan, as modified by the Commission,[187] would state that no Participant will file with the SEC a proposed rule change pursuant to Section 19(b) and Rule 19b–4 thereunder that would establish a new fee for directly passing through to its members the CAT fee charged to such Participant in accordance with Section 11.3(a) (the ''direct pass-through prohibition'').

Multiple commenters state that the direct pass-through prohibition would be ineffective in its stated goal.[188] Commenters specifically note that the direct pass-through prohibition only purports to prevent a Participant from filing a rule change with the Commission to establish a ''new fee.'' [189] One of these commenters states that this usage of the term ''new fee'' raises the specter of adding CAT costs to existing fees the SROs already charge their members to recoup their CAT costs, thus doing indirectly what they cannot

[166] *Id.* at 3, 30, 31. The commenter stated that the Commission must consider reasonable alternatives and that the proposal should be rejected and replaced by a proposal incorporating the commenter's recommendations. *Id.* at 30, 2.

[167] *Id.* at 3, 30, 31.

[168] *See* Citadel July 2023 Letter, at 3, 30, 31.

[169] *Id.* at 3, 31. In response, CAT LLC stated that the Commission is not a party to the CAT NMS Plan, or subject to Rule 608 of Regulation NMS or Section 19(b) of the Exchange Act. *See* CAT LLC July 2023 Response Letter, at 31, n.144.

[170] *See* Citadel July 2023 Letter, at 30–31.

[171] *Id.* at 30.

[172] *Id.* at 3, 30.

[173] *See id.* at 30. *See also* Citadel August 2023 Letter, at 5.

[174] *See* Citadel July 2023 Letter, at 31.

[175] *See* CAT LLC July 2023 Response Letter, at 10.

[176] *Id.*

[177] *See* Citadel July 2023 Letter, at 30.

[178] *See* CAT LLC July 2023 Response Letter, at 10.

[179] *Id.* at 11–12.

[180] *See* Citadel August 2023 Letter, at 5.

[181] *Id.* (citing the minimum and maximum fees and market making discounts proposed in a funding model proposal from the CAT Operating Committee that was filed in 2021. *See* Securities Exchange Act Release No. 91555 (Apr. 14, 2021), 86 FR 21050 (Apr. 21, 2021)).

[182] *Id.*

[183] *See* Citadel July 2023 Letter, at 20. *See also* Citadel August 2023 Letter, at 3.

[184] *See* Citadel August 2023 Letter, at 3. The commenter said that such an analysis is feasible and should account for aggregate costs to be borne by affiliated entities, stating that this is required in Section 11.2(c) of the 2016 CAT NMS Plan. *Id.*

[185] *See* Citadel July 2023 Letter, at 2.

[186] Notice, at 44923.

[187] *See supra* note 10 and accompanying text.

[188] *See* FINRA Wilson Sonsini January 2026 Letter, at 1; FINRA October 2025 Letter, at 10–11; Citadel October 2025 Letter, at 9–10; SIFMA October 2025 Letter, at 2; PTG Letter, at 2; AmFree Letter, at 5. *See also* Citadel July 2023 Letter, at 20 and Citadel August Letter, at 3 (both raising concerns about CAT costs being passed on to investors); ASA February 2026 Letter, at 4.

[189] *See* FINRA October 2025 Letter, at 10–11; Citadel October 2025 Letter, at 9; SIFMA October 2025 Letter, at 2; PTG Letter, at 2. *See also* ASA February 2026 Letter, at 4 (stating that while the Proposed Amendment purports to limit certain pass-throughs, it leaves in place Plan language that permits SROs to bundle or otherwise incorporate CAT costs into their various other fees or assessments).

do directly.[190] FINRA states that this theoretical limit on direct pass-through fees also ignores the reality of FINRA's funding structure, because the most direct way to allocate FINRA's designated CAT costs to its members (who ultimately will bear costs allocated to FINRA) would be to apply cost recovery fees to members whose activities most directly contribute to FINRA's designated portion of Participant CAT fees.[191] Another commenter states that CAT LLC is ''clearly'' attempting to preserve the ability for SROs to pass through some of all of their CAT costs to their members in other ways in direct contravention of the Eleventh Circuit's decision.[192] This commenter states that allowing SRO pass-throughs directly conflicts with the Eleventh Circuit's decision and fundamentally alters the allocation formula that the Commission is considering.[193] Another commenter states that FINRA is responsible for roughly 10% of the entire CAT budget, and nothing in the Proposed Amendment stops FINRA from passing on 100% of those costs to its members by increasing its existing membership fees.[194] Multiple commenters state that the Proposed Amendment is simply an attempt to circumvent the Eleventh Circuit's opinion vacating the 2023 Funding Model Order, and that the Proposed Amendment should be disapproved.[195]

Two commenters state that the Proposed Amendment exceeds CAT LLC's authority and is unlawful, because the Exchange Act and Rule 608 of Regulation NMS do not empower CAT LLC or the Plan Participants to restrict fee filings made by other Plan Participants or control how other Plan Participants internally fund their costs.[196] One commenter states that both the text and history of Rule 608's predecessor establishes that Rule 608's scope of fee authority is limited to *joint* fees for NMS plans.[197] This commenter states that the proposed direct pass-through prohibition would not control CAT LLC fees, but instead purport to control how a Participant SRO funds its own SRO costs through separate SRO fees, which could potentially establish a dangerous precedent and enable similar overreach in other NMS plans.[198]

CAT LLC states that commenters incorrectly state that the direct pass-through prohibition attempts to circumvent the Eleventh Circuit's opinion.[199] CAT LLC explains that the Eleventh Circuit held that the Commission's order approving the Executed Shares Model violated the Administrative Procedures Act as a result of (1) the Commission allowing for the possibility for ''self-regulatory organizations to pass through 100% of their fees to broker-dealers—without considering the effects of that choice'' or providing a ''reasoned justification or explanation'' of that policy change; and (2) the Commission failing to ''conduct a new economic analysis or revise its previous economic analysis.'' [200] CAT LLC states that the Proposed Amendment directly addresses the Eleventh Circuit's core concern regarding the possibility of 100% pass-through costs under the 2023 funding order without the SEC considering the effects of that choice, and that CAT LLC will continue to work collaboratively with the Commission to inform its new economic analysis.[201]

CAT LLC disagrees with commenters that state that the direct pass-through prohibition would allow SROs to charge their members to recoup their CAT costs indirectly and that this would circumvent the Eleventh Circuit's decision.[202] CAT LLC states that the Eleventh Circuit disapproved the Executed Shares Model Approval Order only insofar as it permitted ''self-regulatory organizations to pass through 100% of their fees to broker-dealers—without considering the effects of that choice'' or satisfactorily explaining that policy change.[203] CAT LLC states that the Eleventh Circuit did not hold that SROs could never pass through 100% of their CAT-related fees, but rather that in considering a pass-through the SEC must weigh the effects of and explain its decision.[204]

CAT LLC also states that the direct pass-through provision, as originally proposed, was intended to impose an obligation on all Participants, and not intended to suggest that all Participants voted to approve the Proposed Amendment.[205] Subsequent to the filing of those comment letters, CAT LLC submitted Amendment No. 1., which proposes to revise proposed Section 11.3(e) of Appendix D of the CAT NMS Plan to ''better reflect that the Proposed Amendment was approved under the Plan and avoid statements suggesting that all Participants voted for the proposal,'' by modifying the provision to state that ''[e]ach Participant agrees not to file . . .'' to instead be, ''[n]o Participant will file.'' [206] CAT LLC states that this would better reflect that the Proposed Amendment was approved under the Plan and avoid statements suggesting that all participants voted for the proposal.[207] As noted above, the Commission instead is modifying the Proposed Amendment to reflect Amendment No. 1 pursuant to Rule 608(b)(2).

CAT LLC also objects to comments arguing that it is unlawful for the CAT NMS Plan to prevent individual Participants from passing their CAT fees through to Industry Members.[208] CAT LLC states that the proposed direct pass-through provision falls squarely within the broad authority of SEC Rule 608(a)(4)(ii) because it embodies a written understanding relating to the interpretation of the CAT NMS Plan.[209] CAT LLC also notes that the CAT NMS Plan already includes provisions that

[190] *See* SIFMA Letter, at 2. *See also* PTG Letter, at 2.

[191] *See* FINRA October 2025 Letter, at 11–12. This commenter states that the direct pass-through prohibition is ''unlawful, ineffective, and fails to cure the defects identified by the Eleventh Circuit.'' *See* FINRA Wilson Sonsini January 2026 Letter, at 1.

[192] *See* Citadel October 2025 Letter, at 9.

[193] *See id. See also* ASA February 2026 Letter, at 4 (stating that if SRO pass-throughs up to 100% of their allocations are permitted in substance, the Commission must confront that reality, explain its policy shift, and incorporate the full economic impact into its analysis).

[194] *See* AmFree Letter, at 5. The commenter states that at minimum the Proposed Amendment must prohibit FINRA from increasing its existing membership fees to account for CAT costs. *Id.* at 6. *See also* Citadel October 2025 Letter, at 9 (stating that the Proposed Amendment provides no explanation as to how FINRA, as a not-for-profit-organization, will fund its allocation of CAT costs, which amounts to more than 10% of the entire CAT budget).

[195] *See* Citadel October 2025 Letter, at 1; SIFMA October 2025 Letter, at 1–3. *See also* ASA October 2025 Letter, at 1–2 (stating that the Proposed Amendment ''mirrors the unlawful 2023 plan in every essential respect''); PTG Letter, at 1 (stating that the Proposed Amendment disregards the decision and is the SROs attempt to ''simply repackage the same unlawful model''); ASA February 2026 Letter, at 4 (stating that the Eleventh Circuit made clear that the Commission cannot pretend that SROs will bear a portion of CAT costs while ignoring their ability to pass those costs on to broker-dealers and their customers).

[196] *See* FINRA October 2025 Letter, at 2, 7–10; FINRA Wilson Sonsini January 2026 Letter, at 2–3; FINRA January 2026 Letter, at 2; Cboe Letter, at 1–2.

[197] *See* FINRA October 2025 Letter, at 8–9.

[198] *Id.* at 9. This commenter further states that the Plan may violate FINRA's due process rights and run afoul of the Takings Clause. *Id.* at 10.

[199] *See* CAT LLC December 2025 Response Letter, at 3.

[200] *Id.* at 3–4.

[201] *Id.* at 4.

[202] *Id.* at 4 (citing SIFMA October 2025 Letter, at 2 and PTG Letter, at 2).

[203] *Id.*

[204] *Id.*

[205] *Id.* at 5. CAT LLC states that as required by the CAT NMS Plan, a supermajority of Participants voted in favor of the Proposed Amendment, but there was no unanimity. *Id.*

[206] *See id.*

[207] *See* CAT LLC December 2025 Response Letter, at 5.

[208] *Id.* at 5.

[209] *Id.*

prevent the Participants from collecting Post-Amendment Industry Member Fees, and thus the CAT NMS Plan already imposes restrictions on individual SRO fees.[210]

One commenter responds by stating that CAT LLC's attempt to justify the direct pass-through prohibition are unpersuasive.[211] This commenter states that CAT LLC's argument regarding SEC Rule 608(a)(4)(ii) conflates interpreting the Plan with controlling individual SRO actions, and thus rests on a flawed reading of Rule 608's text and purpose.[212] This commenter states that Rule 608 imposes requirements to facilitate transparency, by requiring disclosure to the Commission and the public of how internal operations of the Plan—not the external relationship between a distinct SRO and its members—will be managed, and the relevant provisions of Rule 608 do not grant substantive authority of any sort, much less authority for a majority of Plan Participants to effectively suspend Section 19(b) of the Exchange Act, the plain text of which grants individual SROs the right to file their own fee rules.[213] The commenter also states that other provisions identified by CAT LLC in the CAT NMS Plan are not analogous to the proposed direct pass-through prohibition, and none of them support the proposition that the CAT NMS Plan may lawfully restrict how an individual Participant SRO funds its own SRO costs through separate SRO fees.[214]

This commenter also states that CAT LLC presents a false dichotomy when it states that prohibiting all pass-throughs is lawful because the Eleventh Circuit implicitly held that ''prior to 2023 the CAT NMS Plan did not contemplate 100% pass-throughs via individual SRO fees.'' [215] The commenter states that the Eleventh Circuit vacated the 2023 Funding Order because it allowed—without explanation or ''reason''—for the possibility that all SROs would pass through 100% of CAT costs, leaving ''broker-dealers . . . on the hook for [the CAT's] *entire cost.*'' (emphasis in original).[216] This commenter continues to state that ''[n]othing in the Eleventh Circuit's decision hinted that it viewed 100% pass-through by FINRA as unlawful or inconsistent with the prior CAT NMS Plan. On the contrary, the Court acknowledged that ''FINRA may be unique[ly]'' justified in passing through its CAT costs, as it is ''the only nonprofit exchange.'' [217]

The commenter also states that CAT LLC's amendment of the language of the direct pass-through prohibition, deleting the phrase ''[e]ach Participant agrees,'' by replacing it with ''[n]o Participant will file,'' is more accurate but not more lawful, and underscores that proposed Section 11.3(e) is not a ''written understanding'' among consenting parties, but rather a regulation that CAT LLC is attempting to unlawfully impose over the objection of dissenting Participants.[218] This commenter states that the Proposed Amendment purports to restrict FINRA's ability to fund itself while leaving untouched the commercial revenue generated for exchanges, when FINRA is the only not-for-profit SRO that relies primarily on fees from its members for funding and the only Participant not operating a market, which means that the practical reality is that any allocation of Participants' CAT costs to FINRA will almost certainly be equivalent to allocating those costs to industry members.[219]

One commenter also states that the Proposed Amendment would have an ''undue impact'' on market makers, by allocating a disproportionate percentage of total CAT system costs to a ''small handful of market makers,'' and that because market makers would be allocated costs for their proprietary trading activity, those costs could be passed-on to other market participants through higher trading spreads.[220] The commenter states that the Commission must assess the economic implications for market makers and overall market liquidity by determining (i) the percentage of total CAT costs that the ten largest market makers would be allocated based their proprietary trading activity (using CAT data and the invoices sent by CAT LLC over the past year under the vacated 2023 funding order) and (ii) the potential impact on spreads, particularly in less liquid stocks with wider quoted spreads.[221]

CAT LLC states that commenters make several arguments related to the decision to allocate one-third of CAT costs to Participants and two-thirds of CAT costs to Industry Members and that these commenters made the same arguments with respect to the allocation of CAT costs between Participants and Industry Members under the Executed Shares Model when it was originally proposed, and CAT LLC addressed those comments in detail in its prior comment letters concerning the Executed Shares Model, as well as when it originally proposed the Executed Shares Model.[222]

Findings Regarding Allocation of Fees

The Commission disagrees with the assertions of certain commenters that the Proposed Amendment violates the Exchange Act, contravenes the Eleventh Circuit's decision, imposes an excessive portion of CAT costs on Industry Members, or will result in an insufficient focus on cost control. The Executed Share Model reflects an appropriate approach to funding the operation of the CAT during the interim period while the Commission engages in its comprehensive review of CAT.[223] The CAT NMS Plan contemplates that the costs of the CAT are to be allocated between the Participants [224] and Industry Members (which would include CAT Executing Brokers).[225] How the costs of CAT should be allocated between Participants and Industry Members is a question of judgment for which there may be multiple reasonable approaches. CAT LLC's proposal to split CAT fees evenly among the three parties who have primary roles related to transactions reportable to CAT—the buyer, seller, and market regulator—constitutes a reasonable and equitable allocation of the costs of CAT among the primary

[210] *Id.* at 5–6.

[211] *See* FINRA Wilson Sonsini January 2026 Letter, at 1.

[212] *See id.* at 1–2.

[213] *See id.* at 2.

[214] *See id.* at 2–3.

[215] *See id.* at 3 (citing CAT LLC December 2025 Response Letter, at 5).

[216] *See* FINRA Wilson Sonsini January 2026 Letter, at 3 (citing Eleventh Circuit Decision, at 1275).

[217] *See* FINRA Wilson Sonsini January 2026 Letter, at 3 (citing Eleventh Circuit Decision, at 1279).

[218] *See id.* at 3–4. *See also* FINRA January 2026 Letter, at 2 (stating that while this formulation is more accurate, it is no more lawful because FINRA did not vote in favor of this modified formulation, in part because SROs may not use the mechanism of a national market system plan to control the fees of other SROs that are participants in the plan).

[219] *See* FINRA Wilson Sonsini January 2026 Letter, at 4.

[220] *See* Citadel October 2025 Letter, at 7.

[221] *Id.*

[222] *See* CAT LLC December 2025 Response Letter, at 2–3. *See also* Letter to Vanessa Countryman, Secretary, Commission, from Robert Walley, CAT NMS Plan Operating Committee Chair, dated Jan. 14, 2026 (''CAT LLC January 2026 Response Letter'').

[223] *See* 17 CFR 242.608(b)(2).

[224] The CAT NMS Plan requires Execution Venues and Industry Members to fund the CAT. The definition of ''Execution Venue'' includes Participants. *See supra* note 17.

[225] *See* CAT NMS Plan, at Section 11.1(b), 11.3(a) and (b). Section 11.1(b) of the CAT NMS Plan authorizes the Operating Committee to establish fees for Execution Venues (which include Participants) and Industry Members to fund the CAT and Sections 11.3(a) and (b) of the CAT NMS Plan set forth how these fees would be calculated. *See also* Rule 613(a)(1)(vii)(D) discussing how the CAT NMS Plan shall discuss the proposed allocation of estimated costs among the plan sponsors, and between the plan sponsors and members of the plan sponsors. 17 CFR 242.613(a)(1)(vii)(D).

parties that participate in and benefit from such trading activity and the market oversight CAT enables. In vacating the 2023 funding order, the Eleventh Circuit decision did not question the reasonableness of this method of determining and allocating CAT fees.

The Proposed Amendment's approach to the issue of Participant pass-through does not alter our conclusion. As discussed above, the prohibition on Participants directly passing through their one-third share of CAT fees through a new fee on Industry Members reasonably reinforces CAT's cost-sharing premise.[226] Inconsistency with that Plan provision would be grounds for suspension and disapproval of a fee filing.[227] FINRA and the Cboe Exchanges state that a national market system plan cannot lawfully constrain how an SRO chooses to fund its own costs through fees on its own members.[228] FINRA also states that the direct pass-through prohibition ''ignores the reality of FINRA's funding structure,'' because the most direct way to allocate FINRA's designated CAT costs to its members (who ultimately will bear costs allocated to FINRA) would be to apply cost recovery fees to members whose activities most directly contribute to FINRA's designated portion of Participant CAT fees.[229] But FINRA represents that it makes ''the following firm commitment: should the Commission approve a CAT funding model on a temporary or interim basis, FINRA will not establish any new CAT recovery fees for a period of two years from approval of such temporary funding model (or for a shorter period designated by the Commission in an approval order as the effective period of such interim funding model).'' [230] FINRA has thus voluntarily committed to abide by the direct pass-through prohibition for the two years the Proposed Amendment will be in effect. In addition, the Cboe Exchanges have expressed a willingness to agree to refrain from new direct pass-through CAT fees to their members.[231] And as FINRA observes, all of the other CAT NMS Plan Participants voted in favor of the direct pass-through prohibition, thereby indicating that they too have individually determined and committed to not establish new CAT recovery fees.[232] Given the Participants' willingness to discuss a voluntary agreement to not make rule filings seeking to directly pass through their CAT costs for a specified period, the fact that we are only approving this funding model on a temporary basis while we consider the CAT more broadly, and because the Commission would have imposed the same direct pass-through prohibition if the Participants had not proposed it for reasons discussed elsewhere in this order, the Commission is not deciding at this time what limits a national market system plan can or cannot place on an SRO's discretion with respect to the way in which it recovers its regulatory costs.

The decision not to preemptively prohibit the Participants from passing through their share of CAT costs indirectly through other member fees is also reasonable. As discussed above, the Exchange Act expressly contemplates the ability of the Participants to recoup their costs to fulfill their statutory obligations under the Exchange Act, and consistent with that principle, the Commission has recognized since CAT's inception that the Participants may seek to recover some or all of the CAT costs they incur, subject to the requirements set forth in the Act.[233] The Eleventh Circuit did not hold that it would be arbitrary and capricious to leave open the possibility of pass-through, as one commenter suggests. Rather, the court held only that the 2023 funding order did not adequately ''explain or justify,'' and ''consider[ ] the effects of,'' that decision.[234]

The Commission is not including a prohibition on any action the Participants may take that might result in their indirectly recovering some of their CAT costs from Industry Members as suggested by some commenters.[235] While the direct pass-through prohibition gives meaning to the Plan's requirement that the Participants and Industry Members share in CAT costs, the Plan doesn't change the reality as to how the Participants are funded, including how they fund the costs of fulfilling their regulatory obligations. It would be inequitable to single out the Participants and prevent only them from attempting to recover their costs when the Plan contains no restriction on the ability of Industry Members to pass through their share to others, particularly given that, unlike Industry Members, the Participants would be required to establish that increases in any other fees are reasonable, equitable, and not unfairly discriminatory in the rule filing process. Moreover, as a practical matter it would be difficult to effectively amend the CAT NMS Plan in such a way as to prevent a Participant from ever indirectly passing through any CAT costs.

Nor does the Commission believe that a total, preemptive prohibition on all forms of pass-through during the two years in which the Proposed Amendment will be in effect is necessary to maintain an adequate focus on cost control. CAT costs are driven by a variety of factors, including storage, data processing, and message traffic. Pursuant to the CAT NMS Plan, the CAT must process and store extremely large data volumes within specific timeframes, and this process has been occurring in a market environment of increasing message traffic.[236]

The Commission and the Participants have recently taken a series of measures to bring down these costs. For example, a 2024 CAT NMS Plan amendment was approved that CAT LLC states has resulted in projected savings of $30 million in the first year,[237] and another amendment recently approved relating to Customer data in the CAT is projected to achieve an estimated $7 to $9 million in annual cost savings (the

[226] *See supra* Part III.

[227] *See* 15 U.S.C. 78s(b)(2)(C) (''The Commission shall approve a proposed rule change of a self-regulatory organization if it finds that such proposed rule change is consistent with the requirements of [the Exchange Act] and the rules and regulations [thereunder] that are applicable to such organization,'' and ''shall disapprove'' the proposed rule change ''if it does not make [that] finding''); 17 CFR 242.608(c) (''Each self-regulatory organization shall comply with the terms of any effective national market system plan of which it is a sponsor or a participant.'').

[228] *See* FINRA October 2025 Letter, at 2, 7–10; FINRA January 2026 Letter, at 2–3; FINRA Wilson Sonsini January 2026 Letter, at 1–3; Cboe Letter, at 2–3.

[229] *See* FINRA October 2025 Letter, at 11–12.

[230] *See* FINRA January 2026 Letter, at 3.

[231] *See* Cboe Letter, at 2; FINRA January 2026 Letter, at 3 (stating that Cboe ''has previously expressed that it is 'open to discussing a voluntary agreement by all of the SROs not to make rule filings seeking to pass through their costs for a specified period,' '' citing Cboe Letter).

[232] *See* FINRA January 2026 Letter, at 3.

[233] *See supra* Part III.

[234] *Am. Secs. Ass'n,* 147 F.4 at 1274–77.

[235] *See, e.g.,* SIFMA October 2025 Letter, at 2 (stating the Participants raise the specter of adding CAT costs to existing fees the SROs already charge their members to recoup their CAT costs, thus doing indirectly what they cannot do directly); Citadel October 2025 Letter, at 9 (stating that CAT LLC is clearly attempting to preserve the ability for SROs to pass through some or all of their CAT costs to their members in other ways in direct contravention of the Eleventh Circuit's decision); PTG Letter, at 2; ASA February 2026 Letter, at 4 (stating that the Proposed Amendment does not meaningfully prohibit SRO pass-throughs of CAT costs).

[236] *See* Securities Exchange Act Release No. 104504 (Dec. 23, 2025), 90 FR 61506, 61506 n.7 (Dec. 31, 2025) (''2025 Cost Savings Amendment'') (stating that there were 109 trillion events in 202, 116 trillion events in 2023, and 154 trillion events in 2024, a 41% growth in data volumes over a three-year period).

[237] *See* Securities Exchange Act Release No. 101901 (Dec. 12, 2024), 89 FR 103033 (Dec. 18, 2024) (''2024 CAT Cost Savings Amendment'').

''CAIS Amendment'').[238] In addition, the Commission is currently considering a proposed CAT amendment that would in part codify exemptive relief granted by the Commission designed to allow the Participants to reduce the costs of operating the CAT,[239] and that proposed amendment is estimated by the Participants to provide cost savings of $55 million to $73 million, if approved.[240] The cost savings efforts that have been approved have already reduced the CAT budget significantly, with the projected 2026 CAT budget currently estimated to be $156,432,998,[241] compared to the initial estimated 2025 CAT budget of $248,846,076.[242] These efforts demonstrate that the Commission and the Participants are focused on controlling the costs of the CAT.

Even Participants that attempt to increase existing fees to recover their CAT costs will continue to have incentives to contain the costs that are within their control. Any such indirect pass-through effort would be subject to the rule filing process under Section 19(b) and Rule 19b–4, and, if the Participants fail to control costs, their ability to demonstrate that the CAT budget is ''reasonable'' and that a proposed fee is reasonable and consistent with the Exchange Act may be compromised. In general, after a Participant files proposed rule changes relating to fees with the Commission, those proposed rule changes are published by the Commission and there is an opportunity for public comment.[243] Although the proposed rule changes may take effect upon filing,[244] the Commission can temporarily suspend immediately effective rule changes if such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Exchange Act.[245] If the Commission takes such action, the Commission will institute proceedings under Section 19(b)(2)(B) to determine whether the proposed rule changes should be approved or disapproved.[246] As is the case with all of the fees the Participants collect from their members to fund their SRO responsibilities in market and member regulation, a Participant seeking to increase existing fees in an attempt to recover CAT costs paid by the Participant would be required to establish that the fee is consistent with applicable statutory standards under the Exchange Act, including being reasonable, equitable and not unfairly discriminatory.[247]

In addition, the Proposed Amendment requires that the Fee Rate calculated by the Operating Committee twice per year be based on ''reasonably budgeted CAT costs'' [248] and that such budgeted CAT costs be composed of ''all reasonable fees, costs and expenses reasonably budgeted to be incurred by or for the Company in connection with the development, implementation and operation of the CAT.'' [249] The Operating Committee must demonstrate that their proposed budget and associated fees are reasonable, and the Participants must provide support for such reasonableness in their associated fee filings. If a Participant cannot demonstrate both that their budgeted CAT costs are reasonable and that the proposed fee is reasonable and consistent the Exchange Act, then that would constitute grounds to suspend and disapprove not only fee filings seeking to recover the Participants' one-third share of CAT costs, but also fee filings seeking to collect Industry Members' two-thirds share.

The Participants may be further incentivized to limit CAT costs because even if a Participant were able to pass-through the Participant's allocated CAT costs to its members, the Participant would experience a delay in recouping such funds and bear the risk of non-payment from members. In addition, the higher the relevant CAT costs are, the more difficult it may be for the Participants to explain to their members and the more difficult it would be to establish a pass-through of a CAT fee or a recovery of the CAT costs by increasing other fees. For example, a Participant seeking to increase other fees to recover substantial CAT costs paid by that Participant would be required to establish that the specific fee increase is reasonable, and Industry Members and market participants would have the opportunity to comment and question whether or not that fee increase is reasonable.[250] Additionally, these incentives are further reinforced by a number of cost discipline mechanisms discussed below.[251]

Moreover, even if a Participant is able to establish that an increase in existing fees to recover CAT costs is consistent with applicable statutory standards, including that it is reasonable, equitable, and not unfairly discriminatory, Industry Members may be able to offset fees assessed to them by passing their CAT fees through to their customers.[252] The Commission recognizes that not all Industry Members currently pass through fees

[238] *See* Securities Exchange Act Release No. 104586 (Jan. 13, 2026), 91 FR 2164 (Jan. 16, 2026) (''CAIS Amendment Approval Order'').

[239] *See* Securities Exchange Act Release No. 104144 (Sept. 30, 2025), 90 FR 47853 (Oct. 2, 2025) (''September 2025 Exemptive Order'').

[240] *See* 2025 Cost Savings Amendment, at 61508–09.

[241] *See* Consolidated Audit Trail, LLC, 2026 Financial and Operating Budget, dated Dec. 11, 2025, *available at: https://www.catnmsplan.com/sites/default/files/2025-12/12.08.25-CAT-LLC-2026-Financial_and_Operating_Budget.pdf.*

[242] *See* Consolidated Audit Trail, LLC, 2025 Financial and Operating Budget, dated Nov. 20, 2024, *available at: https://www.catnmsplan.com/sites/default/files/2024-11/11.20.24-CAT-LLC-2025-Financial_and_Operating-Budget.pdf.*

[243] 15 U.S.C. 78s(b).

[244] 15 U.S.C. 78s(b)(3)(A); 17 CFR 240.19b–4(f)(2). Pursuant to Exchange Act Rule 19b–4, a proposed rule change may take effect upon filing with the Commission pursuant to Section 19(b)(3)(A) of the Exchange Act if properly designated by the self-regulatory organization as: (1) constituting a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule; (2) establishing or changing a due, fee, or other charge applicable only to a member; (3) concerned solely with the administration of the self-regulatory organization.

[245] 15 U.S.C. 78s(b)(3)(C).

[246] 15 U.S.C. 78s(b)(2)(B).

[247] *See* Section 6(b)(4); Section 15A(b)(5); Section 6(b)(5); Section 15A(b)(6). 15 U.S.C. 78f(b)(4); 15 U.S.C. 78f(b)(6); 15 U.S.C. 78o–3(b)(5); 15 U.S.C. 78o–3(b)(6). *See also e.g.,* Schedule A to the By-Laws of FINRA, Section 1(a) (stating ''FINRA shall, in accordance with this section, collect member regulatory fees that are designed to recover the costs to FINRA of the supervision and regulation of members, including performing examinations, financial monitoring, and policy, rulemaking, interpretive, and enforcement activities'').

[248] *See* proposed Section 11.3(a)(i)(A)(I) and proposed Section 11.3(a)(i)(A)(II).

[249] *See* proposed Section 11.3(a)(i)(C).

[250] The Commission has previously suspended and/or disapproved numerous rule filings submitted under Section 19(b), and Participants would be required to establish that any fee seeking to indirectly recover CAT costs satisfy *all* Exchange Act requirements, and the rules and regulations thereunder. *See e.g.,* Securities Exchange Act Release No. 101766, (SR–NASDAQ–2024–016) (disapproving fee proposal for, among other things, the Exchange not meeting its burden under the Exchange Act and the Commission's Rules of Practice to demonstrate that the Proposal is consistent with the requirements of Sections 6(b)(4), (b)(5), and (b)(8) of the Exchange Act, as well as Section 11A of the Exchange Act and Rules 603(a)(1) and 603(a)(2) of Regulation NMS which, among other things, require the Exchange to distribute market data on terms that are ''fair and reasonable'' and ''not unreasonably discriminatory.'').

[251] *See infra* notes 606–608 and accompanying text.

[252] *See* Notice, 90 FR at 17108; *see also* CAT LLC July Response Letter, at 8–9; *cf.* Citadel July 2023 Letter, at 20. Any efforts to recoup CAT costs will be subject to statutory and regulatory oversight as appropriate. Under the federal securities laws and FINRA rules, prices for securities and broker-dealer compensation are required to be fair and reasonable, taking into consideration all relevant circumstances. *See, e.g.,* Exchange Act Sections 10(b) and 15(c); FINRA Rules 2121 (Fair Prices and Commissions), 2122 (Charges for Services Performed), and 2341 (Investment Company Securities). *See also* FINRA Rule 3221 (Non-Cash Compensation). Broker-dealers are also required to disclose the fees they charge related to a transaction pursuant to Exchange Act Rule 10b–10. *See* 17 CFR 240.10b–10.

and cannot determine in advance the extent to which Industry Members can or will pass-through their CAT fees to investors or would determine to do so in the future. But the Commission believes that many are able to and that at least some will do so. For all of these reasons, the Commission does not believe that the potential ability of SRO costs to be passed through to Industry Members indirectly precludes a finding that the allocation model set forth in the Proposed Amendment meets the approval standard.

Contrary to the arguments of one commenter,[253] it is appropriate to charge executing brokers regardless of whether they are trading for their own account or for a customer's account. The Commission acknowledges that there is not a customer *per se* for proprietary trades and therefore, proprietary trading firms would not be able to pass-through their CAT fees to customers and proprietary trading firms would be incentivized to recoup CAT fees in other ways, including potentially higher trading spreads. However, regardless of whether a firm trades for its own account or for a customer account, in both instances, the firm engages in trading activity to earn a profit. In the Commission's view, it is reasonable to allow a firm to incur CAT fees for its profit-making business activities, such as proprietary activity. The Commission recognizes that Industry Members may pass-through CAT fees for customer executed volume but in the case of proprietary trades where a firm is trading for its own account, there is no customer to which the firm can pass-through fees, as the firm itself is the ultimate investor, and thus it is reasonable for the firm to be responsible for payment of CAT fees for those trades. CAT enables the Participants and the Commission to oversee and ensure the integrity of the markets from which Industry Members earn profits and therefore it is reasonable for fees to be charged for that profit-making activity, regardless of whether those fees can be passed on to customers.

Further, the fact that the proposed allocation did not account for the costs already incurred by Industry Members to comply with the CAT or other fees paid by Industry Members to exchanges for other regulatory matters do not render that allocation unreasonable. Both Participants and Industry Members have incurred costs in adapting their operations to report to CAT as is required to achieve the benefits anticipated from the CAT. The purpose of the funding model is to provide a framework for the recovery of a different set of costs—those incurred by the Participants' in developing and maintaining the CAT system. Section 11.1(c) of the CAT NMS Plan explicitly permits the Operating Committee to recover those costs, allowing it to ''take into account fees, costs and expenses . . . incurred by the Participants on behalf of the Company . . . and such fees, costs and expenses shall be fairly and reasonably shared among the Participants and Industry Members.'' [254] The decision to exclude the costs of compliance from this funding model is thus a reasonable one.

Nor does the Commission base its finding with respect to the proposed allocation of costs between Participant and Industry Members on their respective responsibility for any complexity in the markets. Regardless of the origin of that complexity, its existence contributes to the costs of CAT and the purpose of the funding model is to account for those current and future costs, not assess responsibility for the market structure. The Participants' decision to divide the costs evenly among the three parties who have primary roles related to the transaction is appropriate.

The Commission acknowledges the commenter concern that certain market makers may be responsible for a ''disproportionate percentage of total CAT system costs,'' and that these costs could be passed-on to other market participants through higher trading spreads, but the usage of executed equivalent share volume in the Executed Share Model is reasonably designed to attribute CAT fees to market participants in proportion to their trading activity. To the extent that certain market makers or market participants pay proportionately larger CAT fees, this is a result of more trading activity, which impacts CAT cost drivers. As previously stated, the Original Funding Model would have used message traffic, which could have resulted in an even greater share of costs on market makers and the provision of quotes.

The Commission believes that the Executed Share Model is a reasonable method of allocating costs for the interim period while the Commission engages in a comprehensive review of the CAT because it reasonably reflects the extent to which different CAT Reporters participate in and benefit from the equities and options markets,[255] and is transparent, would be relatively easy to calculate and administer, and is designed not to have an impact on market activity because it is neutral as to the location and manner of execution (*e.g.,* CAT fees would be the same regardless of whether a transaction is executed on an exchange or in the over-the-counter market).[256] The Participants considered, and have previously proposed, alternative allocations and funding models.[257] And the Commission acknowledges the alternative funding models and allocations suggested by commenters.[258] Each of those alternatives has relative strengths and weaknesses. Similarly, the alternatives suggested by a commenter,[259] including maximum and minimum fees, appropriate calibrations for liquidity provision and consideration of additional provisions (*e.g.,* broker-dealer capital), have strengths and weaknesses. For example, imposing maximum and minimum fees would transfer costs from the largest members to the smallest members, distorting the economic incentives of the Executed Share Model. A similar distortion could arise to the extent market maker volume is discounted or otherwise calibrated or to the extent considering other metrics that are not necessarily correlated with the cost drivers of the CAT. Given that each of these alternatives has its own potential weaknesses, and the limited time period for which this funding model is being approved, the Commission does not believe that the existence of alternatives, or the remaining concerns identified by commenters individually or

[253] *See* Citadel October 2025 Letter, at 7; Citadel July 2023 Letter, at 20; Citadel August 2023 Letter, at 3.

[254] *See* CAT NMS Plan, at Section 11.1(c).

[255] *See* Notice, 90 FR at 44911.

[256] *Id.*

[257] In the Proposed Amendment, CAT LLC stated that it considered but rejected a number of alternative approaches to the CAT funding model; specifically, an approach based on a CAT Reporter's cost burden on the CAT, a 50%–50% allocation of costs between Industry Members and Participant exchanges, a revenue-based funding model in which CAT Reporters would pay fees based on their revenue, a message traffic model in which both Industry Members and Participants would be assessed fees based on message traffic in the CAT, a sales value model in which fees would be calculated based on transaction sales models, an alternative allocation in which fees would only be allocated to the CEBS, and the 2018 and 2021 Fee Proposals, a model in which CAT LLC would allocate all costs among the Participants and permit each Participant to charge its own members as it deems appropriate, and a cost allocation based on a strict pro-rata distribution regardless of the type or size of CAT Reporters. *Id.* at 44928–30, 44941–42. While alternative models have been suggested and considered, the proposed Executed Share Model meets the approval standard in Rule 608(b)(2).

[258] *See* FINRA April 2023 Letter, at 5; Citadel July Letter, at 3, 30–32; Citadel August 2023 Letter, at 5.

[259] *See* Citadel August 2023 Letter, at 5.

collectively, call into question the Proposed Amendment's satisfaction of the approval standard in Rule 608(b)(2),[260] or otherwise warrant a departure from the policy choices made by the Participants.

3. Executed Equivalent Shares

Under the Executed Share Model, a CAT fee would be charged with regard to each transaction in Eligible Securities [261] as reported in CAT Data based on executed equivalent shares.[262] A CAT Fee would be imposed with regard to transactions in Eligible Securities in the CAT Data regardless of whether the trade is executed on an exchange or otherwise than on an exchange.[263]

Proposed Section 11.3(a)(i)(B) of the CAT NMS Plan describes how executed equivalent shares would be counted for purposes of calculating CAT fees. Specifically, the Executed Share Model uses the concept of executed equivalent shares as the transactions subject to a CAT Fee involve NMS Stocks, Listed Options and OTC Equity Securities, each of which have different trading characteristics.[264] Proposed Section 11.3(a)(i)(B) would require the shares to be reasonably counted for each type of Eligible Securities in the following manner:

NMS Stocks. Under the Executed Share Model, each executed share for a transaction in NMS Stocks would be counted as one executed equivalent share.[265] Accordingly, proposed Section 11.3(a)(i)(B)(I) of the CAT NMS Plan would state that ''[f]or purposes of calculating CAT Fees, executed equivalent shares in a transaction in Eligible Securities will be reasonably counted as follows: (I) each executed share for a transaction in NMS Stocks will be counted as one executed equivalent share.'' [266]

Listed Options. Recognizing that Listed Options trade in contracts rather than shares, each executed contract for a transaction in Listed Options will be counted using the contract multiplier applicable to the specific Listed Option in the relevant transaction.[267] Typically, a Listed Option contract represents 100 shares; however, it may also represent another designated number of shares.[268]

OTC Equity Securities. Similarly, in recognition of the different trading characteristics of OTC Equity Securities as compared to NMS Stocks, the Executed Share Model would discount the share volume of OTC Equity Securities when calculating CAT Fees.[269] CAT LLC explained that many OTC Equity Securities are priced at less than one dollar—and a significant number are priced at less than one penny—per share and low-priced shares tend to trade in larger quantities.[270] Accordingly, a disproportionately large number of shares are involved in transactions involving OTC Equity Securities versus NMS Stocks.[271] Because the Executed Share Model would calculate CAT Fees based on executed share volume, CAT Reporters trading OTC Equity Securities would likely be subject to higher fees than their market activity may warrant.[272] To address this potential concern, CAT LLC proposed that the Executed Share Model would count each executed share for a transaction in OTC Equity Securities as 0.01 executed equivalent shares.[273]

a. Executed Equivalent Share Volume

CAT LLC has represented that a disproportionately large number of shares are involved in transactions involving OTC Equity Securities versus NMS Stocks,[274] and that based on data from 2001, trades in OTC Equity Securities accounted for 77% of the number of all equity shares traded, but only 0.51% of the notional value of all equity shares traded,[275] and that under the Executed Share Model, CAT Reporters trading OTC Equity Securities would likely be subject to higher fees than their market activity may warrant.[276] CAT LLC also explained the analysis it undertook to determine to count each executed share for a transaction in OTC Equity Securities as 0.01 executed equivalent shares, stating the discount was the result of an analysis of several different metrics comparing the markets for OTC Equity Securities and NMS Stocks. CAT LLC stated that, using 2021 data, ''(1) the ratio of total notional dollar value traded for OTC Equity Securities to OTC Equity Securities and NMS Stocks was 0.051%; (2) the ratio of total trades in OTC Equity Securities to total trades in OTC Equity Securities and NMS Stocks was 0.90%; and (3) the ratio of average share price per trade of OTC Equity Securities to average share price per trade for OTC Equity Securities and NMS Stocks was 0.065%.'' [277] For ease of application and because the calculations involve averages, CAT LLC decided to round the metrics to 1%.[278]

In support of the use of executed equivalent shares to allocate costs under the Executed Share Model, CAT LLC explained that ''trading activity provides a reasonable proxy for cost burden on the CAT, and therefore is an appropriate metric for allocating CAT costs among CAT Reporters.'' [279] CAT LLC stated that it is not feasible to determine the specific cost burden of each CAT Reporter on the CAT, explaining that ''[t]he computation of a specific CAT Reporter's burden on the CAT is complicated by the many inter-related factors that contribute to CAT costs, including message traffic, data processing, storage, the complexity of reporting requirements, reporting timelines, infrastructure, connectivity and more.'' [280] CAT LLC added that increased trading activity correlates with an increased cost burden on the CAT and Industry Members are generally engaged in effecting transactions in the market, so executed share volume would be an appropriate metric for the allocation of CAT costs.[281] CAT LLC stated that this conclusion is consistent with the Commission's prior recognition of the use of transaction volume to set regulatory fees.[282] Additionally, CAT LLC stated that technology costs dominate all CAT costs, with compute costs comprising more than half of all technology costs, and ''[w]hile [compute costs] are related in part to message

[260] 17 CFR 242.608(b)(2).

[261] The CAT NMS Plan defines an ''Eligible Security'' as including all NMS Securities and all OTC Equity Securities. *See* CAT NMS Plan, at Section 1.1. ''NMS Security'' is defined as ''any security or class of securities for which transaction reports are collected, processed, and made available pursuant to an effective transaction reporting plan, or an effective national market system plan for reporting transactions in Listed Options.'' *Id.* ''OTC Equity Security'' is defined by the CAT NMS Plan as ''any equity security, other than an NMS Security, subject to prompt last sale reporting rules of a registered national securities association and reported to one of such association's equity trade reporting facilities.'' *Id.*

[262] *See* Notice, 90 FR at 44917–18.

[263] *Id.* at 44917.

[264] *Id.* at 44918.

[265] *Id.*

[266] Proposed Section 11.3(a)(i)(B)(I).

[267] *See* Notice, 90 FR at 44918.

[268] *Id. See also* proposed Section 11.3(a)(i)(B)(II).

[269] *See* Notice, 90 FR at 44918.

[270] *Id.*

[271] In an example provided by CAT LLC, based on data from 2021, (1) the average price per executed share of OTC Equity Securities was $0.072 and the average price per executed share for NMS Stocks was $49.51; and (2) the average trade size for OTC Equity Securities was 63,474 and the average trade size for NMS Stocks was 166 shares. Trades in OTC Equity Securities accounted for 77% of the number of all equity shares traded, but only 0.51% of the notional value of all equity shares traded. *Id.* at 44918, n.42.

[272] *Id.* at 44918.

[273] *See* proposed Section 11.3(a)(i)(B)(III).

[274] *See* Notice, 90 FR at 44918.

[275] *Id.* at 44918, n.42.

[276] *Id.* at 44918.

[277] *Id.*

[278] *Id.*

[279] *See* Notice, 90 FR at 44927.

[280] *Id.* at 44930.

[281] *Id.*

[282] *Id.*

traffic, they are driven by the stringent performance timelines, data complexity and operational requirements in the CAT NMS Plan.'' [283] This was one of the reasons CAT LLC decided to change from using message traffic to calculate CAT fees using executed equivalent share volume.[284]

In comment letters submitted in connection with the 2023 Funding Model Amendment, and incorporated by reference by the FINRA October 2025 Letter, FINRA questioned the support for the use of executed share volume instead of message traffic, which was previously proposed in prior funding models.[285] FINRA stated that the Proposed Amendment does not explain why the use of executed share volume as the basis of the cost allocation methodology, instead of message traffic, is equitable.[286] FINRA explained that in prior models, message traffic was the key proxy for cost generation used to align CAT fees with CAT costs, but the Executed Share Model would base its cost allocation methodology entirely on executed share volume.[287] FINRA stated that the Participants' argument that executed share volume is related to cost generation is not enough to demonstrate that its use is reasonable and equitable.[288]

In comment letters submitted in connection with the 2023 Funding Model Amendment, another commenter states that the Operating Committee cannot explain why the proposed allocation to Industry Members is equitable, noting that it previously stated that charging Industry Members based on message traffic was the most equitable means of establishing fees.[289] The commenter states that allocating costs among Industry Members based on share volume is inconsistent with the Exchange Act.[290] The commenter states that there is no evidence to support the Operating Committee's assertion that trading activity is a reasonable proxy for cost burden on the CAT, explaining that the Operating Committee has stated before that CAT Data processing requirements and message traffic are significant drivers of CAT costs. The same commenter states that, according to one Participant, options activity creates a greater cost burden than equities trading volume and that the Proposed Amendment does not accurately describe the sources of CAT's cost burdens.[291] The commenter states that the CAT Operating Committee must demonstrate how the proposed allocation would not unfairly discriminate against equities market participants and compare equities and options activity with respect to (i) their cost burden on the CAT and (ii) the allocation of CAT costs to Industry Members.[292] The commenter states that if the equities markets are subsidizing options activity, this could have broad impacts on equity market liquidity, competition and efficiency that must be assessed under the Exchange Act.[293]

Further, the commenter states that allocating costs based on volume would result in costs being mostly allocated to ''an extremely small group of broker-dealers,'' which would unduly burden competition.[294] The commenter states that the Proposed Amendment also lacks a discussion of the impact of this allocation on market competition, efficiency and liquidity, but that the Operating Committee recognized in the Proposed Amendment that prior proposals, where message traffic was a metric used for fee allocation, could impose an outsized financial impact on certain Industry Members.[295]

Additionally, FINRA objected to the statement in the Proposed Amendment that ''trading activity provides a reasonable proxy for cost burden on the CAT, and therefore is an appropriate metric for allocating CAT costs among CAT Reporters.'' [296] The commenter stated that this statement is inconsistent with information that demonstrates that volume from FINRA trade reporting facilities (''TRFs'') contribute ''a very small percentage of annual CAT compute and storage costs.'' [297] The commenter stated that as a result, it cannot support the Participants' assertion that trading activity is a reasonable proxy for cost burden.[298] The commenter stated that the Proposed Amendment ''fails to provide for reasonable fees that are equitably allocated and not unfairly discriminatory, does not reflect a reasonable approach to allocating costs amongst the Participants, nor does it transparently or accurately present information regarding the true sources of cost burdens on the CAT.'' [299]

This commenter further states that the Executed Share Model is inconsistent with the ''cost alignment'' funding principle in Section 11.2(b) of the CAT NMS Plan, which requires the Participants to seek to establish an allocation of costs that takes into account distinctions in the securities trading operations of Participants and Industry Members and their relative impact upon Company resources and operations.[300] The commenter states that ''the Proposal fails to establish a sufficient nexus between executed share volume and the technology burdens that generate CAT costs and fails to relate each reporter group's allocation to the burden that each reporter group imposes on CAT.'' [301]

In response to FINRA's comment raising concerns about the use of trading activity as a proxy for costs,[302] CAT LLC stated in a comment letter submitted in connection with the 2023 Funding Model Amendment that the proposed funding model would provide an appropriate approach for allocating CAT costs because Industry Member activity is generally for the purpose of effecting transactions, and trading activity impacts various factors driving CAT costs, such as storage, data processing and message traffic.[303] CAT LLC also stated that the Exchange Act does not require fees to be directly correlated with the costs created by the person charged the fee.[304] CAT LLC stated that it is difficult to determine the precise cost burden created by each CAT Reporter on the CAT, and believes trading activity is a reasonable proxy for cost burden on the CAT.[305]

CAT LLC responded to the commenter's statement that the proposed allocation is inconsistent with the cost alignment principles of the CAT NMS Plan by noting that the Proposed Amendment incorporates the concept of cost burden in at least two ways.[306] Specifically, CAT LLC stated that it does so because ''the allocation of CAT costs contemplates the effect of Industry Member activity on the cost of the CAT. . . and because trading activity provides a reasonable proxy for cost burden on the CAT, trading activity is an appropriate metric for allocating CAT costs among CAT Reporters.'' [307] CAT

[283] *Id.*

[284] *Id.*

[285] *See* FINRA June 2022 Letter, at 3, 4; Citadel July 2023 Letter, at 10.

[286] *See* FINRA June 2022 Letter, at 3.

[287] *Id.*

[288] *Id.* at 4.

[289] *See* Citadel July 2023 Letter, at 10.

[290] *Id.* at 19.

[291] *Id.* at 18, 19. *See also* Citadel August 2023 Letter, at 4.

[292] *See* Citadel August 2023 Letter, at 4.

[293] *Id.*

[294] *See* Citadel July 2023 Letter, at 19.

[295] *Id. See also* Citadel August 2023 Letter, at 2–3.

[296] *See* Notice, 90 FR at 44927.

[297] *See* FINRA May 2023 Letter, at 2.

[298] *See id. See also* FINRA April 2023 Letter, at 8.

[299] *See* FINRA May 2023 Letter, at 4.

[300] *Id. See also* FINRA April 2023 Letter, at 7–9.

[301] *See* FINRA June 2022 Letter, at 4.

[302] *See* FINRA May 2023 Letter, at 2.

[303] *See* CAT LLC July 2023 Response Letter, at 34.

[304] *Id.*

[305] *Id.*

[306] *See* CAT LLC May 2023 Response Letter, at 7.

[307] *Id.*

LLC added that because there are other examples of trading activity-based fees, the Executed Share Model would not be novel or unique.[308]

One commenter also states that equities market participants will contribute ''far more'' under the Proposed Amendment than options market participants due to the proposed allocation methodology.[309] This commenter states that the Commission must evaluate this split using CAT data and the invoices sent by CAT LLC over the past year under the vacated 2023 funding order (as the proposed allocation is the same) and (ii) the estimated CAT system costs associated with equities versus options trading activity in order to determine whether equities market participants are inappropriately subsidizing CAT costs arising from options activity and the associated economic implications.[310]

In comments submitted for the 2023 Funding Model Amendment, this commenter states that the funding model discriminates against Industry Members that handle retail orders because of the amount of retail activity in sub-dollar stocks and fractional share trading, and that the Proposed Amendment does not explain why volume by shares was chosen over notional volume, or address its impact on specific Industry Members, investors, or overall market competition, efficiency and liquidity.[311] This commenter states that the Proposed Amendment would particularly impact retail investors given the amount of retail trading in low-priced NMS stocks.[312] This commenter states that CAT LLC recognized the unfairness of allocating fees for OTC equities by amending the allocation formula, but that no similar adjustment for low-priced NMS stocks was included.[313] The commenter states that this creates ''nonsensical outcomes,'' stating that, ''for example, buying 1,000 shares of an NMS stock priced at $0.50 results in 50 times more fees than buying 2,000 shares of an OTC stock priced at $5, even though the purchase was for half the number of shares and 1/20th of the notional value.'' [314] In particular, the commenter states that it is arbitrary, capricious, and unfairly discriminatory for the CAT Operating Committee to significantly adjust executed share volumes for sub-dollar OTC Equity Securities but not to do the same for sub-dollar NMS stocks, as retail investor transactions will be allocated a disproportionate percentage of total CAT costs simply due to the securities traded.[315] The commenter states that the Commission must assess the economic implications of the Proposed Amendment for retail investors in particular, to help determine whether retail investors are inappropriately subsidizing CAT costs arising from other trading activity, leading to negative impacts on efficiency, competition, and capital formation.[316]

CAT LLC states that this commenter makes several arguments stating that the Proposed Amendment does not adequately explain why it is equitable to use executed equivalent share volume as the basis for calculating CAT fees rather than message traffic, and that this commenter made the same arguments with respect to the use of executed equivalent share volume to calculate CAT fees under the Executed Shares Model when it was originally proposed, and CAT LLC addressed those comments in its May 2023 Response to Comments.[317]

CAT LLC proposed to delete the requirement in existing Section 11.2(b) of the CAT NMS Plan to take into account ''distinctions in the securities trading operations of Participants and Industry Members and their relative impact upon Company resources and operations'' in establishing the funding of the Company.[318] CAT LLC explained that this requirement is related to using message traffic and market share in the calculation of CAT fees, as message traffic and market share were metrics related to the impact of a CAT Reporter on the Company's resources and operations.[319] CAT LLC explained that the requirement is no longer relevant because the proposed Executed Share Model uses the executed equivalent shares metric instead of message traffic and market share.[320]

With respect to the deletion in Section 11.2(b) of the requirement that, when establishing the funding of the CAT, the Operating Committee must take into account ''distinctions in the securities trading operations of Participants and Industry Members and their relative impact upon Company resources and operations,'' FINRA stated that the Participants have proposed to delete the language in Section 11.2(b) because the proposed Executed Share Model is inconsistent with the language.[321] FINRA stated that the Proposed Amendment ''seeks to amend the core funding principles to align with an unjustified allocation methodology.'' [322] FINRA stated that any changes to the funding principles ''must be well-reasoned and transparent and must continue to support the achievement of a fair and equitable outcome.'' [323]

In the Commission's view, the use of executed equivalent share volume as the basis for determining and allocating CAT costs during the two-year interim period is appropriate and consistent with the funding principles of the CAT NMS Plan.[324] The proposed use of executed equivalent shares would continue to incorporate the concept of cost alignment because trading activity, as reflected through executed equivalent share volume, would, as CAT LLC explained, correlate with the cost burden on the CAT.[325] It may not be possible to directly calculate each CAT Reporter's cost burden on the CAT due to the many factors impacting CAT costs, such as data processing, storage, reporting timelines and requirements, and connectivity. But executed equivalent share volume is a reasonable proxy for those costs because it is a result of trading activity, which CAT

[308] *Id.*

[309] *See* Citadel October 2025 Letter, at 6.

[310] *Id.*

[311] *See* Citadel July 2023 Letter, at 20; Citadel August 2023 Letter, at 5; Citadel October 2023 Letter, at 6.

[312] *See* Citadel October 2025 Letter, at 6. The commenter states that data shows that approximately 33% of total retail NMS stock trading activity in sub-dollar NMS stocks. *Id. See also* Citadel July 2023 Letter, at 20 (stating that the 2023 Funding Model Amendment made no adjustments for sub-dollar trading activity in NMS stocks, when adjustments were made to volume in OTC Equity Securities to adjust for the large number of shares transacted in sub-dollar securities).

[313] *See* Citadel October 2025 Letter, at 7.

[314] *See* Citadel October 2025 Letter, at 7.

[315] *See* Citadel August 2023 Letter, at 4–5 (stating that it is arbitrary, capricious, and unfairly discriminatory for the CAT Operating Committee to significantly adjust executed share volumes for sub-dollar OTC Equity Securities but not to do the same for sub-dollar NMS stocks, as retail investor transactions will be allocated a disproportionate percentage of total CAT costs simply due to the securities traded). The commenter states that since fractional shares would be rounded up to one share, the result would overstate volume. *See* Citadel July 2023 Letter, at 20.

[316] *See* Citadel October 2025 Letter, at 7. *See also* Citadel August 2023 Letter, at 4–5 (stating that the CAT Operating Committee must explain why it proposes to treat these securities differently and analyze the impact on retail investors).

[317] *See* CAT LLC December 2025 Response Letter, at 3; *see also supra* notes [345–350 and 372–374] and accompanying text. CAT LLC also states that it addressed this issue in the original filing proposing the 2023 Funding Model Amendment. *Id.*

[318] *See* proposed Section 11.2(b).

[319] *See* Notice, 90 FR at 44924.

[320] *Id.*

[321] *See* FINRA June 2022 Letter, at 4; *see also* FINRA April 2023 Letter, at 7.

[322] *See* FINRA June 2022 Letter, at 4. The commenter states that the Executed Share Model instead places the greatest emphasis on the funding principle relating to the ''ease of billing and other administrative functions,'' favoring that principle over cost alignment. *Id.* at 5.

[323] *Id.;* FINRA April 2023 Letter, at 8–9.

[324] *See* Section 11.2(b) of the CAT NMS Plan.

[325] *See* CAT LLC May 2023 Response Letter, at 7.

LLC explained impacts various CAT cost drivers, such as storage, data processing and message traffic.[326] In addition, because the proposed use of executed equivalent share volume would preserve the cost alignment principle, while no longer relying on message traffic, the deletion of the requirement in Section 11.2(b) of the CAT NMS Plan that the Operating Committee, in allocating costs, take into account ''distinctions in the securities trading operations of Participants and Industry Members and their relative impact upon Company resources and operations'' [327] is appropriate.

In response to the commenter that stated that equities market participants will contribute ''far more'' than options market participants,[328] the Commission believes that subsidization of options market activity likely is reduced due to other CAT cost burdens, such as those relating to data processing (such as equity linkage processing, which the Commission understands is more complex than options order linkage processing, and thus more costly), imposed on the CAT by equity market activity. The Commission, however, does not believe the failure to eliminate a potential subsidization of options market activity (and any potential attendant impacts on liquidity, competition and efficiency) renders the Participants' Funding Model proposal inconsistent with the Exchange Act. The Commission does not believe it is possible for the Participants to predict with certainty how the magnitude of each driver of CAT costs will change over time. To the extent the other costs noted above exceed, for example, the subsidy accorded to options market participants when calculating their executed equivalent shares, there may be no subsidy or even a reverse subsidy from options to equities markets. When the relative magnitudes of these cost drivers change, the amount of any subsidy changes. In light of the potential for the cost drivers to change over time, the Commission believes that the Participants' proposal is appropriate.

The Proposed Amendment's treatment of sub-dollar NMS stocks is appropriate. The Commission does not believe that the Participants' failure to discount sub-dollar NMS stocks renders the Proposed Amendment inconsistent with the Exchange Act. The Commission acknowledges one commenter's statement that retail investors could be allocated a disproportionate percentage of total CAT costs due to the lack of a discount for sub-penny NMS stocks.[329] However, treating a subset of NMS stocks differently from NMS securities could introduce unnecessary complexity or administrative burdens to the extent an NMS stock price falls or rises above a dollar. It is therefore appropriate for the Proposed Amendment to treat all NMS stocks the same, even though certain sub-dollar NMS stocks might have characteristics similar to OTC Equity Securities. Additionally, in response to the commenter's statement that since fractional shares would be rounded up to one share, the result would overstate volume,[330] the Commission notes that CAT fees will be based on the data contained in the transaction reports and transaction reports do not provide for fractional quantities; therefore, CAT fees cannot be calculated using fractional shares or fractional share components of executed orders at this time.[331] CAT LLC stated that if FINRA's equity transaction reporting facilities or the exchanges report transactions in fractional shares in the future, then the calculation of CAT fees would also reflect fractional shares.[332] In response to the comment that stated that the Proposed Amendment does not explain why volume by shares was chosen over notional volume,[333] calculating the notional value of stock introduces additional complexity as the notional value would have to be calculated and would depend on the value of the execution or trade, whereas the number of executed shares is reported and, in the cases of options for example, is based on a known multiplier (1/100). While using executed notional shares may offer advantages and may lessen any discrimination, the Proposed Amendment's use of executed shares is administratively easier, less prone to error, and thus for these reasons and the reasons set forth above, is a reasonable proxy for allocating the cost of the CAT.

The Original Funding Model would have used message traffic and market share to assess CAT fees on Industry Members and Execution Venues, respectively.[334] CAT LLC expressed its belief that the use of executed equivalent share volume would be an improvement on the Original Funding Model's use of message traffic,[335] explaining that the use of executed equivalent share volume would result in fees tied to transactions (which CAT LLC stated is the ''traditional source of revenue for Industry Members'' [336]), that the resulting CAT fees would not adversely impact market makers, and that the Executed Share Model is simple to understand and to implement.[337] CAT LLC stated that Industry Member revenue is often driven by transactions, but ''[b]ecause message traffic is separate from whether or not a transaction occurs, fees based on message traffic may not correlate with common revenue or fee models,'' [338] which could negatively impact certain Industry Members in a significant way.[339] CAT LLC stated that use of message traffic to calculate fees for Industry Members could adversely impact market makers because they generally create high levels of message traffic.[340] The Commission agrees with CAT LLC regarding the benefits of the Executed Share Model and the drawbacks of the Original Funding Model, and thus believe that the decision to replace the use of message traffic to calculate CAT fees with executed equivalent share volume in the Executed Share Model is appropriate.

Moreover, the Executed Share Model does not change the criteria used to charge Execution Venues (market share).[341] While there are differences in how the CAT fees would be allocated among the Participants under the Executed Share Model and the existing Original Funding Model, under the Executed Funding Model, as in the Original Funding Model, the fees charged to Participants will continue to be based upon the level of market share of each Participant.[342] The Original Funding Model approved by the Commission would have assessed CAT fees on Execution Venues (which would include the Participants) [343] based on market share determined by the share volume for a national securities exchange and determined by reported share volume of trades for a national securities association (*i.e.,* FINRA) that had trades reported by its members to

[326] *Id. See also* Notice, 90 FR at 44927, 44930.

[327] *See* Notice, 90 FR at 44924.

[328] *See* Citadel October 2024 Letter, at 6; *see also* Citadel August 2023 Letter, at 4.

[329] *See* Citadel October 2025 Letter, at 6–7; Citadel August 2023 Letter, at 4–5.

[330] *See* Citadel July 2023 Letter, at 20.

[331] *See* Notice, 90 FR at 44914.

[332] *Id.* at 44914, n.32.

[333] *See* Citadel July 2023 Letter, at 20. *See also* Citadel August 2023 Letter, at 5.

[334] *See* CAT NMS Plan, at Section 11.3(a) and (b).

[335] *See* Notice, 90 FR at 44930. The Original Funding Model uses message traffic as the basis of Industry Member CAT fees. *See* CAT NMS Plan, at Section 11.3(b).

[336] *See* Notice, 90 FR at 44927.

[337] *Id.*

[338] *Id.*

[339] *Id.*

[340] *Id.* at 44942.

[341] *See* CAT NMS Plan Approval Order, 81 FR at 84793–97; CAT NMS Plan, at Section 11.2, Section 11.3.

[342] *Id.*

[343] *See supra* note 17.

its trade reporting facility or facilities for reporting transactions effected otherwise than on an exchange in NMS Stocks or OTC Equity Securities.[344] FINRA's allocation of CAT fees under the Executed Share Model will continue to be based on its off-exchange market share.

The Commission recognizes that the proposed use of executed equivalent share volume is not a perfect proxy for CAT costs, but believes it is nonetheless a reasonable proxy. The costs of CAT are attributable to a number of factors, such as message traffic, storage, and data processing costs, and that for these reasons, the Commission understands that it is difficult to calculate each CAT Reporter's individual cost burden on the CAT. Additionally, there are other operational costs of the CAT that cannot be easily attributed to a particular CAT Reporter and that need to be funded, such as costs for CAT NMS Plan requirements related to intake capacity,[345] data search tools [346] and data security.[347] Based on the breadth of CAT costs, it is not feasible to calculate the cost burden on CAT of each CAT Reporter. A reasonable proxy for CAT cost burden must therefore be used. As discussed above, the Commission believes the proposed use of executed equivalent share volume is a reasonable method of approximating the cost burden of CAT.

Additionally, CAT LLC stated that the proposed Executed Share Model would not unfairly burden or favor a product or product type because the model would recognize the different types of securities by counting executed equivalent share volume differently for NMS Stocks, Listed Options and OTC Equity Securities.[348] The proposed treatment of these different types of securities would result in the equitable allocation of reasonable CAT fees across these securities. The Executed Share Model would count each executed contract for a transaction in Listed Options using the contract multiplier applicable to the specific Listed Option in the relevant transaction,[349] which is appropriate because a Listed Option contract typically represents 100 shares, or it could represent another designated number of shares, and since Listed Options trade in contracts instead of shares, they would need to be converted into shares for purposes of calculating the executed equivalent share volume of a transaction in Listed Options. For OTC Equity Securities, the Executed Share Model would count each executed share for a transaction in OTC Equity Securities as 0.01 executed equivalent shares,[350] which is appropriate because CAT LLC represented that this amount was a result of an analysis it conducted of several different metrics comparing the markets for OTC Equity Securities and NMS Stocks, specifically total notional dollar value, total trades, and average share price per trade.[351] Additionally, since transactions in OTC Equity Securities typically are priced below one dollar, or even one penny, and tend to trade in larger quantities, this treatment is appropriate to prevent CAT Reporters trading OTC Equity Securities from being assessed higher CAT fees than their activity would deserve.

The equal allocation of Participant CAT fees to Participants, regardless of whether they are transacting in options or in equities, is appropriate. The Original Funding Model would have divided Participant CAT fees by Execution Venues that execute transactions (or in the case of a national securities association, has trades reported by its members to its trade reporting facility or facilities for reporting transactions effected otherwise than on an exchange) in NMS Stocks or OTC Equity Securities and by Execution Venues that execute transactions in Listed Options.[352] The Executed Share Model instead assesses a CAT fee based purely on executed equivalent share volume.[353] CAT LLC explained that the use of equivalent executed share volume is designed to normalize options and equities in the calculation of fees, and to recognize and address the different trading characteristics of different types of securities by counting executed equivalent share volume differently for Listed Options and for equities.[354] The use of executed equivalent share volume and, in particular, the different weights assigned to equities versus options, are designed to result in an equitable treatment of the equities and options markets.

b. FINRA Allocation

Under the Executed Share Model, because FINRA is the Participant primarily responsible for oversight of off-exchange securities trading activity,[355] FINRA will likely have greater executed equivalent share volume than other Participants [356] and thus will be responsible for a significant portion of total CAT fees. In the Proposed Amendment, CAT LLC stated that the size of FINRA's fee is calculated based on the activity in the over-the-counter market.[357] CAT LLC stated that the executed equivalent share volume for over-the-counter trades in Eligible Securities in June 2025 was 377,983,597,154.08 out of a total volume of 952,977,614,616.08 executed equivalent shares for trades in Eligible Securities.[358] CAT LLC stated that approximately 40% of the executed equivalent share volume in Eligible Securities took place in the over-the-counter market.[359]

CAT LLC stated that the assessment of a CAT fee on FINRA in the same manner as the other Participants would not result in a burden on competition for FINRA or for Industry Members engaging in off-exchange activity.[360] CAT LLC also stated that FINRA and the exchanges should not be evaluated differently based upon the potential for a particular Participant to recoup its CAT fees through charging fees to its members or through revenue-generating activity other than passing its fees through to its members.[361] CAT LLC stated that each Participant, including FINRA, will need to determine for itself how it will obtain the funds to pay for its CAT fees.[362] Additionally, CAT LLC

[344] *See* CAT NMS Plan, at Section 11.3(a)(i).

[345] In the CAT NMS Plan Notice, the Commission said that it preliminarily believed that intake capacity level is likely to be a primary cost driver for the Central Repository. *See* Securities Exchange Act Release No. 77724 (Apr. 27, 2016), 81 FR 30614, 30770 (May 17, 2016) (''CAT NMS Plan Notice'').

[346] *See* CAT NMS Plan, at Appendix C, Section 8.1–8.2.

[347] *Id.* at Appendix D, Section 4.

[348] *See* Notice, 90 FR at 44938.

[349] *Id.* at 44918. A Listed Option contract typically represents 100 shares, or it could represent another designated number of shares. *Id.*

[350] *See* proposed Section 11.3(a)(i)(B)(III).

[351] *See* Notice, 90 FR at 44918.

[352] *See* CAT NMS Plan, at Section 11.3(a)(i), (ii).

[353] The Executed Share Model would count executed equivalent share volume differently for NMS Stocks, OTC Equity Securities and Listed Options for purposes of calculating a CAT fee. CAT LLC explains that the proposed approach ''would not favor or unfairly burden any one type of product or product type.'' *See* Notice, 90 FR at 44938. *See also supra* Part III.A.3.

[354] *See* Notice, 90 FR at 44918.

[355] *See* Securities Exchange Act Release No. 95388 (July 29, 2022), 87 FR 49930 (Aug. 12, 2022), at 49931 (stating that FINRA historically has overseen off-exchange securities trading activity and that ''the Exchange Act's statutory framework places SRO oversight responsibility with a [national securities association] for trading that occurs elsewhere than an exchange to which a broker or dealer belongs as a member.''), 49932 (stating that an exchange would primarily have SRO oversight responsibility of its members and their trading on the exchange, while SRO oversight of other trading activity, such as off-exchange trading, is primarily the responsibility of a national securities association).

[356] *See* Notice, 90 FR at 44932.

[357] *Id.*

[358] *Id.*

[359] *Id.*

[360] *Id.*

[361] *Id. See also* CAT LLC May 2023 Response Letter, at 9.

[362] *See* Notice, 90 FR at 44932.

stated that FINRA, just like the exchange Participants, has revenue sources other than membership fees,[363] explaining that FINRA generates significant revenues via Regulatory Services Agreements (''RSAs'') with the exchanges, among other sources.[364] According to CAT LLC, these other revenue sources may be used to pay CAT fees, and, if they are used, would not lead to an increase in fees for Industry Members.[365]

FINRA objects to the Proposed Amendment on the ground that it forces FINRA to bear a disproportionate share of CAT costs without grappling with the implications of these costs, particularly given FINRA's status as a non-profit, member-funded national securities association.[366] FINRA also states that its allocation would largely be based on transaction volume reported to the TRF, but that TRF transactions generate fewer costs for the CAT,[367] as opposed to options activity, and yet only 25% of total Participant CAT fees would be assessed for options activity, while the remaining 75% would be assessed for equities activity.[368]

FINRA states that, unlike the exchange Participants, transactions are not executed on a FINRA marketplace and FINRA does not receive commercial revenue for those transactions.[369] FINRA explains that it does not currently directly receive fees from its TRFs for listed stocks that would cover CAT costs, because each FINRA TRF is operated by an exchange that retains the trade reporting and market data revenues generated by TRFs, subject to certain payments to FINRA for agreed-upon costs.[370] Thus, FINRA states that ''exchanges have direct revenue streams from the operation of facilities on which the transactions that are taxed using the Executed Share Model occur,'' whereas FINRA generally does not retain such revenue for over-the-counter transactions in listed securities.[371] FINRA also states that its members can report over-the-counter transactions in listed stocks to the FINRA Alternative Display Facility, although most transactions are reported to a TRF.[372]

FINRA further states that regulatory services agreements (''RSAs'') that FINRA has entered into with various exchanges to perform regulatory oversight and market surveillance functions have RSA-related revenues that cover FINRA's costs of regulatory services provided to the exchanges. FINRA states that they have not been—and, as voluntary commercial contracts, cannot be reasonably viewed as—a reliable source of sustainable CAT funding sufficient to replace membership fees at the levels required by the Executed Share Model.[373] Additionally, FINRA questions CAT LLC's statement that the Proposed Amendment ''reflects a reasonable effort to allocate costs based on the extent to which different CAT Reporters participate in and benefit from the equities and options markets.'' [374] Specifically, the commenter asks how CAT LLC's statement explains the size of FINRA's allocation [375] and notes that this statement ''conflates the costs to create and operate the CAT with the usage of CAT data.'' [376]

FINRA also expresses concern about alleged arbitrary treatment by the other Participants of the CAT NMS Plan.[377] FINRA believes that its ''outsized allocation'' [378] was because of its limited voting power, only having one out of 25 votes on the Operating Committee as it does not control, nor is under common control with, any other Participant.[379] FINRA states that it is critical for the Commission to consider the differences among Participants and the inevitable impact on FINRA members of any cost allocation to FINRA.[380] FINRA believes that the other Participants' treatment of FINRA arbitrarily benefits themselves, treating FINRA as a market center in the CAT NMS Plan while not as a market center under the CT Plan, which governs the public dissemination of real-time consolidated market data for national market system stocks.[381]

Commenters also believe that the allocation to FINRA would increase the allocation to Industry Members.[382] FINRA stated that because it relies on regulatory fees from its members for funding, it must increase its member fees in order to fund CAT costs that it cannot recover from contractual arrangements with TRF exchanges.[383] FINRA stated that the Proposed Amendment does not adequately analyze the allocation's impact, including whether the allocation would increase Industry Members' allocation of total costs beyond two-thirds.[384] The other commenter states that the Proposed Amendment provides no explanation as to how FINRA, as a not-for-profit organization, will fund its allocation of CAT costs, and suggests that broker-dealers and their customers could actually be allocated, for example, at least 80% of the entire CAT budget due to bearing FINRA's portion.[385]

In the Proposed Amendment, CAT LLC contested the view that FINRA should not be treated as a market center for CAT funding purposes merely because FINRA is not treated as a market center for governance purposes under the National Market System Plan Regarding Consolidated Equity Market Data (''CT Plan'').[386] CAT LLC explained that the purpose and implementation of the CT Plan and the CAT NMS Plan are different.[387] CAT LLC stated that while the CAT NMS Plan explicitly contemplates charging fees to all Participants, including FINRA,[388] and that the CAT is solely for

[363] *Id.*

[364] *Id.*

[365] *Id.*

[366] *See* FINRA October 2025 Letter, at 4, 6–7; FINRA May 2023 Letter, at 2; FINRA April 2023 Letter, at 3; FINRA June 2022 Letter. *See also* FINRA Wilson Sonsini January 2026 Letter, at 4 (stating that CAT LLC ''elides FINRA's continued objections to a cost allocation methodology based entirely on executed share volume,'' and that ''FINRA objected to that model because it disproportionately allocated the Participants' share of CAT costs to FINRA, the only not-for-profit SRO that relies primarily on fees from its members for funding and the only Participant not operating a market''). The commenter has previously stated that FINRA's share was more than double that of the next highest Participant and $4 million more than all option exchanges combined. *See* FINRA April 2023 Letter, at 4; *see also* FINRA June 2022 Letter, at 5.

[367] *See* FINRA April 2023 Letter, at 8, n.23.

[368] *Id.;* FINRA May 2023 Letter, at 2.

[369] *See* FINRA April 2023 Letter, at 3; FINRA October 2025 Letter, at 12.

[370] *See* FINRA October 2025 Letter, at 12. *See also* FINRA April 2023 Letter, at 3.

[371] *See* FINRA October 2025 Letter, at 12. *See also* FINRA April 2023 Letter, at 4.

[372] *Id.* FINRA April 2023 Letter, 3, n.8.

[373] *See* FINRA October 2025 Letter, at 12. *See also* FINRA April 2023 Letter, at 4.

[374] *Id.* FINRA April 2023 Letter, at 7.

[375] *Id.*

[376] *Id.; see also* FINRA June 2022 Letter, at 6.

[377] *See* FINRA April 2023 Letter, at 6, n.16.

[378] *See* FINRA April 2023 Letter, at 7; FINRA June 2022 Letter, at 6.

[379] *See* FINRA April 2023 Letter, at 4, 8. *See also* FINRA June 2022 Letter, at 8.

[380] *See* FINRA October 2025 Letter, at 15–16.

[381] *See* FINRA April 2023 Letter, at 6, n.16.

[382] *See* FINRA April 2023 Letter, at 5–7; FINRA Wilson Sonsini January 2026 Letter, at 4; Citadel July 2023 Letter, at 2, 16, 21. *See also* Citadel October 2025 Letter, at 9.

[383] *See* FINRA April 2023 Letter, at 5–6. *See also* FINRA June 2022 Letter, at 7.

[384] *See* FINRA April 2023 Letter, at 6.

[385] *See* Citadel October 2025 Letter, at 9.

[386] *See* Notice, 90 FR at 44932. *See also* Joint Industry Plan; Order Approving, as Modified, a National Market System Plan Regarding Consolidated Equity Market Data; Securities Exchange Act Release No. 92586 (Aug. 6, 2021), 86 FR 44142 (Aug. 11, 2021) (File No. 4–757) (''Order Approving the CT Plan''). The Order Approving the CT Plan was vacated by the D.C. Circuit on July 5, 2022. *See The NASDAQ Stock Market LLC et al.* v. *SEC,* Case No. 21–1167, D.C. Cir. (July 5, 2022). *See also* Securities Exchange Act Release No. 88827; File No. 4–757 (May 6, 2020), 85 FR 28702 (May 13, 2020) (Order Directing the Exchanges and the Financial Industry Regulatory Authority to Submit a New National Market System Plan Regarding Consolidated Equity Market Data).

[387] *See* Notice, 90 FR at 44932.

[388] *See* CAT NMS Plan, at Sections 11.2 and 11.3.

regulatory purposes, providing a regulatory system to facilitate the performance of the self-regulatory obligations of all of the Participants, including the exchanges and FINRA,[389] ''[i]n contrast, the CT Plan governs the public dissemination of real-time consolidated equity market data for NMS stocks.'' [390]

In a response to the comments to the 2023 Funding Model Amendment, CAT LLC stated that the proposed transaction-based CAT fee is purposely agnostic as to the location of where a trade occurs, and an intent of this design is to avoid influencing whether or where any trading activity would take place. Moreover, CAT LLC stated that FINRA is no different from the exchanges in terms of its regulatory obligations regarding the CAT.[391] CAT LLC also stated that FINRA's allocation is ''fair and reasonable as FINRA is currently, and is expected to continue to be, one of the largest regulatory users of the CAT, and it is responsible for the oversight of the very large over-the-counter securities market.'' [392]

FINRA requested that if the Commission were to approve the Proposed Amendment, that it acknowledge ''FINRA's need and ability to cover CAT costs that are not recovered through contractual arrangements through member fee increases, so as not to jeopardize FINRA's ability to carry out its critical regulatory mission.'' [393] FINRA also stated that it would file a rule change to increase its member fees with the filing of any proposed rule change to effectuate the Funding Model.[394]

The Commission acknowledges that executions do not take place on FINRA; however, the CAT NMS Plan already categorizes FINRA as an Execution Venue because it has trades reported by its members to its TRFs for reporting transactions effected otherwise than on an exchange. Thus, treatment of FINRA as an Execution Venue is not a change to the existing CAT NMS Plan.[395] Additionally, this allocation of fees to FINRA is similar to how Section 31 fees are assessed on FINRA.[396]

The Commission acknowledges the comments objecting to the allocation to FINRA of approximately 40% of the total CAT costs to be borne by Participants,[397] but believes that it is appropriate for the Proposed Amendment to assess fees to FINRA based on executed equivalent share volume like the other Participants for purposes of funding the CAT during the interim two-year period in which the Proposed Amendment is in effect. FINRA is a Participant of the CAT NMS Plan. The CAT NMS Plan contemplates the allocation of a share of CAT costs to all Participants, and any funding model that governs during the interim two-year period must determine how to allocate the Participants' share among the individual Participants.[398] The Executed Share Model reasonably allocates CAT fees among the Participants based on market share. In particular, the Executed Share Model assesses CAT fees based on executed equivalent share volume and splits the fees evenly among the buyer, seller, and the market regulator in each transaction. FINRA would pay the Participant CAT fee based on off-exchange trades reported by its members to its trade reporting facilities because FINRA is the market regulator responsible for the market in which the TRF transactions occur. Since FINRA is generally the market regulator for the over-the-counter markets, its CAT fees, and thus market share, will be based on the trading activity in the over-the-counter markets reported to it by its members. The trading volume of the over-the-counter markets is greater than that on the exchanges; consequently, FINRA will likely be allocated a greater executed equivalent share volume, and thus a greater share of CAT fees, than the other Participants. That outcome reasonably reflects the fact that trading volume generates costs for CAT. As discussed above, because it is difficult to calculate each CAT Reporter's individual cost burden on the CAT, a reasonable proxy for CAT cost burden must be used, and executed share volume is one such reasonable proxy because trading activity impacts CAT costs. The proposed use of executed equivalent share volume is thus a readily determinable and equitable method of allocating costs during the interim two-year period. In practice, CAT Reporters will be assessed fees corresponding to their trading activity, or in FINRA's case, trading activity in the over-the-counter markets reported to it by its members.

The Commission recognizes that there could be other methodologies for allocating costs among CAT Reporters during the two-year interim period, such as allocations that take into account the manner in which each Participant earns revenue, but these other methodologies may be significantly more complex and would not necessarily more accurately reflect the cost burden of each CAT Reporter. CAT LLC chose to propose the use of executed equivalent share volume, explaining why trading activity is a reasonable proxy for cost burden and an appropriate metric for allocating CAT costs.[399] Although there may be multiple permissible approaches to cost allocation, the proposed allocation of Participant CAT fees based on executed equivalent share volume is appropriate and meets the Rule 608 approval standard.[400]

The Commission agrees with CAT LLC that the Executed Share Model reasonably assesses fees to FINRA in the same manner based on transaction volume as other Participants. The Executed Share Model is reasonably designed to be neutral as to the manner of execution and place of execution.[401] All Participants are self-regulatory organizations that have the same regulatory obligations under the Exchange Act, regardless of whether they operate as a for-profit or not-for-profit entity. Their regulatory responsibilities for the operations of CAT are the same.[402]

The Commission acknowledges the concern expressed that FINRA's allocation could indirectly increase the allocation of CAT fees to Industry Members since Industry Members contribute to FINRA's funding.[403] In addition, the Commission understands that FINRA does not directly receive fees from its TRFs for listed stocks that would cover CAT costs, because each FINRA TRF is operated by an exchange that retains the trade reporting and market data revenues generated by TRFs, and so FINRA generally does not

[389] *See* Notice, 90 FR at 44932.

[390] *Id.*

[391] *Id.*

[392] *See* CAT LLC July 2023 Response Letter, at 35.

[393] FINRA April 2023 Letter, at 7.

[394] *Id.*

[395] *See* CAT NMS Plan Approval Order, 81 FR at 84793; CAT NMS Plan, at Section 1.1. (defining ''Executing Venues'').

[396] 15 U.S.C. 78ee. Section 31 of the Securities Exchange Act requires each national securities exchange and national securities association to pay transaction fees to the Commission. Specifically, Section 31(c) requires each national securities association to pay to the Commission fees based on the aggregate dollar amount of covered sales transacted by or through any member of the association other than on an exchange. 15 U.S.C. 78ee(c). Section 31(a) permits the Commission to collect transaction fees and assessments designed to recover the costs to the Government of the annual appropriation to the Commission by Congress. 15 U.S.C. 78ee(a).

[397] *Id.* at 3.

[398] *See* CAT NMS Plan, at Section 11.1(b); Section 11.3(a).

[399] *See* Notice, 90 FR at 44927.

[400] *See* 17 CFR 242.608(b)(2).

[401] *See* Notice, 90 FR at 44927.

[402] *Id.*

[403] *See* FINRA April 2023 Letter, at 5–7; Citadel July 2023 Letter, at 2, 16, 21. *See also* FINRA Wilson Sonsini January 2026 Letter, at 4; FINRA June 2022 Letter, at 4.

retain revenue for over-the-counter transactions in listed securities.[404] As discussed above, however, the costs of CAT must be allocated between the Participants and Industry Members according to some formula. And each Participant and Industry Member must decide how to pay for the costs it incurs under the Plan. The Participants and Industry Members have different means of potentially directly or indirectly recovering from others some of the costs allocated to them (*e.g.,* the Participants indirectly from Industry Members and Industry Members directly or indirectly from customers). That would be true regardless of the initial allocation and does not change the fact that dividing the costs evenly among the three parties who have primary roles related to the transaction is a reasonable method of determining the initial allocation of CAT costs. If FINRA were to try to recover CAT costs by increasing existing fees on Industry Members, and could demonstrate that the proposed fees were consistent with the requirements of the Exchange Act, Industry Members may be able to offset any such increase in fees by passing the increase through to their customers, just as they may do with Section 31-related fees and other fees. The Commission recognizes, however, that not all Industry Members currently pass through fees or would determine to do so in the future.

Finally, the Commission does not agree with the comment that the Participants' treatment of FINRA is arbitrary because FINRA is treated as a market center for purposes of determining its CAT funding obligations while the CT Plan, which governs the public dissemination of consolidated market data, would not have counted FINRA's market activity for purposes of determining the allocation of votes on the Operating Committee.[405] The different treatment of FINRA in these NMS plans reasonably reflects the very different roles that a market center is used for in these contexts. FINRA and the exchanges are similarly situated in the relevant respect in the context of the CAT NMS Plan: all have self-regulatory obligations in their markets that CAT is intended to facilitate, and, like the original funding model, the Proposed Amendment thus allocates costs among the Participants based on market share. By contrast, the CT Plan concerns the dissemination of real-time market data for NMS stocks, a context in which FINRA and the exchanges are not similarly situated. Moreover, the CT Plan provisions discussed by the commenters involve the determination of which Participant(s) could be eligible for a second vote on the Operating Committee,[406] while the Executed Share Model proposes to assess FINRA a Participant CAT Fee based on its role as the regulator for the over-the-counter market in which such trades occur.[407] Any request that the Commission issue an order soliciting comment on whether the Operating Committee should be reorganized consistent with the CT Plan would be better addressed in the context of a separate Plan amendment.

4. CAT Executing Broker

As noted above, CAT Executing Brokers will be charged CAT fees.[408] CAT LLC proposed to add a definition of ''CAT Executing Broker'' to Section 1.1 of the CAT NMS Plan. The definition would explain which party would be identified as a CAT Executing Broker in a transaction.

With respect to transactions on an exchange and over-the-counter transactions, CAT LLC would use transaction reports reported to the CAT by FINRA or the exchanges to identify the transaction, as well as the CAT Executing Broker for each transaction, for purposes of calculating the CAT fees.[409] Under the Participant Technical Specifications, for transactions occurring on a Participant exchange, there is a field for the exchange to report the market participant identifier (''MPID'') of ''the member firm that is responsible for the order on this side of the trade.'' [410] The Industry Members identified in these fields for the transaction reports would be the CAT Executing Brokers for transactions executed on an exchange.[411] FINRA is required to report to the CAT transactions in Eligible Securities reported to a FINRA trade reporting facility (*i.e.,* the TRF, Over-the Counter Reporting Facility (''ORF'') and Alternative Display Facility (''ADF'')).[412] Under the Participant Technical Specifications, for such transactions reported to a FINRA trade reporting facility, FINRA is required to report the MPID of the executing party as well as the MPID of the contra-side executing party.[413] The Industry Members identified in these two fields for the transaction reports would be the CAT Executing Brokers for over-the-counter transactions.[414]

For transactions on ATSs, if an ATS is identified as the executing party and/or the contra-side executing party in the TRF/ORF/ADF Transaction Data Event, then the ATS would be a CAT Executing Broker for purposes of the Executed Share Model.[415] If the ATS is identified as the executing party for the buyer in such transaction reports, then the ATS would be the CEBB.[416] If the ATS is identified as the executing party for the seller in such transaction reports, then the ATS would be the CEBS.[417] If the ATS is identified as both the executing party and contra-side executing party, the ATS would be both the CEBB and the CEBS.[418] ATSs would determine the executing party and the contra-side executing party reported to FINRA's equity trading facilities in accordance with the transaction reporting requirements for FINRA's equity trading facilities.[419]

[404] *See* FINRA October 2025 Letter, at 12. *See also* FINRA April 2023 Letter, at 3–4.

[405] *See* FINRA April 2023 Letter, at 6. The CT Plan provided that an exchange group or independent exchange that has more than 15 percent of consolidated equity market share during four of the six calendar months preceding a vote of the operating committee would be authorized to cast two votes. The CT Plan stated that FINRA is not considered a market center for purposes of determining consolidated equity market share solely by virtue of facilitating trades through any TRF that FINRA operates in affiliation with a national securities exchange designed to report transactions otherwise than on an exchange. *See supra* note 386.

[406] *See* FINRA April 2023 Letter, at 6.

[407] *See* Notice, 90 FR at 44931–32.

[408] *See id.* at 44926.

[409] *Id.* at 44912. The transaction reports used to identify transactions and CAT Executing Brokers do not provide for fractional quantities; therefore, CAT fees would not be calculated using fractional shares or fractional share components of executed orders. *Id.* at 44914.

[410] *See* Section 4.7 (Order Trade Event) and Section 5.2.5.1 (Simple Option Trade Event: Side Trade Details) of the CAT Reporting Technical Specifications for Plan Participants, Version 4.2.0–r1 (Aug. 22, 2025), *https://catnmsplan.com/sites/default/files/2025-08/08.22.2025-CAT_Reporting_Technical_Specifications_for_Participants_4.2.0-r1.pdf.*

[411] *See* Notice, 90 FR at 44912.

[412] *See* Section 6.1 of the CAT Reporting Technical Specifications for Plan Participants (Aug. 22, 2025), *supra* note 410. A CAT Executing Broker in over-the-counter transactions identified on the TRF/ORF/ADF Transaction Data Event is determined based on the tape or media report, that is, a trade report that is submitted to a FINRA trade reporting facility and reported to and publicly disseminated by the appropriate exclusive Securities Information Processor. A CAT Executing Broker for over-the-counter transactions is *not* determined based on a non-tape report (*e.g.,* a regulatory report or a clearing report), which is not publicly disseminated. There is an exception to this statement for away-from-market trades. These are non-media trades reported to the TRF with an ''SRO Required Modifier Code'' of ''R''.

[413] *See* Notice, 90 FR at 44913.

[414] *Id.*

[415] *Id.* at 44913–14.

[416] *Id.* at 44914.

[417] *Id.*

[418] *Id. See also* FINRA, Trade Reporting Frequently Asked Questions at Section 203, *available at https://www.finra.org/filing-reporting/market-transparency-reporting/trade-reporting-faq#203;* FINRA Regulatory Notice 09–08, *available at https://www.finra.org/rules-guidance/notices/09-08.*

[419] *See* Notice, 90 FR at 44914.

For transactions that do not occur on an exchange and there is only a FINRA member identified for one side of the trade, that FINRA member would be treated as the CAT Executing Broker for both the buy-side and the sell-side of the transaction, that is, as the CEBS and CEBB.[420] Additionally, ''[f]or any trade report on which a Canadian non-member appears as a party to the trade, the FINRA member must appear as the reporting party.'' [421] In this situation, the executing broker identified in the ''reportingExecutingMpid'' field would be billed for both sides of the transaction.[422]

The Executed Share Model also provides for cancellations and corrections.[423] CAT LLC stated that it expects to determine CAT fees based on the transaction reports for a month as of a particular day.[424] To the extent that changes are made to the transaction reports on or before the day the CAT fees are determined for the given month, the changes will be reflected in the monthly bill.[425] To the extent that changes are made to the transaction reports after the day the CAT fees are determined for that month, subsequent bills will reflect any changes via debits or credits, as applicable.[426] CAT LLC represented that it will establish specific policies and procedures regarding the treatment of such adjustments as those related to cancellations and corrections, as is required under the CAT NMS Plan to adopt policies, procedures, and practices regarding the billing and collection of fees.[427] Furthermore, CAT LLC stated that it will inform Industry Members and other market participants of these policies and procedures via FAQs, CAT Alerts and/or other appropriate methods.[428]

In a comment for the 2023 Funding Model Amendment, a commenter suggests allocating costs to the party originating an order, stating that this would ''streamline the process and more accurately allocate costs . . .'' [429] With respect to alternatives to the proposed definition of the CAT Executing Broker, CAT LLC states that the ''originating broker'' suggestion was from a commenter who had previously recommended charging executing brokers in comment letters on an earlier funding model proposal.[430] CAT LLC states that the commenter's objection to charging executing brokers in the Executed Share Model was an attempt to further delay the approval of a funding model and the resultant payment of CAT fees by its members, rather than expressing a concern about the merits of charging executing brokers.[431] CAT LLC states that assessing a transaction-based fee to an executing broker is ''not new or novel.'' [432]

CAT LLC further states that it disagrees with charging an originating broker instead of an executing broker because there are already several existing examples of transaction-based fees being assessed to executing brokers as opposed to the originating broker (*e.g.,* TAF, Section 31 fees, ORF fees), and it disagrees with the assertion that charging originating brokers would be easier.[433] CAT LLC states that charging the originating Industry Member would be difficult to implement and would increase the costs of implementing CAT fees, whereas charging CAT Executing Brokers is simple, straightforward and in line with existing fee and business models because for any given trade (buy or sell), there is only one CAT Executing Broker to which shares can be allocated.[434] As such, CAT LLC states that ''charging the CAT Executing Broker is simple and straightforward, and leverages a one-to-one relationship between billable events (trades) and billable parties.'' [435] CAT LLC states that, for a single trade event, there may be many originating brokers, and each trade must be broken down on a pro-rata basis, ''to account[ ] for one or more layers of aggregation, disaggregation, and representation of the underlying orders.'' [436] Therefore, CAT LLC states that a model that begins the funding analysis with new order events (*e.g.,* MENO or MONO events) and then looks for any execution or fulfillment that is directly associated with that event does not reduce or mitigate the complexity associated with aggregation.'' [437] Further, CAT LLC states that the commenter's recommendation would not work with the design of the CAT system, stating that ''[w]hile CAT is indeed designed to capture and unwind complex aggregation scenarios, the data and linkages are structured to facilitate regulatory use, and not a billing mechanism that assesses fees on a distinct set of executed trades; it is not simply a matter of using existing CAT linkages.'' [438] CAT LLC also states that charging originating brokers would implicate issues related to lifecycle linkage rates, and issues related to corrections, cancellations and allocations, but charging CAT Executing Brokers would avoid such complications.[439] CAT LLC also states that allocating to the originating broker would not include Industry Members that were only involved in routing and execution, which would include ''some of the largest Industry Members,'' [440] and that these Industry Members ''are not involved in the origination of orders or originate few orders in relation to their overall market activity.'' [441] Furthermore, CAT LLC states that originating brokers would also need to establish processes for paying CAT fees, just as CAT Executing Brokers would.[442]

The commenter responds to the 2023 CAT LLC response letters by expressing uncertainty about CAT LLC's response that some of the largest Industry Members are not involved in order origination or originate few orders relative to their market activity, stating that it is unclear to whom the statement is referring since the executing broker and the originating broker would be the same firm in the case of proprietary trading activity.[443] Additionally, the commenter stated that the originating broker model should be pursued if it dramatically reduces market-wide implementation costs with a marginal increase in CAT costs, noting that Industry Members could bear most, if not all, CAT costs to implement the originating broker model.[444] The commenter stated that, before proceeding, the CAT Operating Committee must publish an analysis of the costs and benefits of the executing broker and originating broker models including any differences in CAT implementation costs and Industry Member implementation costs.[445]

In the Commission's view, CAT LLC's definition of ''CAT Executing Broker'' is appropriate given that the Executed

[420] *See* proposed Section 1.1 of the CAT NMS Plan (definition of ''CAT Executing Broker'').

[421] *See* Notice, 90 FR at 44914.

[422] *Id.*

[423] *Id.*

[424] *Id.*

[425] *Id.*

[426] *Id.*

[427] *See* CAT NMS Plan, at Section 11.1(d).

[428] *See* Notice, 90 FR at 44914.

[429] *See* Citadel July 2023 Letter, at 20.

[430] *See* CAT LLC May 2023 Response Letter, at 2.

[431] *See id.* at 3.

[432] *See* CAT LLC July 2023 Response Letter, at 5.

[433] *Id.* at 5. *See also* CAT LLC July 2023 Response Letter, at 3–4, 4 (detailing challenges of allocating CAT costs to originating brokers).

[434] *See* CAT LLC May 2023 Response Letter, at 5. *See also* CAT LLC July 2023 Response Letter, at 3.

[435] *See* CAT LLC May 2023 Response Letter, at 5. *See also* CAT LLC July 2023 Response Letter, at 4.

[436] *See* CAT LLC May 2023 Response Letter, at 5. *See also* CAT LLC July 2023 Response Letter, at 3.

[437] *See* CAT LLC May 2023 Response Letter, at 5.

[438] *Id.*

[439] *Id.*

[440] *See* CAT LLC July 2023 Response Letter, at 3.

[441] *Id.*

[442] *Id.*

[443] *See* Citadel August 2023 Letter, at 6.

[444] *Id.*

[445] *Id.*

Share Model is based upon the calculation of *executed* equivalent shares (emphasis added),[446] and the executing brokers are reasonably suited to know their own volume and plan for future volume of executed equivalent shares to pay the CAT fees. In addition, the Commission agrees with the Participants that the ease of administration in using the transaction reports to identify the executing broker is an advantage of the Proposed Amendment.[447] Given the similar issues with either approach—either charging the fees to a subset of Industry Members based on whether they are the ''CAT Executing Broker'' or the originating broker—it is appropriate to choose the less administratively burdensome of the two options. Accordingly, the assessment of CAT fees on CAT Executing Brokers is appropriate.[448]

In response to the commenter that questioned CAT LLC's response that some of the largest Industry Members are not involved in order origination or originate few orders relative to their market activity,[449] the Commission is not relying on this statement by CAT LLC and understands that the executing broker and the originating broker would be the same in the case of proprietary trading activity. Although one commenter suggested that the originating broker model should be pursued if it dramatically reduces market-wide implementation costs with a marginal increase in CAT costs,[450] the Commission believes that the executing broker model is appropriate. The Commission understands the argument that charging originating brokers instead of executing brokers would be easier and more cost effective for the executing brokers, but it would be at the expense of the originating brokers. The Commission also understands that charging executing brokers instead of originating brokers is easier and more cost effective for the CAT Plan Processor. Using CAT Data, the CAT Plan Processor can more easily determine which executing broker to charge. On the other hand, if the CAT Plan Processor were to charge originating brokers, the Commission believes the CAT Plan Processor would have to rely on linkages, which may not be one-for-one in all circumstances, to determine which originating broker to charge for an execution. And this difficulty not only would add to the costs of the CAT but also would impact transparency and potentially the relative simplicity of the CAT Fees. Moreover, the Proposed Amendment does not address how executing brokers pass-through CAT fees to their customers.

Using transaction reports to identify the transaction for purposes of calculating the CAT fees as well as the CAT Executing Broker for each transaction for purposes of calculating the CAT fees is a straightforward and more objective method of identifying executing brokers than other methods, such as identifying an originating broker through an evaluation of CAT linkages. Although the definition of ''CAT Executing Broker'' may not be used by the industry or universally accepted, CAT Executing Brokers will be able review their transactions reports and request details regarding the calculation of their fees, which should allow them to better assess the impact of the Executed Share Model on their business models.[451] It is appropriate for CAT LLC to establish policies and procedures on the treatment of adjustments related to cancellations and corrections. CAT LLC stated that to the extent changes are made to the transaction reports on or before the day the CAT fees are determined for the given month, the changes will be reflected in the monthly bill.[452] To the extent that changes are made to the transaction reports after the day the CAT fees are determined for that month, subsequent bills will reflect any changes via debits or credits, as applicable.[453] It is appropriate to adjust an Industry Member's or Participant's CAT fees for cancellations and corrections when such adjustments are made to the transaction reports that are used for calculate CAT fees for that month. Additionally, under Section 11.1(d) of the CAT NMS Plan, the Operating Committee is required to adopt policies and procedures regarding the billing and collection of fees.[454]

It is the Commission's view that charging CEBBs and CEBSs is appropriate. The Executed Share Model recognizes that there are three parties who play significant roles in transactions reportable to the CAT: the Participant, the buy-side and the sell-side.[455] The Proposed Amendment also is based on *executed* equivalent shares (emphasis added).[456] As such, CAT LLC stated that charging the CEBBs and CEBSs would reflect the executing role the CEBB and CEBS have in each transaction.[457] Additionally, charging CEBBs and CEBSs is in line with the use of transaction reports from the exchanges and FINRA's equity trading reporting facilities for calculating the CAT fees.[458] Specifically, these transaction reports identify CEBBs and CEBSs, so charging such entities potentially streamlines the fee charging process.[459] CAT LLC also explained that charging both the buy-side and the sell-side of a transaction would be consistent with other fees, such as the options regulation fee.[460]

Charging CAT Executing Brokers, clearing firms or ''originating brokers'' all would impose the costs initially on a subset of Industry Members. As discussed above, given that the charges are based on executed equivalent shares, it makes sense to use the CAT Executing Brokers as the immediate recipients of the charge. Accordingly, the Commission agrees with CAT LLC that it is reasonable to impose the charge on CAT Executing Brokers. The Commission acknowledges that charging CEBBs and CEBSs would impose a burden on such firms, which could potentially have an effect on their net capital. However, currently, such firms regularly pay transaction-based fees to the Participants, which they may pass-through to their customers who, in turn, may pass their CAT fees to their customers, until the fee is imposed on the ultimate participant in the transaction.[461] Additionally, unlike clearing firms that may simply clear a trade on behalf of the executing broker, executing brokers are always parties to a transaction, including instances that may result in CAT costs but not in actual trades, such as unexecuted orders. The Commission therefore agrees with CAT LLC that assessing Industry Members CAT fees on CEBBs and CEBSs would be appropriate for their ''executing role'' in each transaction.[462]

5. Prospective CAT Fees

a. Fee Rate Formula

Under the Executed Share Model, Participants, CEBSs and CEBBs would be subject to fees designed to cover the ongoing budgeted costs of the CAT, as determined by the Operating

[446] *See* Notice, 90 FR at 44912.

[447] *See id.* at 44943.

[448] *See* 17 CFR 242.608(b)(2).

[449] *See* Citadel August 2023 Letter, at 6.

[450] *Id.*

[451] *See* proposed Section 11.3(a)(iv)(A) and 11.3(b)(iv)(A) of the CAT NMS Plan. *See also infra* Part III.A.7. (Calculation Information; Billing and Collection of CAT Fees).

[452] *See* Notice, 90 FR at 44914.

[453] *Id.*

[454] *See* CAT NMS Plan, at Section 11.1(d).

[455] *See* Notice, 90 FR at 44932.

[456] *Id.* at 44914.

[457] *Id.* at 44928.

[458] *Id.*

[459] *Id.*

[460] *Id.* at 44926.

[461] *See* Notice, 90 FR at 44938.

[462] *Id.*

Committee.[463] Each Participant and CAT Executing Broker would be required to pay a CAT Fee related to Prospective CAT Costs for each transaction in Eligible Securities in the prior month based on CAT Data.[464] CAT Fees would be calculated by multiplying the executed equivalent shares in the transaction by one-third and the applicable ''Fee Rate.'' [465] The Commission received no comments on the Fee Rate Formula.

At the beginning of each year, the Operating Committee would set the Fee Rate to be used to determine CAT Fees.[466] To calculate the Fee Rate for Prospective CAT Costs, the Operating Committee would divide the reasonably budgeted CAT costs by the reasonably projected total executed equivalent share volume of all transactions in Eligible Securities for that year.[467] The Operating Committee would base the projected total executed equivalent share volume on the total executed equivalent share volume of transactions in Eligible Securities from the prior twelve months.[468] Additionally, CAT LLC would permit the Operating Committee to use its discretion to analyze likely volume for the upcoming year[469] and Participants would be required to describe the calculation of the projection in their fee filings submitted to the Commission pursuant to Section 19(b) to implement the CAT Fee for Industry Members.[470] The Operating Committee also would be required to perform a mid-year adjustment of the Fee Rate for CAT Fees related to Prospective CAT Costs.[471]

CAT LLC proposed Section 11.3(a)(i)(A)(I) of the CAT NMS Plan to describe the annual calculation of the Fee Rate and the requirement for Participants to file a fee filing for CAT Fees to be charged to Industry Members calculated using the Fee Rate. Under the Executed Share Model, the Operating Committee will calculate the Fee Rate by dividing the reasonably budgeted CAT costs for the year by the reasonably projected total executed equivalent share volume of all transactions in Eligible Securities for the year.[472] Should the budgeted costs be higher than actual costs, any budget surplus will be credited against the fees for the following year, as CAT LLC cannot hold higher than a 25% reserve.[473]

Once the Operating Committee has approved such Fee Rate, the Participants shall be required to file with the Commission, pursuant to Section 19(b) of the Exchange Act,[474] CAT Fees to be charged to Industry Members calculated using such Fee Rate.[475] Participants and Industry Members will be required to pay CAT Fees calculated using this Fee Rate once such CAT Fees are in effect with regard to Industry Members in accordance with Section 19(b) of the Exchange Act.[476]

Proposed Section 11.3(a)(i)(A)(II) of the CAT NMS Plan describes the mandatory mid-year calculation of the Fee Rate and the requirement for Participants to file a fee filing for CAT Fees to be charged Industry Members calculated using the Fee Rate. Under the Executed Share Model, the Operating Committee will adjust the Fee Rate once mid-year[477] by dividing the reasonably budgeted CAT costs for the remainder of the year by the reasonably projected total executed equivalent share volume of all transactions in Eligible Securities for the remainder of the year.[478] Once the Operating Committee has approved the new Fee Rate, the Participants shall be required to file with the Commission, pursuant to Section 19(b) of the Exchange Act, CAT Fees to be charged to Industry Members calculated using the new Fee Rate.[479] Participants and Industry Members will be required to pay CAT Fees calculated using this new Fee Rate once such CAT Fees are in effect with regard to Industry Members in accordance with Section 19(b) of the Exchange Act.[480]

CAT LLC proposed to add Section 11.3(a)(i)(A)(III) to the CAT NMS Plan to state that CAT Fees related to Prospective CAT Costs do not sunset automatically; such CAT Fees would remain in place until new CAT Fees are in place with a new Fee Rate.[481]

CAT LLC proposed to add Section 11.3(a)(i)(A)(IV) to the CAT NMS Plan to provide that the first CAT Fee may commence at the beginning of the year or during the year. If it were to commence during the year, the CAT Fee would be calculated as if it were a mid-year calculation.[482]

It is appropriate to require that each Participant, CEBB and CEBS pay a CAT Fee related to Prospective CAT Costs for each transaction in the prior month based on CAT Data.[483] Basing the CAT Fee on transaction data from the prior month is appropriate as it is recent in time and therefore more reflective of current market data, and the Commission did not receive any comments on this issue.

The manner in which the Fee Rate for Prospective CAT Costs will be calculated (*i.e.,* by dividing the CAT costs reasonably budgeted for the upcoming year by the reasonably projected total executed equivalent share volume of all transactions in Eligible Securities for the year) is appropriate.[484] The use of projected executed equivalent share volume in determining the Fee Rate is appropriate because it would provide the likely volume for the year to be used as the denominator. It is appropriate to use the prior twelve months to determine the projected total executed equivalent share volume of all transactions in Eligible Securities for the year[485] because it would be the most recent data available to use to make a projection needed to calculate the Fee Rate, and the most recent data is on balance more likely to resemble the near future.

Additionally, as noted above, that the Commission agrees with CAT LLC's analysis that ''trading activity provides a reasonable proxy for cost burden on the CAT, and therefore is an appropriate metric for allocating CAT costs among CAT Reporters.'' [486] Further, requiring that the CAT costs be ''reasonably budgeted'' and projected total executed equivalent share volume be ''reasonably projected'' is designed to help impose some discipline or constraints in the fee setting process. It is appropriate for CAT LLC to permit the Operating Committee to project the upcoming volume for the upcoming year.[487] It is not possible to know exactly what the volume will be before the year begins, so a projection will be necessary. If the volume turns out to be higher than projected, then CAT LLC will be able to use its reserve to cover any shortage. If it is lower, resulting in a budget surplus, the CAT fees for the following year would be

[463] *See* proposed Section 11.3(a)(i)(A)(I) and (II); proposed Section 11.3(a)(iii)(A).

[464] *See* proposed Section 11.3(a)(ii)(A) and (iii)(A).

[465] *Id.*

[466] *See* proposed Section 11.3(a)(i)(A)(I). The Fee Rate would be established through a majority vote of the Operating Committee. *See* Notice, 90 FR at 44932.

[467] *See* proposed Section 11.3(a)(i)(A)(I).

[468] *See* proposed Section 11.3(a)(i)(D).

[469] *See* Notice, 90 FR at 44918.

[470] *See* proposed Section 11.3(a)(iii)(B); 15 U.S.C. 78s(b).

[471] *See* proposed Section 11.3(a)(i)(A)(II).

[472] *See* proposed Section 11.3(a)(i)(A)(I).

[473] *See infra* Part III.A.5.c (Reserves).

[474] 15 U.S.C. 78s(b).

[475] *See* proposed Section 11.3(a)(i)(A)(I).

[476] *Id.*

[477] *See* proposed Section 11.3(a)(i)(A)(II).

[478] *Id.*

[479] *Id.*

[480] *Id.*

[481] *See* proposed Section 11.3(a)(i)(A)(III).

[482] *See* proposed Section 11.3(a)(i)(A)(IV).

[483] *See* proposed Section 11.3(a)(ii)(A) and (iii)(A).

[484] *See* proposed Section 11.3(a)(i)(A)(I).

[485] *See* proposed Section 11.3(a)(i)(D).

[486] *See* Notice, 90 FR at 44930.

[487] *Id.* at 44918.

lower.[488] Furthermore, since the Participants would be required to describe the calculation of the projected total executed equivalent share volume in the fee filings submitted to the Commission, pursuant to Section 19(b) of the Exchange Act, to implement CAT Fees for Industry Members, the public will have an opportunity to review the projection and provide comment.[489]

The annual and mid-year adjustments of the Fee Rate for Prospective CAT Costs [490] are appropriate because they would ensure that CAT Fees related to Prospective CAT Costs would stay aligned with changes to the budget and projected volume occurring as the year progresses with contemporaneous data. Additionally, calculating a CAT Fee that starts mid-year as if it were a mid-year Fee Rate calculation is appropriate because calculating it that way would base the CAT Fee on the budgeted CAT costs and projected total executed equivalent share volume of all transactions in Eligible Securities for the remainder of the year, rather than for the entire year. This is an appropriate treatment of a CAT Fee that would commence mid-year, not at the beginning of the year.

One commenter believes that the Proposed Amendment is unlawful because it does not include any detail regarding actual CAT costs that will be allocated to broker-dealers and instead relies on future filings made by each SRO pursuant to Commission Rule 19b–4.[491] This commenter states that Rule 608 of Regulation NMS, does not permit fee filings relating to an NMS Plan to be filed as immediately effective, and instead required that they be approved by the Commission prior to becoming effective.[492] In addition, the commenter states that the Commission must assess whether the actual costs that may be allocated are fair and reasonable because *post hoc* review of fee filings is insufficient.[493]

In response to a commenter to the 2023 Funding Model Amendment that raised a similar argument, CAT LLC stated that Proposed Amendment complies with Rule 608.[494] CAT LLC stated that Section 11.1(b) of the CAT NMS Plan requires the Participants to file Industry Member CAT fees pursuant to Section 19(b) of the Exchange Act,[495] and Section 19(b) permits fees to become effective upon filing.[496] CAT LLC also noted that the funding methodology for Participant fees would be established through the Proposed Amendment, which was filed in accordance with Rule 608; therefore, Participant CAT fees would be adopted in accordance with Rule 608.[497] CAT LLC stated that Industry Member CAT fees would be filed pursuant to Rule 19b–4 and those filings would be based on the Proposed Amendment, which would have to be approved pursuant to Rule 608, therefore ''any Industry Member CAT fees will have been subject to the same extensive notice and comment process as Participant CAT fees and must satisfy the requirements of the Exchange Act.'' [498]

CAT LLC states that the Funding Proposal complies with Rule 608 of Regulation NMS because Section 11.1(b) of the CAT NMS Plan, as approved by the Commission, requires the Participants to file Industry Member CAT fees pursuant to Section 19(b) of the Exchange Act, and Section 19(b) permits fees to become immediately effective upon filing.[499] CAT LLC states that the fee filing process under Section 19(b), and Rule 19b–4 thereunder, provides Industry Members protection from potentially unreasonable fees.[500]

The commenter responds to CAT LLC's statements by stating that CAT LLC ''simply'' points back to the 2016 CAT NMS Plan as permitting fee filings under Rule 19b–4, but the Commission amended Rule 608 in 2020 to require Commission approval of these filings, several years after the Commission approved the CAT NMS Plan.[501] This commenter states that the Proposed Amendment cannot be reasonable and equitable if it allows the SROs to recoup clearly unreasonable costs from broker-dealers and their customers pursuant to filings that are deemed immediately effective and immune from judicial review, contrary to explicit Commission rules.[502] Another commenter supports the view of that commenter, stating that the Proposed Amendment circumvents Rule 608 by relying on immediately-effective SRO fee filings.[503] This commenter states that Commission rules require that fees associated with NMS Plans like the CAT be approved under Rule 608 before they become effective, and imposing CAT costs via immediately effective SRO fee filings under Rule 19b–4 effectively shields core elements of the CAT funding model from both Commission approval and judicial review, contrary to the Commission's own rulemaking and the concerns highlighted by the Eleventh Circuit.[504]

The Commission disagrees with the commenters' position. The filing of Industry Member CAT fees under Rule 19b–4 is consistent with the structure of the CAT. The CAT NMS Plan functions as a joint agreement amongst the SROs who are parties to the CAT NMS Plan. But Industry Members are not parties to the Plan and the Plan itself does not bind Industry Members. Rather, Rule 608(c) of Regulation NMS requires each SRO to enforce compliance by its members with an effective NMS plan of which it is a sponsor or a participant.[505] Additionally, Rule 613(g) requires: (1) each SRO plan sponsor to file a proposed rule change to require its members to comply with Rule 613 and the CAT NMS Plan pursuant to Section 19(b)(2) of the Exchange Act and Rule 19b–4 thereunder; [506] (2) each member of an SRO plan sponsor to comply with the CAT NMS Plan; [507] (3) each SRO plan sponsor to agree to enforce compliance by its members with the CAT NMS Plan; [508] and (4) the CAT NMS Plan to include a mechanism to ensure compliance with the CAT NMS Plan.[509] Thus, Industry Members' CAT reporting requirements stem from rules the Participants put in place for their members pursuant to the Section 19(b)(2) rule filing process.[510]

The amendments to Rule 608 (''Rescission of Effective-Upon-Filing Procedure for NMS Plan Fee Amendments''), among other things,

[488] *See infra* Part III.A.5.c (Reserve).

[489] *See* proposed Section 11.3(a)(iii)(B).

[490] *See* proposed Section 11.3(a)(i)(A)(I) and (II).

[491] *See* Citadel October 2025 Letter, at 10; Citadel January 2026 Letter, at 5.

[492] *See* Citadel October 2025 Letter, at 10. *See also* Citadel July 2023 Letter, at 15 (stating that the proposed approach seems inconsistent with recent Commission rulemaking to ensure that fee filings related to an NMS plan can no longer be effective upon filing); ASA February 2026 Letter, at 4.

[493] *See* Citadel October 2025 Letter, at 11. The commenter states that historical CAT costs and the current CAT budget are known right now, and the Commission must determine whether those costs are reasonable to recoup. *Id.*

[494] *See* CAT LLC July 2023 Response Letter, at 30.

[495] *Id.*

[496] *Id.*

[497] *Id.* at 31.

[498] *Id.*

[499] *See* CAT LLC December 2025 Response Letter, at 8.

[500] *Id.*

[501] *See* Citadel January 2026 Letter, at 6. This commenter states that the Commission specifically referenced the CAT NMS Plan multiple times throughout the release, clearly conveying the expectation that fee filings under the CAT NMS Plan would be subject to Commission approval going forward. *Id.*

[502] *See id.*

[503] *See* ASA February 2026 Letter, at 4.

[504] *See id.*

[505] 17 CFR 242.608(c). *See also* CAT NMS Plan, at Section 3.11 (requiring each Participant to comply with and enforce compliance, as required by Rule 608(c), by its Industry Members with the provisions of Rule 613 and the CAT NMS Plan).

[506] 17 CFR 242.613(g)(1).

[507] 17 CFR 242.613(g)(2).

[508] 17 CFR 242.613(g)(3).

[509] 17 CFR 242.613(g)(4).

[510] *See* Securities Exchange Act Release No. 80256 (Mar. 15, 2017), 82 FR 14526 (Mar. 21, 2017).

rescinded Rule 608(b)(3)(i),[511] a provision that permitted fee changes assessed under NMS plans to become effective-upon-filing, and required NMS Plan fee amendments to be filed pursuant to Rule 608(b)(1) and (2), thus mandating an opportunity for public comment and Commission approval by order before the effectiveness of such fees.[512] Vendors and subscribers of market data under the Market Data Plans are subject to vendor or subscribers' fees charged by the applicable NMS Plan and filed by the NMS Plan using Rule 608. As these vendors and subscribers are not parties to the NMS Plans, the mechanism by which fees are imposed on them is contractual. Specifically, in order to receive market data under the NMS Plans, vendors and subscribers must individually enter into a vendor and/or a subscription agreement under which they agree to pay fees.[513] The rescission impacted the way the Commission considers fees imposed on vendors and subscribers of market data under Market Data Plans since their fees are filed by the NMS Plans pursuant to Rule 608.

In contrast, all Industry Members who are CAT Reporters are members of at least one Participant. Industry Members are bound by the rules of the Participant(s) of which they are members. The process for adopting rules of a Participant that affect their members is through the Section 19(b) rule filing process, which includes the ability to adopt immediately-effective fees.[514] Additionally, fees filed by the Section 19(b) rule filing process are still subject to public notice and comment, and the Commission may suspend and institute proceedings on these filings.[515] The Section 19(b) rule filings will be based on fees established by the Proposed Amendment—an amendment that was not filed under rescinded Rule 608(b)(3)(i) but noticed and subject to notice and comment. Through this process, market participants are able to comment on the Proposed Amendment, which is not effective upon filing, and market participants will not be charged a new or altered fee before comments can be submitted and considered, and the Commission approves the Proposed Amendment, consistent with the Rescission of Effective-Upon-Filing Procedure for NMS Plan Fee Amendments. Prior to the Rescission on Effective-Upon-Filing Procedure for NMS Plan Fee Amendments, the SROs could have filed fee proposals for immediate-effectiveness under the now rescinded Rule 608(b)(3)(i),[516] as well as through the Section 19(b) rule filing process.[517] The Rule 608 process would have permitted a single filing, while the Section 19(b) rule filing process requires each SRO to submit individual filings. In the case of the CAT, the Participants explicitly chose, in the CAT NMS Plan, the Section 19(b) rule filing process. For these reasons, the Commission does not believe that the Rescission of Effective-Upon-Filing Procedure for NMS Plan Fee Amendments impacts the CAT NMS Plan provisions relating to how Industry Member fees are filed with the Commission.

b. Budgeted CAT Costs

The calculation of the Fee Rate for CAT Fees related to Prospective CAT Costs requires the determination of the Budgeted CAT Costs for the year or other relevant period.[518] Proposed Section 11.3(a)(i)(C) of the CAT NMS Plan provides that the budgeted CAT costs for the year shall be comprised of all reasonable fees, costs and expenses reasonably budgeted to be incurred by or for the Company in connection with the development, implementation and operation of the CAT as set forth in the annual operating budget approved by the Operating Committee pursuant to Section 11.1(a) of the CAT NMS Plan, or as adjusted during the year by the Operating Committee.[519]

Section 11.1(a) of the CAT NMS Plan describes the requirement for the Operating Committee to approve an operating budget for CAT LLC on an annual basis. It requires the budget to ''include the projected costs of the Company, including the costs of developing and operating the CAT for the upcoming year, and the sources of all revenues to cover such costs, as well as the funding of any reserve that the Operating Committee reasonably deems appropriate for prudent operation of the Company.'' [520] CAT LLC proposed to amend Section 11.1(a) to require the Operating Committee to approve a *reasonable* operating budget for CAT LLC on an annual basis.[521]

CAT LLC also proposed to amend Section 11.1(b) of the CAT NMS Plan to add a reference to Section 11.1. Currently, Section 11.1(b) states that ''[s]ubject to Section 11.2, the Operating Committee shall have the discretion to establish funding for the Company'' including establishing fees to be paid by the Participants and Industry Members (that shall be implemented by the Participants) . . .'' [522] CAT LLC proposed to add a reference to Section 11.1 so that ''[s]ubject to Section 11.1 and Section 11.2'' the Operating Committee would have the discretion to establish funding for the Company.[523] CAT LLC explained that this proposed change is relevant because Section 11.1 relates to the budget and the budget is used to calculate fees.[524]

CAT LLC also proposed to add subparagraph (i) to Section 11.1(a) of the CAT NMS Plan to list the types of CAT costs to be included in the budget. Specifically, CAT LLC proposed to state that ''[w]ithout limiting the foregoing, the reasonably budgeted CAT costs shall include technology (including cloud hosting services, operating fees, CAIS operating fees, change request fees and capitalized developed technology costs), legal, consulting, insurance, professional and administration, and public relations costs, a reserve, and such other categories as reasonably

[511] 17 CFR 242.608(b)(3)(i).

[512] *See* Securities Exchange Act Release No. 89618 (Aug. 19, 2020), 85 FR 65470, 65471 (Oct. 15, 2020) (''Rescission on Effective-Upon-Filing Procedure for NMS Plan Fee Amendments Order'').

[513] *See, e.g.,* UTP Plan Subscriber Agreement, *available at https://www.utpplan.com/DOC/subagreement.pdf;* Second Restatement of the Plan Submitted to the Securities and Exchange Commission Pursuant to Rule 11Aa3–1 under the Securities Exchange Act of 1934, composite as of June 3, 2021, *available at https://www.ctaplan.com/publicdocs/ctaplan/notifications/trader-update/110000358917/CTA%20Plan%20-%20Composite%20as%20of%20June%203,%202021.pdf,* at Exhibit C (Form of Vendor Contract); at Exhibit D (Form of Subscriber Contracts).

[514] 15 U.S.C. 78s(b)(3)(A).

[515] *Id. See also* 17 CFR 240.19b–4(f)(2).

[516] *See* Rescission on Effective-Upon-Filing Procedure for NMS Plan Fee Amendments Order, at 65483 (noting that ''[s]ince 2017, the CAT Plan has filed two NMS plan fee amendments under Rule 608(b)(3)(i) to establish the allocation of funding for the CAT.''). As noted at the time, one of those fee filings was abrogated by the Commission and one was withdrawn by the Participants. *Id.* Subsequent to the Rescission on Effective-Upon-Filing Procedure for NMS Plan Fee Amendments, the Participants have filed all CAT Plan fee amendments pursuant to standard Rule 608 provisions, which means that such fee amendments have not been immediately effective and are subject to notice and comment, like the Proposed Amendment.

[517] *See* CAT NMS Plan Approval Order, at 84710, 84792–93, 84794, 84796–97.

[518] *See* proposed Section 11.3(a)(i)(A)(I).

[519] CAT LLC proposed to use budgeted CAT costs in calculating CAT Fees rather than costs incurred. CAT LLC explained that using budgeted CAT costs is necessary to build financial stability to support the Company as a going concern, in accordance with the funding principle in Section 11.2(f) of the CAT NMS Plan, because it would allow CAT LLC to collect fees before bills become payable. CAT LLC stated that if CAT Fees were only collected after bills become payable, Participants would have to continue to fund the CAT for all CAT costs to pay bills as they are due. *See* Notice, 90 FR at 44936.

[520] *See* CAT NMS Plan, at Section 11.1(a).

[521] *See* proposed Section 11.1(a).

[522] *See* CAT NMS Plan, at Section 11.1(b).

[523] *See* Notice, 90 FR at 44914.

[524] *Id.*

determined by the Operating Committee to be included in the budget.'' [525]

In a comment letter submitted for the 2023 Funding Model Amendment, a commenter states that the Operating Committee refuses to provide cost transparency, such as more details on the broad expense categories provided in the operating expenses (as well as the Historical CAT Costs) provided in the proposed amendment.[526] The commenter believes that the lack of transparency into costs would prevent the Commission from finding that the proposed allocation methodology is reasonable [527] and would raise concerns that inappropriate expenses would be allocated to Industry Members, like litigation expenses incurred by the Operating Committee against the Commission, and expenses prohibited by the Financial Accountability Amendments from being recovered by the Operating Committee.[528]

The commenter also suggests enhancements to improve budget transparency.[529] The commenter suggests that all CAT operating budgets should remain published on the CAT website [530] and that any material change to the CAT system, related technology contracts or implementation scope should require the filing of an NMS plan amendment explaining the necessity of the change and include a robust cost-benefit analysis.[531]

In addition, the commenter suggests that exchanges be responsible for costs that exceed the budget in order to incentivize cost control,[532] and that Industry Members should not be allocated costs for matters specifically for the benefit of the Operating Committee or the Commission (such as costs related to litigation ''or filings that are inconsistent with the Exchange Act'' [533]), stating that ''Industry Members should also not be allocated costs relating to how data is presented to, and used by, regulatory Staff at the SROs or the Commission.'' [534] Furthermore, the commenter suggests that change requests that do not involve specific NMS Plan requirements should be allocated to the requestor, including the Commission.[535]

This commenter also raises cost concerns in the context of the 2023 Funding Model Amendment, including discussing the need for a cost review mechanism.[536] The commenter requests that the Commission formally approve the CAT budget on an annual basis.[537] The commenter further states that the Proposed Amendment made no attempt to specify the key drivers of costs, such as explaining the requirements that resulted in significant cost increases, or the design alternatives the Operating Committee previously considered.[538] The commenter added that Industry Members must fund a 25% reserve above budgeted amounts, and ad-hoc discussions between the Operating Committee and the Commission could result in higher costs.[539] The commenter also suggests enhancements to reduce overall CAT operating costs.[540] Specifically, the commenter suggested that the Operating Committee and the Commission stop making changes to the CAT to stabilize operating costs, stating that there are changes slated for development that are currently subject to exemptive relief, and other requirements the commenter believes are outside the scope of the CAT NMS Plan that would result in costs that outweigh benefits.[541] The commenter suggests that the Operating Committee file an updated NMS plan to reflect the status quo,[542] and work with the Commission and industry to identify technical requirements that could be modified to reduce costs without sacrificing the key benefits of the CAT system, like moving timelines from T+1 to T+2.[543] The commenter also suggests that steps should be taken to streamline the CAT submission process to minimize reporting errors and to reduce industry implementation costs, like implementing further data validation.[544]

In response to the comment that suggested that all CAT operating budgets should remain published on the CAT website,[545] submitted in connection with the 2023 Funding Model Amendment, CAT LLC states that it publishes its annual financial statements from 2017-on and voluntarily publishes its annual operating budget and updates to the budget occurring during the year.[546] CAT LLC states that, in response to the comment, it intends that prior CAT operating budgets will stay available on the CAT website.[547]

In addition, in response to a commenter suggesting that the exchanges be responsible for any costs that exceeded the approved budget,[548] CAT LLC states that this suggestion would not result in a fair and equitable allocation consistent with the Exchange Act because Industry Member trading activity ''contributes significantly'' [549] to CAT costs and it would not be fair for Participants to bear CAT costs exceeding the budget if unexpected increases in trading volume resulted in the increased CAT costs.[550] CAT LLC also states that this suggestion could incentivize the Participants to base the budget on ''the most conservative projections for future Industry Member data volume'' [551] to not be responsible for costs that go over the budget.[552] In addition, CAT LLC states that the Proposed Amendment would include both a requirement to adjust the Fee Rate during the year to address any changes in projected or actual transaction volume or budgeted or actual CAT costs, and an operational reserve to address shortfalls in collected fees versus actual CAT costs.[553]

In response to suggestions to use an independent cost review mechanism,[554] CAT LLC states that such a review process is unnecessary because it would go beyond what is required by either Rule 613 or the CAT NMS Plan, and would be superfluous since any CAT fees must, prior to being implemented,

[525] *Id.* CAT LLC has stated that it will consider providing additional detailed subcategories regarding technology costs, but notes that what it is currently providing is consistent with what is made publicly available on its website. CAT LLC has stated that it will consider the need to provide additional detailed subcategories for any area besides technology, both because technology costs account for the majority of the budget and because it is not considered ''best practices'' to disclose detailed legal or insurance information, as these are particularly sensitive. *Id.* at 44915. Detailed information is always available to the Commission for review upon request. *Id.*

[526] *See* Citadel July 2023 Letter, at 13–14. *See also id.* at 23.

[527] *Id.* at 2, 15, 26.

[528] *Id.* at 2.

[529] *See* Citadel July 2023 Letter, at 33–35.

[530] *Id.* at 3, 34.

[531] *Id.*

[532] *See* Citadel July 2023 Letter, at 3, 32. *See also* Citadel July 2023 Letter, at 2, 26 (stating that that ''the trajectory of annual operating expenses is unconstrained,'' and that the ''magnitude and trajectory'' of the costs are not reasonable since Industry Members have borne nearly all CAT-related costs''); Citadel August 2023 Letter, at 7.

[533] *Id.* at 32.

[534] *Id.*

[535] *Id.*

[536] *See* Citadel July 2023 Letter, at 8, 26, 27. *See also* Citadel July 2023 Letter, at 3, 33 (suggesting that an independent expert committee assess whether cost levels and third party arrangements are reasonable, and whether more cost-control measures are warranted).

[537] *Id.*

[538] *Id.* at 14.

[539] *Id.* at 26.

[540] *See* Citadel July 2023 Letter, at 33–35.

[541] *Id.* at 3, 32–33.

[542] *See* Citadel July 2023 Letter, at 3, 33.

[543] *Id.*

[544] *Id.*

[545] *See* Citadel July 2023 Letter, at 3, 34.

[546] *See* CAT LLC July 2023 Response Letter, at 26.

[547] *Id.*

[548] *See* Citadel July 2023 Letter, at 32.

[549] *See* CAT LLC July 2023 Response Letter, at 12.

[550] *Id.*

[551] *Id.*

[552] *Id.*

[553] *Id.*

[554] *See, e.g.,* Citadel July 2023 Letter, 3; 2023 Funding Model Order, at 62654.

undergo the review process detailed in Rule 608 and Section 19(b) of the Exchange Act.[555] CAT LLC also notes that the Commission is entitled to request additional budget or cost information it views as necessary to better evaluate those fees.[556] CAT LLC also states that it already provides significant cost transparency through the public disclosure of its quarterly budget information and its financials, and that it is already actively engaged in cost discipline efforts, including through a designated cost-management working group.[557] CAT LLC further explain that Participants are subject to regulatory requirements to implement CAT and oversee their members and cannot have their compliance subject to a third party without such restrictions.[558] CAT LLC adds that the Commission itself could have its ability to oversee the securities markets undermined if CAT is subject to review by a third party without regulatory restrictions.[559]

In connection with the 2023 Funding Model Amendment, CAT LLC provides a further response to commenters that recommended the adoption of an independent cost review mechanism for CAT costs,[560] stating that a review process is not necessary or appropriate.[561] CAT LLC explains that it is already actively involved in cost discipline efforts, such as through a designated cost management working group, and already provides ''significant cost transparency'' by publishing its quarterly budget information and financial information.[562] CAT LLC also states that such a review process would go beyond the requirements of Rule 613 and would be unnecessary because changes to the funding model would be filed as a plan amendment under Rule 608 of Regulation NMS and CAT fees for Industry Members would be filed pursuant to Section 19(b) of the Exchange Act, and both processes would permit the public to comment on such proposals.[563] CAT LLC further states that providing a third-party that does not have regulatory obligations control over the annual budget could ''impermissibly restrict the Participants from discharging their regulatory obligations'' and undermine the Commission's ability to oversee the securities markets.[564] CAT LLC also responds to the commenter that urged the Commission to annually approve the CAT budget [565] by stating that such an approval process would not be necessary or appropriate as CAT LLC is a private entity subject to the requirements of the Exchange Act, not a governmental entity, and CAT fees would be filed with the Commission under Rule 608 of Regulation NMS and Section 19(b) of the Exchange Act and subject to the Commission's review for consistency with the Exchange Act.[566] Furthermore, CAT LLC states that the Commission can request budget and financial information from CAT LLC if necessary for the evaluation of CAT fee filings.[567]

In response to comments submitted in connection with the 2023 Funding Model Amendment expressing concern about increasing CAT operating costs,[568] CAT LLC describes its commitment to cost management,[569] stating that cost management is a top priority and that it works to reduce costs in a number of ways, including through the Cost Management Working Group comprised of senior members of the Participants that works to find and address cost management needs.[570] CAT LLC also notes that Rule 613 and the CAT NMS Plan ''impose significant regulatory obligations on the Participants regarding how to design, build and operate the CAT System'' and that the Commission could compel the Participants to comply with Rule 613 or the CAT NMS Plan through enforcement actions if CAT LLC and the Participants ever fail to do so.[571] CAT LLC states that its largest cost driver is the processing and storage of CAT data in the cloud.[572] CAT LLC states that CAT NMS Plan requirements ''do not allow for any material flexibility in cloud architecture design choices, processing timelines (*e.g.,* the use of non-peak processing windows), or lower-cost storage costs,'' limiting CAT LLC's cost management efforts, and provided examples where CAT LLC and the Plan Processor worked to optimize cloud cost savings despite regulatory constraints.[573] CAT LLC describes other steps it has taken to save costs, such as through requests to the Commission for exemptive relief and litigation challenging the Commission's interpretation of specific requirements of the CAT NMS Plan,[574] as well as identification of other changes that could substantially lower costs but would require exemptive relief or the filing of a Plan amendment.[575]

In response to one commenter's recommendation that CAT LLC work with the Commission to identify technical requirements that could be modified to reduce costs without sacrificing the key benefits of the CAT system,[576] CAT LLC states that both it and the Plan Processor work to identify and raise with Commission staff potential fundamental changes to the CAT NMS Plan that would limit costs without compromising on regulatory goals, and provided examples of such changes.[577]

Multiple commenters criticize the current cost of CAT and budget for CAT.[578] One commenter asks that the Commission obtain and assess the current and future trajectory of the CAT budget, including the key cost drivers and a detailed explanation as to why estimates from 2016 proved to be ''so inaccurate.'' [579] Another commenter states that the 2016 estimates of the cost of CAT ''proved to be grossly inaccurate'' and states that while recent cost-saving efforts are a good initial step, the annual CAT budget is still estimated to be nearly $200 million, which is ''far too high,'' and ''all options'' must be on the table to ''rightsize the system'' and design it more efficiently.[580] This commenter suggests some specific cost-savings measures for the CAT, such as relaxing processing deadlines, optimizing the linkage process, and simplifying data fields.[581]

One commenter characterizes the costs of the CAT as ''ballooning costs'' of a ''failed program,'' and states that the Commission must conduct a ''complete and comprehensive analysis of every

[555] *See* CAT LLC May 2023 Response Letter, at 10.

[556] *Id.*

[557] *Id.*

[558] *Id.*

[559] *Id.*

[560] *See* Citadel July 2023 Letter, at 33; 2023 Funding Model Order, at 62654.

[561] *See* CAT LLC July 2023 Response Letter, at 19.

[562] *Id.* at 20.

[563] *Id.* at 19–20.

[564] *Id.* at 20.

[565] *See* Citadel July 2023 Letter, at 33.

[566] *See* CAT LLC July 2023 Response Letter, at 20–21.

[567] *Id.* at 21.

[568] *See* Citadel July 2023 Letter, at 7–9; 2023 Funding Model Order, 88 FR at 62655.

[569] *See* CAT LLC July 2023 Response Letter, at 22–25.

[570] *Id.* at 22.

[571] *Id.*

[572] *Id.*

[573] *Id.* at 23.

[574] *Id.* at 24.

[575] *See* CAT LLC July 2023 Response Letter, at 25.

[576] *See* Citadel July 2023 Letter, at 33.

[577] *See* CAT LLC July 2023 Response Letter, at 25–26.

[578] *See* Citadel October 2025 Letter, at 4, 13; SIFMA October 2025 Letter, at 2; PTG Letter, at 3. *See also* AmFree Letter, at 1 (stating that the CAT is an ''unprecedented, multibillion-dollar surveillance apparatus).

[579] *See* SIFMA October 2025 Letter, at 2.

[580] *See* Citadel October 2025 Letter, at 4, 13 (stating that 2016 estimates of the cost of CAT ''proved to be grossly inaccurate'' and stating that); *See also* AmFree Letter, at 1 (stating that the CAT is an ''unprecedented, multibillion-dollar surveillance apparatus).

[581] *See* Citadel October 2025 Letter, at 13–14.

CAT-related cost,'' including an examination of how broker-dealer financial responsibilities were determined, and produce a public report detailing the findings of this audit, in order to ''ensure accountability to the investing public'' and ''improve the SEC's understanding of how costs for the CAT grew out of control.'' [582] Two commenters recommend engagement of a third-party technology firm to perform an independent review of the technological design of CAT to identify opportunities to optimize and reduce costs.[583] Two commenters state that the Commission should retire the electronic blue sheets system (''EBS''), which one commenter describes as a ''duplicative and costly legacy reporting system[.]'' [584]

Certain commenters also state that funding for the CAT should be part of the Commission's budget, funded through Section 31 fees and through Congressional appropriations.[585] One commenter states that in addition to being required by law, for the first time there will be meaningful checks and balances as part of the governance process and the Commission will be incentivized to carefully oversee the size of the CAT budget and carefully weigh the costs and benefits of required functionality, while Congress will have a clear role in order to protect against waste and regulatory overreach.[586] Another commenter states that this approach would better align incentives to control costs, address longstanding concerns about ineffective governance, and subject CAT to the checks and balances of the appropriations process for the SEC.[587]

CAT LLC responds to cost concerns by stating that the Participants and the Plan Processor have worked diligently, in close collaboration with the industry, over the past year to reduce the CAT budget from approximately $249 million at the beginning of 2025 to approximately $188 million as of November 7, 2025.[588] In the Notice, CAT LLC states that as a result of optimizations, per unit costs have decreased significantly, allowing cloud fees to remain generally flat over the last three years despite 41% growth in data volumes over the same three-year period—$136 million and 109 trillion events in 2022, $128 million and 116 trillion events in 2023, and $135 million and 154 trillion events in 2024.[589] CAT LLC states that the Participants and the Plan Processor continue to seek additional opportunities to reduce CAT operating costs, whether by developing proposals to modify CAT NMS Plan requirements where the cost outweighs the regulatory need or by identifying opportunities to implement operational optimizations within the bounds of current CAT NMS Plan requirements.[590]

CAT LLC disagrees with commenters regarding the need to engage an independent technology firm to identify potential cost savings opportunities, believing instead that the Participants and the Plan Processor—in consultation with Industry Members—are best situated to identify opportunities to reduce CAT operating costs based on their deep expertise and familiarity with the technical aspects of the CAT System.[591] CAT LLC also states that it supports the Commission's announced comprehensive review of the CAT as well as the Commission's broader efforts to ensure that CAT achieves its intended regulatory purposes in a cost-effective manner.[592]

CAT LLC also states that comments regarding Congressional appropriations and usage of Section 31 fees to pay for the CAT are focused on Congressional oversight of the Commission and its budget and, as such, they are more appropriately directed to the Commission—not CAT LLC.[593] CAT LLC states that in submitting the Proposed Amendment, CAT LLC has followed the requirements of Rule 608 of the Exchange Act which allows a proposed NMS Plan amendment to become effective upon a determination by the Commission that it is consistent with the Exchange Act and the rules and regulations thereunder.[594]

The Commission believes that some aspects of these comments are beyond the scope of the Proposed Amendment, such as the requests to retire EBS and various other cost-savings measures proposed for the CAT.[595] Suggestions to retire EBS fall outside the scope of the purview of the Participants, and suggestions to reduce CAT operating costs are better addressed in the context of a separate Plan amendment or requests for exemptive relief. However, the Commission is engaged in a comprehensive review of the CAT, and as part of this process the Commission expects to engage with the Participants, Industry Members, and the public more broadly on EBS, potential cost-savings measures for the CAT, and other issues.[596]

In the context of its comprehensive review of the CAT, the Commission also expects to seek input on potential alternative methods for funding the CAT. For the reasons discussed above, the Commission believes that the Proposed Amendment represents a reasonable approach to allocating the costs of the CAT during the interim period while the Commission engages in its review.

The Commission acknowledges the comments expressing concern about past increases to the CAT operating budget,[597] and the comments urging the

[582] *See* ASA October 2025 Letter, at 3. *See also* ASA February 2026 Letter, at 2 (requesting that ''the Commission conduct a complete and transparent financial audit of the CAT,'' and stating that the ''results of that audit should be compiled into a public report that identifies any waste, mismanagement, or abuse, and should be completed before the Commission approves any new funding plan'').

[583] *See* Citadel October 2025 Letter, at 13; PTG Letter, at 3 (stating that the Commission should direct the CAT Operating Committee to engage an independent technology firm to evaluate the CAT's scope and system design, identifying opportunities to reduce costs).

[584] PTG Letter, at 3; Citadel October 2025 Letter, at 13.

[585] *See* Citadel January 2026 Letter, at 8; Citadel October 2025 Letter, at 13; SIFMA October 2025 Letter, at 4–5; PTG Letter, at 3. *See also* Citadel July 2023 Letter, at 28–29.

[586] *See* Citadel October 2025 Letter. at 13.

[587] *See* SIFMA October 2025 Letter. at 4–5. *See also* PTG Letter, at 3 (stating that placing CAT within the Commission's budget would better, align incentives to control CAT costs and improve cost discipline and accountability).

[588] *See* CAT LLC December 2025 Response Letter, at 12 n.62. *See also* Notice, 90 FR at 44940 (stating that in spite of the need to process and store extremely large data volumes within strict requirements that leave little room for flexibility or discretion, the Plan Processor have continuously and effectively pursued cost savings measures within their control and have achieved meaningful cost reductions within these significant regulatory restraints).

[589] *See* Notice, 90 FR at 44940. In the Notice, CAT LLC also lists example Plan amendments, exemptive relief requests, and no-action requests presented to the Commission that CAT LLC states would materially reduce costs while preserving the CAT's core regulatory objectives. *Id.* at 44940–41.

[590] *Id.* (noting that on December 17, 2025, CAT LLC filed a proposed amendment to the CAT NMS Plan with the Commission that, if approved, would further reduce CAT costs by approximately $70–$90 million per year).

[591] *See* CAT LLC December 2025 Response Letter, at 12 n.62. CAT LLC continues to note that the Participants and the Plan Processor have worked diligently, in close collaboration with the industry, over the past year to reduce the CAT budget from approximately $249 million at the beginning of 2025 to approximately $188 million as of November 7, 2025, and continue to seek additional opportunities to reduce CAT costs. *Id.*

[592] *See* CAT LLC December 2025 Response Letter, at 12.

[593] *See id.* at 10.

[594] *Id.*

[595] *See* PTG Letter, at 3; Citadel October 2025 Letter, at 13; Citadel October 2025 Letter, at 13.

[596] *See* ''Evaluating the Continued Effectiveness of the Consolidated Audit Trail,'' *https://www.reginfo.gov/public/do/eAgendaViewRule?pubId=202504&RIN=3235-AN54.*

[597] *See, supra* note 578. *See also* Citadel August Letter, at 8; Citadel July 2023 Letter, at 2,5. Under the Proposed Amendment, the Participants must submit Rule 19b–4 filings that include a discussion of the budget that was used to calculate the Fee

need for independent review of costs,[598] but believes the Participants have reasonably explained why they chose not to include an independent cost review mechanism for budgeted CAT costs for the reasons stated in the Notice.[599] As discussed above, the Participants continue to have incentives to contain costs that are within their control as a result of, among other things, the transparency of the budget and Rule 19b–4 process, the one-third allocation of costs to Participants, and the direct pass-through prohibition.[600] In addition, the Participants' and Plan Processor's efforts to reduce the CAT budget in recent years, and continued analysis and development of proposals to modify CAT NMS Plan requirements in an effort to reduce CAT operating costs, demonstrate a sustained commitment to cost control even in the absence of an independent cost-review mechanism.[601] Going forward, in connection with its comprehensive review of the CAT, the Commission encourages CAT LLC to collaborate with industry and investigate the potential benefits and drawbacks of a potential third-party or independent review of CAT costs.

As discussed above, the Commission does not believe that a complete, preemptive prohibition on any form of pass-through is necessary to maintain adequate incentives and commitment to cost control during the two-year interim period in which the Proposed Amendment is in effect.[602] Unlike the funding model vacated by the Eleventh Circuit, the Proposed Amendment prohibits direct pass-through, and while the Proposed Amendment does not affirmatively prohibit other forms of pass-through, the Commission has made no determination that it would be permissible for any Participant to indirectly pass through its share of CAT costs.[603] Rather, as discussed above, any such attempts would be subject to the Section 19(b) fee filing process, and to the extent the Participants fail to control costs, their ability to demonstrate that a proposed fee is reasonable and consistent with the Exchange Act may be compromised. Industry Members may also raise any concerns about the amounts allocated for each category in a particular budget when fee filings are submitted for Prospective CAT fees. The Section 19(b)(2) rule filing process provides an opportunity for public comments and will allow commenters to raise concerns if they believe fees, including CAT Fees, are not reasonable and equitably allocated, would result in unfair discrimination, or would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Exchange Act. Moreover, as regulator of the Participants, the Commission oversees and enforces compliance with the Plan, as well as consistency of any fees with statutory and regulatory standards.[604]

The Participants would be required to describe each line item in the fee filings for Industry Member CAT Fees and the Historical CAT Assessment, including the reasons for changes in each line item from the prior CAT fee filing, and would have to provide sufficient detail to demonstrate the budget or Historical CAT Costs (as applicable) is reasonable and appropriate.[605] While the above obligations and controls are sufficient, other cost discipline mechanisms proposed by CAT LLC would provide beneficial cost transparency, which would help keep fees and costs reasonable.[606] For example, (1) Section 9.2(a) of the CAT NMS Plan requires CAT LLC to make public an audited balance sheet, income statement, statement of cash flows and statement of changes in equity, and requires the Operating Committee to maintain a system of accounting established and administered in accordance with GAAP and to prepare financial statements or information supplied to the Participants in accordance with GAAP;[607] (2) CAT LLC publicly provides the annual operating budget and updates to the budget on the CAT NMS Plan website and also has held webinars about CAT costs and alternative funding models; (3) involvement by CAT LLC and FINRA CAT in efforts to reduce CAT costs through CAT working groups and review of options to lower costly needs and obtain services in a cost-effective manner; and (4) Commission oversight of CAT funding through attendance at Operating Committee, Subcommittee and working group meetings and review of the Proposed Amendment and any associated CAT fees.[608] Additionally, the specification of the items required to be included in the operating budget is appropriate in that it will help the Commission, Industry Members and others evaluate CAT costs for purposes of commenting on CAT fees when they are proposed under Section 19(b) of the Exchange Act.[609] This additional detail should provide sufficient information about the budget for the Commission to determine whether such proposed fees are reasonable, and obviate the need for a separate Commission approval of the CAT budget, as suggested by commenters.[610] Additionally, the Commission understands that technology costs account for more than 90% of the CAT budget[611] and thus believes that it is appropriate for the CAT NMS Plan to require the Participants to separate such costs into costs for cloud hosting services, operating fees, CAIS operating fees, change request fees and capitalized developed technology costs.[612]

The Commission acknowledges the enhancements a commenter suggests in a comment letter for the 2023 Funding Model Amendment to reduce CAT operating costs by modifying the technical specifications (*e.g.,* by moving certain timelines to T+2 from T+1) and streamlining the reporting submission process (*e.g.,* implementing further data validation),[613] but such suggestions are better addressed in the context of a separate Plan amendment that could solicit public comment on and explore

Rate. At such time the Commission, Industry Members and the public will have an opportunity analyze the budget. This Order, which approves the Funding Model, does not weigh-in on the budgets or the resulting Fee Rates.

[598] *See, supra* note 583. *See also* Citadel July 2023 Letter, at 8, 26, 27.

[599] *See* Notice, at 90 FR 44934.

[600] *See supra* notes 236–242, and accompanying text.

[601] *See supra* note 591 (stating that the CAT budget has been reduced from approximately $249 million at the beginning of 2025 to approximately $188 million as of November 7, 2025).

[602] *See* supra notes 236–242, and accompanying text.

[603] *See* supra Part III.A.2. By contrast, the Eleventh Circuit interpreted certain specific language in the 2023 Funding Model Amendment Approval Order as allowing the Participants to shift all of the costs of CAT onto broker-dealers. 147 F.4th at 1272, 1276 (citing 88 FR 62684 n.1135 and 62636).

[604] *See* 17 CFR 242.608(b)(2), (c), (d); 17 CFR 242.613(h).

[605] *See* proposed Section 11.3(a)(iii)(B); proposed Section 11.3(b)(iii)(B)(II).

[606] *See* Notice, 90 FR at 44939–40.

[607] *See* CAT NMS Plan, at Section 9.2(a). Section 9.2(a) states that unaudited statements shall be subject to year-end adjustments and may not include footnotes.

[608] *See* Notice, 90 FR at 44940. CAT LLC also lists the following as cost-control mechanisms: (1) CAT LLC must operate on a break-even basis, in which fees would be used to recover costs and a reserve, and a surplus would be treated as an operational reserve to offset future fees (*see* CAT NMS Plan, at Section 11.1(c)); (2) CAT LLC qualifies as a Section 501(c)(6) business league, which means it is not organized for profit and no part of its net earnings can inure to the benefit of any private shareholder or individual (26 U.S.C. 501(c)(6)). *Id.* at 44939–40.

[609] 15 U.S.C. 78s(b).

[610] *See* proposed Section 11.1(a)(i); proposed Section 11.3(a)(iii)(B) (requiring the information to be provided in the Industry Member CAT Fee filings submitted by the Participants to be of sufficient detail to demonstrate that the budget for the upcoming year, or part of year as applicable, is reasonable and appropriate).

[611] *See* Notice, 90 FR at 44914–15.

[612] *Id.* at 44914.

[613] *See* Citadel July 2023 Letter, at 33–35.

such amendments more fully.[614] The commenter also suggests that the CAT Operating Committee and the Commission stop making any changes to the CAT.[615] The Commission disagrees that the changes cited by the commenter are new CAT NMS Plan requirements; indeed the relevant Commission orders granting exemptive relief discuss the various requirements under the CAT NMS Plan that form the basis of the relief granted.[616] Furthermore, any amendments to the requirements in the CAT NMS Plan must be filed with the Commission and published for notice and comment and generally shall not become effective unless approved by the Commission.[617] Regarding the suggested enhancements to improve CAT transparency, the CAT NMS Plan and Rules 608 and 613 of Regulation NMS provide for sufficient advance notice of material changes to the CAT system and related costs. Changes to the CAT NMS Plan must be filed with the Commission as an NMS plan amendment pursuant to Rule 608 of Regulation NMS and therefore be subject to notice and comment, and, pursuant to Rule 613, the Commission shall consider, in determining to approve the amendment, the impact of CAT NMS Plan amendments on efficiency, competition and capital formation.[618] Additionally, Section 6.9 of the CAT NMS Plan requires a Supermajority Vote of the CAT Operating Committee in order to make Material Amendments[619] to the Technical Specifications. Section 6.9, however, does not provide unfettered discretion to the CAT Operating Committee to make changes to the CAT system; any amendments to the CAT Technical Specifications must be consistent with the CAT NMS Plan. If the CAT Operating Committee or the Commission wish to impose additional requirements that are not contemplated by the CAT NMS Plan, such requirements must be proposed through an amendment to the CAT NMS Plan, filed under Rule 608 of Regulation NMS, which must be published for notice and comment.[620] The Commission agrees with the commenter that all CAT operating budgets should remain published on the CAT NMS Plan website, as they have been since 2022, and understands that CAT LLC will continue to do so in the future.[621] Therefore, the Commission does not believe it is necessary to add an explicit requirement to this effect.

The use of budgeted CAT costs is appropriate to determine the Fee Rate because it ties the Fee Rate to the costs that the CAT will likely incur during the relevant period which are also the Prospective CAT Costs that will need to be apportioned among the Participants and CAT Executing Brokers.[622] Should the use of budgeted costs result in a budget surplus, that surplus would translate to lower fees in the coming year because there would be a lower requirement for reserves.[623] Also, using budgeted costs to determine the Fee Rate facilitates financial stability, allowing CAT LLC to collect fees before bills become payable.[624]

The requirements that the Operating Committee approve a ''reasonable'' operating budget for CAT LLC,[625] that fees, costs and expenses be ''reasonable'' and that they be ''reasonably budgeted to be incurred by or for the Company in connection with the development, implementation and operation of the CAT as set forth in the annual operating budget approved by the Operating Committee'' [626] is appropriate in the public interest.[627] The existing CAT NMS Plan did not include such language, potentially providing the Participants full discretion to pass along to Industry Members costs that are not reasonable. Such costs could have included costs that were incurred due to Participant mismanagement, costs that were inflated or costs that should reasonably be allocated to only the Participants. Requiring these costs to be reasonable and reasonably budgeted imposes discipline on CAT spending, and the Commission, Industry Members and others will be able to review budget information during the rule filing process under Section 19(b) of the Exchange Act.

c. Reserve

CAT LLC proposed to add a requirement to Section 11.1(a)(i) of the CAT NMS Plan that the budget shall include ''a reserve and such other cost categories as reasonably determined by the Operating Committee to be included in the budget.'' [628] CAT LLC also proposed to add paragraph (ii) to Section 11.1(a) of the CAT NMS Plan to state that ''[f]or the reserve referenced in paragraph (a)(i) of this Section, the budget will include an amount reasonably necessary to allow the Company to maintain a reserve of not more than 25% of the annual budget.'' [629] Moreover, CAT LLC would calculate the reserve based on the amount of the budget other than the reserve.[630] In addition, proposed subparagraph (ii) of Section 11.1(a) of the CAT NMS Plan would state that ''[t]o the extent collected CAT fees exceed CAT costs, including the reserve of 25% of the annual budget, such surplus will be used to offset future fees.'' [631] Proposed Section 11.1(a)(ii) of the CAT NMS Plan provides that ''[f]or the avoidance of doubt, the Company will only include an amount for the reserve in the annual budget if the Company does not have a sufficient reserve (which shall be up to but not more than 25% of the annual budget).'' [632] CAT LLC states that following the expiration of the Eleventh Circuit's stay of its mandate, CAT operations must be funded through the limited operational reserve, which is currently estimated to be exhausted in August 2026.[633]

[614] For example, the Commission has received a proposed CAT NMS Plan amendment that would, among other things, move the timing of the availability of certain data to regulatory users from T+1 to T+2. *See* Securities Exchange Act Release No. 104504 (Dec. 23, 2025), 90 FR 61506 (Dec. 31, 2025).

[615] *See* Citadel July 2023 Letter, at 33–35.

[616] *See* Securities Exchange Act Release No. 97350 (May 18, 2023), 88 FR 33655 (May 24, 2023); Securities Exchange Act Release No. 90689 (Dec.16, 2020), 85 FR 83667 (Dec. 22, 2020); Securities Exchange Act Release No. 90688 (Dec. 16, 2020), 85 FR 83634 (Dec. 22, 2020).

[617] *See* Rule 608(b)(1); 17 CFR 242.608(b)(1). However, a plan amendment can be put into effect upon filing with the Commission if it is designated as solely administrative, technical or ministerial. *See* Rule 608(b)(3).

[618] Rule 613(a)(5); 17 CFR 242.613(a)(5).

[619] The CAT NMS Plan defines a ''Material Amendment'' as an amendment to the Technical Specifications that ''would require a Participant or an Industry Member to engage in significant changes to the coding necessary to submit information to the Central Repository pursuant to this Agreement or if it is required to safeguard the security or confidentiality of the CAT Data.'' *See* CAT NMS Plan, at Section 6.9(c).

[620] *See* Rule 608(b)(1); 17 CFR 242.608(b)(1).

[621] *See* CAT LLC May 2023 Response Letter, at 10–11.

[622] *See* Notice, 90 FR at 44914.

[623] *See infra* Part III.A.5.c. (Reserve).

[624] *See id.*

[625] *See* proposed Section 11.1(a).

[626] *See* proposed Section 11.3(a)(i)(C).

[627] CAT LLC has previously stated that it provides annual budget and quarterly updates to the public. *See* CAT LLC May 2023 Response Letter, at 11. *See also* CAT Financial and Operating Budget, CAT, *available at: https://www.catnmsplan.com/cat-financial-and-operating-budget* (linking financial and operating budget documents from April 6, 2022 to December 11, 2025).

[628] *See* proposed Section 11.1(a)(i).

[629] *See* proposed Section 11.1(a)(ii).

[630] Specifically, proposed Section 11.1(a)(ii) of the CAT NMS Plan would state that ''[f]or the avoidance of doubt, the calculation of the amount of the reserve would exclude the amount of the reserve from the budget.''

[631] *Id.*

[632] *Id.*

[633] *See* CAT LLC December 2025 Response Letter, at 13. CAT LLC states that it should not be assumed that any Participant will voluntarily agree to loan funds to the Company once the operational reserve is exhausted, and that, absent Commission action to approve a viable funding model for the CAT, there is significant uncertainty regarding the continued operation of the CAT and the Company's ability to continue as a going concern. *Id.*

Three commenters object to the Participants' intent to fund CAT through the reserves built up in 2024 and 2025 under the now-vacated funding model.[634] One of these commenters states that the Eleventh Circuit's decision means that all provisions governing the 2023 funding model, including the one governing reserve funds, are invalid and no longer in effect, and so Participants are subject to the same funding obligations as they were prior to the Commission's approval of the 2023 Funding Model Amendment.[635] This commenter states that CAT LLC is now prohibited from using the reserves in any manner to fund the CAT, and the reserve was not intended for use by the Participants or the SEC as a way to avoid addressing the lack of a proper funding model.[636] The commenter also states that all that is left regarding reserves after the Eleventh Circuit's vacatur of the 2023 Funding Model Amendment is a provision in Article XI of the CAT NMS Plan that states ''[a]ny surplus of the Company's revenues over its expenses shall be treated as an operational reserve to offset future fees,'' and that there are no ''future fees'' to ''offset'' unless and until the Commission approves a new and lawful funding model.[637]

The three commenters also object to the size of the reserve already collected by CAT LLC.[638] These commenters state that the level of the reserve indicates that CAT LLC collected more fees from Industry Members than the funding model permitted even while the 2023 funding model was still in effect.[639] One commenter states that the 2023 Funding Model Amendment capped the reserve at 25% of CAT LLC's annual budget, meaning that the reserve of more than $125 million is more than double the amount permitted by the funding model, which was a cap of roughly $62.2 million based on CAT LLC's estimated 2025 budget of $248.8 million at the beginning of the year (a budget estimate that has decreased down to an estimated $182 million).[640] Another commenter states that a lack of Commission oversight has resulted in ''disastrous consequences under the unlawful 2023 Order,'' allowing CAT LLC to ''improperly'' over-collect fees to fund the reserve at an amount ''far beyond'' the 25% limit over the course of 2025.[641] One commenter states that the Proposed Amendment allows for the establishment and maintenance of a substantial reserve, but does not establish adequate Commission oversight to prevent over-collection or to ensure that reserves are used solely to offset future fees consistent with the CAT NMS Plan.[642]

One commenter states that this apparent overcollection must be remedied before the reserve can be spent down, and calls for the Proposed Amendment to be disapproved due to the lack of safeguards preventing CAT LLC from over-collecting again in the future.[643] In addition, the commenter states that CAT LLC should freeze the reserve fund and hold the funds in escrow for the benefit of CAT reporters that contributed CAT fees to the reserve fund.[644] The commenter states that if CAT LLC should fail to do so, the Commission should order CAT LLC to do so.[645] The other commenter states that CAT LLC is ''unlawfully spending down the excess reserve'' to fund operations in 2026, rather than ''offset future fees'' as the CAT NMS Plan requires, in the absence of any new funding model that establishes new broker-dealer fees.[646] This commenter states that the SROs should ''in no case obtain a windfall from the reserve—whether as profit or otherwise,'' and that the SROs are avoiding the need to fund the CAT themselves and ''makes a mockery of the Eleventh Circuit's decision to vacate the 2023 Order, as broker-dealers and their customers effectively continue to fund the CAT throughout 2026 as if the 2023 Order remains in place.''[647] This commenter states that the Proposed Amendment does not provide for any Commission oversight to ensure that the 25% limit in the Proposed Amendment is enforced or to approve how collected reserve amounts are ultimately spent by the SROs.[648]

CAT LLC responds to the SIFMA December 2025 Letter by stating that the letter is based on a mistaken reading of the Eleventh Circuit's opinion and the CAT NMS Plan, which did not address the reserve at all, and that use of reserve funds to fund CAT costs is fully consistent with the CAT NMS Plan.[649]

CAT LLC states that the Eleventh Circuit's decision did not vacate, let alone address, existing provisions of the CAT NMS Plan governing the use of a reserve for the prudent operation of CAT.[650] CAT LLC states that the original CAT NMS Plan adopted in 2016 included provisions that permit the creation of a reserve and the use of that reserve for the prudent operation of the Company, and those provisions remain in effect following the Eleventh Circuit opinion.[651] CAT LLC also states that the SIFMA December 2025 Letter mischaracterizes those pre-existing provisions regarding reserve funds, stating that Section 11.1(a) of the CAT NMS Plan requires the Operating Committee to approve an annual budget to ''include the projected costs of the

[634] *See* Letter to Vanessa Countryman, Secretary, Commission, from Katie Kolchin, CFA, Managing Director, Head of Equity & Options Market Structure and Gerald O'Hara, Vice President & Assistant General Counsel, SIFMA, dated Dec. 19, 2025 (''SIFMA December 2025 Letter''), at 2; Citadel January 2026 Letter, at 7–8; ASA February 2026 Letter, at 5. *See also* Citadel July 2025, at 26 (objecting to the requirement that Industry Members ''fund an additional 25% reserve over budgeted amounts each year.''). The Citadel January 2026 Letter was submitted after CAT LLC responded to the SIFMA December 2025 Letter in the CAT LLC January 2026 Response Letter.

[635] *See* SIFMA December 2025 Letter, at 2.

[636] *Id.* at 3–4.

[637] *Id.* at 4. *See also* Citadel January 2026 Letter, at 8 (stating that the CAT NMS Plan requires reserve funds to be used as an offset of *fees,* and not *expenses,* and that there is no way to interpret the word ''fees'' as also encompassing the costs and expenses incurred in operating the CAT) (emphasis added).

[638] *See* SIFMA December 2025 Letter, at 4; Citadel January 2026 Letter, at 7; ASA February 2026 Letter, at 5.

[639] *See* SIFMA December 2025 Letter, at 4; Citadel January 2026 Letter, at 7; ASA February 2026 Letter, at 5 (stating that ''[e]xperience under the prior framework shows that reserves can rapidly exceed stated limits and be used to fund CAT operations in the absence of a Commission-approved funding model'').

[640] *See* SIFMA December 2025 Letter, at 4.

[641] *See* Citadel January 2026 Letter, at 7 (stating that CAT LLC's 2026 budget disclosed a reserve amount of approximately $120 million to start the year, which is nearly double the amount that was allowed under the 2023 Funding Model Order based on CAT LLC's original 2025 budget of $248.8 million). This commenter states that over the course of 2025, CAT LLC collected tens of millions more in fees than even the 2023 Funding Model Order allowed. *Id.*

[642] *See* ASA February 2026, at 5.

[643] *See* SIFMA December 2025 Letter, at 4.

[644] *Id.* at 5. The commenter states that it recommends that the Commission work with CAT LLC to ensure it holds the reserve funds in escrow until the Commission can complete its comprehensive review of the CAT. *Id.* The commenter states that there are a number of potential long-term solutions for handling the improperly collected funds, but that those solutions could be undercut by allowing CAT LLC to proceed with its plan to spend away the reserve even before the Commission has a chance to decide how to proceed with the Proposed Amendment. *Id.*

[645] *Id. See also* Letter to Vanessa Countryman, Secretary, Commission, from Stephen John Berger, Managing Director, Global Head of Government & Regulatory Policy, Citadel Securities LLC, dated January 15, 2026 (petition for rulemaking to require CAT LLC to obtain Commission approval before spending reserve funds and directing CAT LLC to return the reserve funds to Industry Members in full or, in the alternative, return ''excess'' reserve funds in proportion to the amounts paid).

[646] *See* Citadel January 2026 Letter, at 7–8.

[647] *Id.* at 8.

[648] *Id.* at 7. This commenter states that any limit on the size of a reserve must be monitored and enforced to prevent the SROs from once again over-collecting fees with abandon. *Id.* at 8.

[649] *See* CAT LLC January 2026 Response Letter, at 2.

[650] *Id.* at 3.

[651] *Id.* at 3 (citing SIFMA December 2025 Letter, at 4).

Company, including the costs of developing and operating the CAT for the upcoming year, and the sources of all revenues to cover such costs, as well as the funding of any reserve that the Operating Committee reasonably deems appropriate for prudent operation of the Company,'' which means the original CAT NMS Plan contemplated the use of a reserve for the prudent operation of the CAT, and this provision both was unaltered by any funding model and remains in effect.[652] CAT LLC states that the interpretation of ''future fees'' in Section 11.1(c) ignores the clear intent and purpose of the reserve provisions, which are designed to ensure that any revenue surplus would go toward funding future CAT costs.[653]

CAT LLC also disagrees with the statement that CAT LLC ''over-collected'' fees in contravention of the 2023 funding model. CAT LLC states that 2023 funding model contemplated the possibility of a surplus reserve exceeding 25% of the budget and that such surplus would be used to offset future fees incurred by CAT, in Section 11.1(a)(ii) (which was vacated by the Eleventh Circuit opinion).[654] CAT LLC explains that in 2025 the Operating Committee established two different CAT fees, CAT Fee 2025–1, based on the initial 2025 operating budget of approximately $249 million and set at $0.000022 per executed equivalent share, and CAT Fee 2025–2, set at a substantially reduced fee rate of $0.000009 per executed equivalent share beginning with transactions in July 2025, based on a May 2025 budget of approximately $228 million.[655] CAT LLC states that the amount of the surplus reserve was primarily driven by (i) the collection of CAT fees in excess of the budgeted CAT costs for 2024 and 2025 as a result of the greater actual executed equivalent share volume than the projected executed equivalent share volume for CAT Fees 2024–1 and 2025–1, and (ii) a reduction in anticipated budgeted costs associated with the implementation of certain cost savings measures approved by the SEC pertaining to the processing of options market maker quotes and the storage of certain data.[656] Accordingly, CAT LLC states that the surplus reserve resulted from greater volumes than initially projected and the material cost savings CAT LLC achieved in 2025.[657]

CAT LLC states that the limited operational reserve is the only source of funding to support CAT's ongoing operations and prohibiting the use of the reserve would imperil the sustained operation of the CAT, and, relatedly the ability of regulators to use the CAT to oversee the markets.[658] CAT LLC states while that the CAT NMS Plan provides that no Participant shall be obligated to contribute capital or make loans to the Company if it does not agree to do so.[659] CAT LLC states that prior to the 2023 Funding Model Amendment the CAT was funded entirely by voluntary, interest-free loans from the Participants, but that there should be no presumption that every Participant will voluntarily agree to loan funds to the Company if the operational reserve is frozen.[660]

The Commission does not agree that the Participants are prohibited by either the currently-operative plan provisions or the Eleventh Circuit's decision from using CAT reserve funds for the funding of the CAT after the vacatur of the 2023 Funding Model Order, or that the Participants should be prohibited from using these funds prior to the receipt of the first CAT fees from Industry Members pursuant to the approval of the Proposed Amendment today. With the vacatur of the 2023 Funding Model Order the CAT NMS Plan reverted back to original provisions relating to funding and reserves, and as CAT LLC notes, Section 11.1(a) and 11.1(c) of the CAT NMS Plan explicitly contemplate the funding of a reserve necessary for the prudent operation of CAT LLC and that surpluses are to be treated as an operational reserve to offset future fees instead of distributed to the Participants as profits or otherwise refunded to Participants and/or Industry Members.[661]

The Proposed Amendment providing that the annual operating budget include a reserve of not more than 25% of the annual budget is appropriate.[662] Because the CAT is a critical regulatory tool/system, the CAT needs to have a stable funding source to build financial stability to support the Company as a going concern.[663] Funding for the CAT, as noted in Section 11.1(b), is the responsibility of the Participants and the industry.[664] Because CAT fees are charged based on the budget, which is based on anticipated volume, it is appropriate to have a reserve on hand to prevent a shortfall in the event there is an unexpectedly high volume in a given year. A reserve would help to assure that the CAT has sufficient resources to cover costs should there be unanticipated costs or costs that are higher than expected. CAT LLC also noted difficulty in predicting variable CAT costs in concluding to cap the reserve at 25%.[665]

Additionally, CAT LLC explained that CAT fees will be collected approximately three months after trading activity on which a CAT fee is based, or 25% of the year.[666] CAT LLC stated that the reserve would be available to address funding needs related to this three-month delay.[667] No commenter stated that they thought anything higher than a 25% reserve was necessary and no commenter provided an alternative solution to make sure that CAT remains funded and able to pay its bills. The Commission therefore believes that a reserve of no more than 25% is appropriate based on the factors listed by CAT LLC.

In addition, the Commission recognizes that if CAT fees exceed CAT costs, including the reserve, the surplus will be used to offset future fees, and that a reserve will only be included in the annual budget on which the fees are based if CAT LLC does not have a sufficient reserve, which would be limited to 25% of the annual budget.[668] The Commission also recognizes that the Company must operate on a break-even basis and that any surpluses would be treated as an operational reserve to offset future fees and not be distributed to Participants as profits.[669] The Commission further recognizes that proposed Section 11.1(a)(ii) states that CAT LLC will only include an amount for the reserve in the annual budget if the Company does not have a sufficient reserve; therefore, the Participants would not be collecting additional fees if CAT LLC already has a reserve of 25% of the annual budget.[670] Furthermore, the reserve would be calculated by CAT LLC based on the amount of the budget other than the reserve because the

[652] *Id.* at 4.

[653] *Id.*

[654] *Id.*

[655] *Id.*

[656] *Id.* (citing Securities Exchange Act Release 103387 (July 3, 2025), 90 FR 30274, 30288 (July 9, 2025) (implementing CAT Fee 2025–1)).

[657] *Id.*

[658] *Id.* at 2

[659] *Id.* (citing Section 3.8(a) of the CAT NMS Plan and quoting, ''[e]xcept as may be determined by the unanimous vote of all the Participants or as may be required by applicable law, no Participant shall be obligated to contribute capital or make loans to the Company.'')

[660] *Id.*

[661] *See* CAT LLC January 2026 Response Letter, at 4.

[662] *See* Notice, 90 FR at 44936.

[663] *See* CAT NMS Plan, at Section 11.2(f).

[664] *Id.* at Section 11.1(b).

[665] *See* Notice, 90 FR at 44915.

[666] *Id.* at 44915–16.

[667] *Id.* at 44916.

[668] *Id. See also* proposed Section 11.1(a)(ii).

[669] The CAT NMS Plan requires that a surplus of the Company's revenues over its expenses be treated as an operational reserve to offset future fees. *See* CAT NMS Plan, at Section 11.1(c).

[670] *See* Notice, 90 FR at 44915. *See also* proposed Section 11.1(a)(ii).

reserve is meant to fund CAT LLC to pay its bills if necessary.[671] These requirements should obviate the need for a refund mechanism.

The Commission acknowledges the concern from the commenter that believes that CAT LLC ''over collected'' CAT fees and built up a reserve greater than 25% of the CAT budget.[672] However, as explained by the Participants, the amount of the surplus of the reserve was the collection of CAT fees in excess of the budgeted CAT costs for 2024 and 2025 as a result of the greater actual executed equivalent share volume than the projected executed equivalent share volume for CAT Fees 2024–1 and 2025–1, and a reduction in anticipated budgeted costs associated with the implementation of certain cost savings measures approved by the SEC pertaining to the processing of options market maker quotes and the storage of certain data.[673] It is possible that with continued cost savings measures and optimizations that the estimated annual budget for CAT continues to fall and reserve levels remain at times above 25% re-assessed estimate annual budget figures, but importantly none of the reserve funds or any excess funds exceeding 25% are permitted to be used except for the funding of the CAT. The Proposed Amendment, as well as the 2023 Funding Model Amendment, specifically contemplate the possibly that the reserve exceeds 25%, and both mandate that to the extent that collected CAT fees exclude CAT costs, including the reserve of 25% of the annual budget, such surplus shall be used to offset future fees.[674] Thus, the existence of sufficient reserves will result in reduced fees for CAT reporters until such excess is extinguished. It is the Commission's view that establishing a reserve is an appropriate way to ensure that future funding is secured.

d. Fee Filings Under Section 19(b) of the Exchange Act for Industry Member CAT Fees

CAT LLC described the information that Participants would be required to include in their fee filings to be made pursuant to Section 19(b) of the Exchange Act and Rule 19b–4 thereunder for Industry Member CAT Fees in proposed paragraph (B) of proposed Section 11.3(a)(iii) of the CAT NMS Plan.[675] Specifically, such filings would be required to include with regard to the CAT Fee: (A) the Fee Rate; (B) the budget for the upcoming year (or remainder of the year, as applicable), including a brief description of each line item in the budget, including (1) technology line items of cloud hosting services, operating fees, CAIS operating fees, change request fees and capitalized developed technology costs, (2) legal, (3) consulting, (4) insurance, (5) professional and administration, and (6) public relations costs, a reserve and/or such other categories as reasonably determined by the Operating Committee to be included in the budget and the reason for changes in each such line item from the prior CAT Fee filing; [676] (C) a discussion of how the budget is reconciled to the collected fees; and (D) the projected total executed equivalent share volume of all transactions in Eligible Securities for the year (or remainder of the year, as applicable), and a description of the calculation of the projection. This detail would describe how the Fee Rate is calculated and explain how the budget used in the calculation is reconciled to the collected fees.[677] In addition, CAT LLC proposed to state that the budgeted CAT costs described in the fee filings must provide sufficient detail to demonstrate that the CAT budget used in calculating the CAT Fees is reasonable and appropriate.[678]

The collection of CAT Fees from Industry Members is subject to Section 11.6 of the CAT NMS Plan regarding the Financial Accountability Milestones.[679] Accordingly, CAT LLC proposed to state that Participants will not make fee filings pursuant to Section 19(b) of the Exchange Act [680] regarding CAT Fees until the Financial Accountability Milestone related to Period 4 described in Section 11.6 of the CAT NMS Plan has been satisfied.[681]

In comments submitted for the 2023 Funding Model Amendment, one commenter objected to how the Proposed Amendment addressed the Financial Accountability Amendments Period 4 [682] expenses.[683] The commenter states that if full implementation does not occur by September 27, 2023, the Operating Committee cannot recover from Industry Members any expenses related to Period 4.[684] The commenter explains that the 2023 Funding Model Amendment states that costs incurred during Period 4 may be allocated to Industry Members and that the Operating Committee had requested exemptive relief to extend the deadline for full implementation until August 31, 2024, which would allow the Participants to recover all Period 4 expenses from Industry Members.[685] The commenter states that the expenses related to Period 4 would likely total more than $400 million, and expresses the belief that this amount may be allocated in its entirety to Industry Members if the terms of the CAT NMS Plan are not enforced.[686]

The commenter asserts that this issue is ''highly relevant to the Commission's analysis of the 2023 Funding Proposal'' [687] and recommended three alternatives for the Commission to address the matter: (1) to state that relevant financial accountability provisions will be enforced as written and permit the Operating Committee to allocate Period 4 expenses only to the extent permitted by the CAT NMS Plan (reduced by 75%, and by 100% if full implementation does not occur by September 27, 2023); [688] (2) defer judgment and provide that Period 4 expenses cannot be allocated to Industry Members; [689] or (3) defer judgment and permit the Operating Committee to allocate Period 4 expenses to Industry Members and analyze the potential

[671] *See* Notice, 90 FR at 44915. *See also* proposed Section 11.1(a)(ii).

[672] *See* SIFMA December 2025 Letter.

[673] *See* CAT LLC January 2026 Response Letter, at 5.

[674] *See* proposed Section 11.1(a)(ii) of the CAT NMS Plan.

[675] CAT LLC stated that it expected the fee filings required to be made by the Participants pursuant to Section 19(b) of the Exchange Act with regard to CAT Fees to be filed pursuant to Section 19(b)(3)(A) of the Exchange Act and Rule 19b–4(f)(2) thereunder. CAT LLC further stated that in accordance with Section 19(b)(3)(A) of the Exchange Act and Rule 19b–4(f)(2) thereunder, such fee filings would be effective upon filing. *See* Notice, 90 FR at 44919, n.43. Pursuant to Section 19(b)(3)(A) and Rule 19b–4(f)(2), a proposed rule change can take effect upon filing with the Commission if designated by the SRO as establishing or changing a due, fee, or other charge imposed by the SRO. 15 U.S.C. 78s(b), 15 U.S.C. 78s(b)(3)(A), 17 CFR 240.19b–4(f)(2).

[676] CAT LLC stated that it intends to include any other categories as reasonably determined by the Operation Committee. Accordingly, this provision refers to ''such other categories as reasonably determined by the Operating Committee to be included in the budget.'' *See* Notice, 90 FR at 44920 n.44.

[677] As a practical matter, the fee filing would provide the exact fee per executed equivalent share to be paid for the CAT Fees, by multiplying the Fee Rate by one-third and describing the relevant number of decimal places for the fee. *See* Notice, 90 FR at 44920 n.40.

[678] *See* proposed Section 11.3(a)(iii)(B).

[679] *See* CAT NMS Plan, at Section 11.6.

[680] 15 U.S.C. 78s(b).

[681] *See* proposed Section 11.3(a)(iii)(C); *see also* CAT NMS Plan, at Section 11.6(a)(i)(D).

[682] *See* CAT NMS Plan, at Section 11.6.

[683] *See* Citadel July 2023 Letter, at 24.

[684] *Id.*

[685] *Id.* at 24–25. The commenter further observed that the Commission has made no determination regarding the Participants' compliance or non-compliance with the Financial Accountability Amendments in Section 11.6 of the CAT NMS Plan would be enforced.

[686] *Id.* at 25.

[687] *Id.*

[688] *See* Citadel July 2023 Letter, at 25.

[689] *Id.*

impact of allocating all Period 4 costs to Industry Members on market efficiency, competition and capital formation.[690] The commenter urges the Commission to conduct this analysis before waiting for a subsequent fee filing, stating that once the Commission approves an allocation methodology, ''the CAT Operating Committee would simply apply that approved methodology to the costs incurred during a specific time period.'' [691]

In a response letter submitted for the 2023 Funding Model Amendment, and in response to the commenter's criticism that the Proposed Amendment does not adequately address the Period 4 expenses,[692] CAT LLC states that it recognizes the applicability of the Financial Accountability Milestones to the collection of CAT Fees and Historical CAT Assessments.[693] CAT LLC states that the Participants will not file CAT fee filings until they believe any applicable Financial Accountability Milestone has been satisfied, and noted that the Commission has not made a determination regarding the Participants' satisfaction of the Financial Accountability Milestones.[694]

In comment letters submitted for the Proposed Amendment, the commenter also states that the Commission must independently validate SRO assertions regarding various dates by which they assert that specific Financial Accountability Milestones were met.[695] The commenter states that the SROs assert that ''Full Implementation of CAT NMS Plan Requirements'' was achieved in July 2024, but that this is in reliance on various exemptive orders issued by the Commission.[696] In addition, the commenter states that belated exemptive relief related to the reporting of responses to electronic requests for quotes granted in May 2024 cannot retroactively bring the SROs into compliance with an earlier Financial Accountability Milestone, which would mean no historical fees could be collected.[697] This commenter characterizes the granting of an extension of Financial Accountability Milestone deadlines after those deadlines have already passed as a ''major policy change'' from the Commission's rationale in establishing the Financial Accountability Milestones, particularly because doing so retroactively imposes significant financial burdens on broker-dealers and their customers.[698]

Another commenter states that the Proposed Amendment relies on unverified claims that the Financial Accountability Milestones have been met, and that historical CAT costs are properly recoverable from broker-dealers.[699] This commenter states that the Commission has not independently verified FAM compliance, instead relying on SRO self-certifications and exemptive relief issued years after certain milestones passed, and that such exemptive orders issued long after a milestone deadline cannot retroactively cure noncompliance so as to justify the allocation of hundreds of millions of dollars in historical costs to broker-dealers and their customers.[700]

CAT LLC states that the Financial Accountability milestone related to Period 4 described in Section 11.6 of the CAT NMS Plan is ''Full Implementation of CAT NMS Plan Requirements,'' which is defined, in relevant part, to ''be considered complete as of the date identified in a Quarterly Progress Report meeting the requirements of Section 6.6(c)'' of the CAT NMS Plan.[701] CAT LLC states that in Quarterly Progress Report dated July 29, 2024, the Participants identified July 15, 2024, as the date on which the ''Full Implementation of CAT NMS Plan Requirements'' milestone was satisfied.[702] CAT LLC states that the Participants subsequently filed fee filings implementing CAT Fee 2024–1 to cover Prospective CAT Costs for the period beginning on July 16, 2024, and ending on December 31, 2024, and that those fee filings became effective immediately upon filing and were neither rejected nor suspended by the Commission.[703]

CAT LLC also states that the commenter's argument that the Financial Accountability Milestones have not been satisfied because CAT LLC currently relies on SEC exemptive relief from certain CAT NMS Plan requirements is similar to an argument made in connection with Participant fee filings implementing Historical CAT Assessment 1.[704] CAT LLC states that it discussed in detail in CAT LLC's response to comments related to Historical CAT Assessment 1, dated June 13, 2024, that CAT LLC's reliance on SEC exemptive relief does not affect the conclusion that each of the Financial Accountability Milestones has been satisfied.[705] CAT LLC also previously stated in a comment letter for the 2023 Funding Model Amendment that it recognizes the applicability of the Financial Accountability Milestones to the collection of CAT Fees and Historical CAT Assessments.[706] CAT LLC previously stated that the Participants would not file CAT fee filings until they believe any applicable Financial Accountability Milestone has been satisfied, and noted that at the time of the 2023 Funding Model Amendment, the Commission has not made a determination regarding the Participants' satisfaction of the Financial Accountability Milestones.[707]

In the CAT LLC Historical CAT Assessment 1 Response Letter, CAT LLC stated that CAT LLC has satisfied the Financial Accountability Milestones for Periods 1 through 3, and CAT LLC details why it believes exemptive relief granted by the Commission and Executing Broker reporting does not affect the conclusion that the Financial Accountability Milestones for Periods 1 through 3 were satisfied in a timely fashion.[708] In particular, CAT LLC points out that in relevant exemptive relief orders relating to the reporting of electronic responses for quotes that are not immediately actionable and relating to certain verbal floor activity and unstructured verbal and electronic upstairs activity, the Commission stated that to the extent that the Participants are availing themselves of exemptive relief from a CAT NMS Plan requirement, such requirement shall not be included in the requirements for the Financial Accountability Milestones, provided that any conditions of the exemption are satisfied.[709]

[690] *Id.*

[691] *Id.* at 26.

[692] *Id.* at 24.

[693] *See* CAT LLC July 2023 Response Letter, at 30.

[694] *Id.*

[695] *See* Citadel October 2025 Letter, at 11–13. The commenter states that the Proposed Amendment provides the only opportunity for the Commission to scrutinize and clearly document SRO compliance with the Financial Accountability Milestones. *Id.* at 12. *See also* Citadel January 2026 Letter, at 6–7.

[696] *See* Citadel October 2025 Letter, at 12.

[697] *Id.* at 12–13; Citadel January 2026 Letter, at 6–7.

[698] *See* Citadel January 2026 Letter, at 7.

[699] *See* ASA February 2026 Letter, at 4.

[700] *See id.* at 4–5.

[701] *See* CAT LLC December 2025 Response Letter, at 11 (citing Section 1.1 of the CAT NMS Plan).

[702] *See id.*

[703] *See id.*

[704] *See id.* (citing Citadel October 2025 Letter, at 12).

[705] *Id.* (citing Letter to Vanessa Countryman, Secretary, Commission from Brandon Becker, CAT NMS Plan Operating Committee Chair, dated June 13, 2024 (''CAT LLC Historical CAT Assessment 1 Response Letter''), at 32–36, *available at: https://catnmsplan.com/sites/default/files/2024-07/CAT%20LLC-Response-to-Comments-Historical-CAT-Assessment-1-%286.13.2024%29.pdf*).

[706] *See* CAT LLC July 2023 Response Letter, at 30.

[707] *Id.*

[708] *See* CAT LLC Historical CAT Assessment 1 Response Letter, at 32–34.

[709] *See* CAT LLC Historical CAT Assessment 1 Response Letter, at 32–34 (citing Securities Exchange Act Release No. 100181 (May 20, 2024), 89 FR 45715 n.11 (May 23, 2024) and Securities

In response, the commenter states that the CAT Operating Committee points to the SROs self-certifying compliance with the Financial Accountability Milestones in a ''Quarterly Progress Report'' provided to the Commission that invoked Commission exemptive relief, but that the Commission has never independently concluded—in the various exemptive orders or otherwise—that it is in the public interest to permit the SROs to allocate hundreds of millions of CAT costs to broker-dealers and their customers even though they have failed to comply with specific CAT NMS Plan requirements and the express terms of the Financial Accountability Milestones.[710] This commenter states that the Commission must decide now whether the Financial Accountability Milestones have been satisfied before giving the green light for immediately effective CAT fees under a new funding model.[711] This commenter states that the Eleventh Circuit's decision shows that review at the fee-filing stage is insufficient because those filings take effect immediately upon filing and the Commission's assessment of those filings are not subject to judicial review or challenge.[712]

One commenter states that the Proposed Amendment does not mention the millions of dollars of extra fees that broker-dealers and their customers ''were unlawfully compelled to pay to FINRA under the 2023 funding order as an explicit SRO pass-through,'' and that these unlawful payments must be accounted for in any funding model.[713] Another commenter states that the Commission should consider reimbursing broker-dealers for funds they have collectively been forced to contribute to the CAT, and provides a list of possible mechanisms for reimbursement including direct reimbursement from a Commission administered fund, an offset or waiver or other regulatory fees, or Congressional appropriations.[714]

CAT LLC states that it is not aware of any precedent, and the commenters do not cite any precedent that suggests that fees paid pursuant to an immediately effective fee filing must be reimbursed if the fee is later invalidated.[715] CAT LLC states that CAT fees that have been paid to date by Industry Members were paid pursuant to validly adopted Participant fee filings that became effective immediately upon filing under Section 19(b)(3)(A) of the Exchange Act, and CAT LLC further notes that the Participants also paid CAT fees under the Executed Shares Model.[716]

The proposed process for implementing CAT Fees related to Prospective CAT Costs for Industry Members is appropriate. Under the Executed Share Model, the Participants would be required to submit fee filings pursuant to Section 19(b) of the Exchange Act to change the Fee Rates for Industry Members twice a year, once at the beginning and once during the year.[717] It is appropriate to accompany each Fee Rate change with a Section 19(b) fee filing because it would provide notice to Industry Members and the public of the Fee Rate change and permit such entities to provide comment on the change.

In addition to the budget information already provided by the Participants on the CAT website, the detail provided in the fee filings for the budget would provide transparency into the budget as it would describe the line items of the budget and any changes to the budget and allow the public the ability to comment on the budget.[718] The fee filings must discuss how the budget is reconciled to collected fees, which would provide the public an opportunity to comment on the effectiveness of the reconciliation.[719] The Executed Share Model establishes the framework for Industry Member CAT fees; details of the Budgeted CAT Costs will be provided in the Section 19(b) fee filings submitted by the Participants.

As stated by the Participants, the Proposed Amendment acknowledges that the Participants are prohibited from submitting Exchange Act filings regarding Prospective CAT Fees until the Financial Accountability Milestone related to Period 4 described in Section 11.6 of the CAT NMS Plan has been satisfied.[720] This is an appropriate approach for addressing how fee filings will be handled in conjunction with a determination of the Participants' compliance with the Financial Accountability Milestones. Under existing Section 11.6 of the CAT NMS Plan, the Participants will not be able to recover the full costs of the CAT for a period if the relevant Financial Accountability Milestone has not been satisfied.[721]

The Commission acknowledges the concerns raised and suggestions offered by the commenter regarding the Financial Accountability Milestones, but the Commission is not making a finding on the satisfaction of the Period 4 Financial Accountability Milestone or of other Financial Accountability Milestones in this order, nor is such a finding required. This filing merely establishes the framework under which costs will be allocated, not the amount to be allocated. Proposed Sections 11.3(a)(iii)(C) and (b)(iii)(B)(III) of the CAT NMS Plan state that the Participants are not able to submit filings to recover Prospective CAT Fees or Historical CAT Assessments to recover Period 4 expenses until the Period 4 Milestone has been satisfied.

The Participants have previously filed and implemented several fee filings in connection with the CAT, for both Prospective CAT fees and Historical CAT fees,[722] and prior to the vacatur of the 2023 Funding Model Amendment, CAT LLC had collected or was collecting such CAT fees.[723] These filings were all subject to notice and comment, and subject to significant comments, and reviewed by the Commission for consistency with applicable statutory standards under the Exchange Act, including being reasonable, equitable and not unfairly discriminatory.[724] Any new fee filings would be subject to the Financial Accountability Milestones, and the question of compliance will impact how much can be recovered under the applicable framework.

The Commission also does not believe it is necessary or appropriate to require the Proposed Amendment address CAT fees already collected by the SROs. Previously collected fees from broker-dealers were collected through SRO rules that were subject to the Commission's Rule 19(b) filing process and were effective and operative on SRO rulebooks, and which were filed pursuant to the approved 2023 Funding Model Order prior to the Eleventh Circuit's vacatur. These rule filings are not at issue in this order. As discussed

Exchange Act Release No. 89051 (June 11, 2024), 85 FR 36631, 36633 (June 17, 2020)).

[710] *See* Citadel January 2026 Letter, at 6.

[711] *See id.*

[712] *See id.* at 6 n.26 and n.28.

[713] *See* Citadel October 2025 Letter, at 10.

[714] *See* ASA October 2025 Letter, at 3–4; ASA February 2026 Letter, at 3.

[715] *See* CAT LLC December 2025 Response Letter, at 12.

[716] *See id.*

[717] *See* proposed Section 11.3(a)(i)(A)(I) and (II).

[718] *See* proposed Section 11.3(a)(iii)(B).

[719] *Id.*

[720] *See* proposed Section 11.3(a)(iii)(C).

[721] *See* CAT NMS Plan, at Section 11.6.

[722] *See* Notice, 90 FR at 44911 n.12 and 13.

[723] *Id.* at 44911. As noted above, *see* note 26, the fee filings submitted prior to the vacatur of the 2023 Funding Model Amendment are no longer in effect, and the Commission anticipates that CAT LLC will establish new prospective CAT Fees and Historical CAT Assessment(s) after approval of the Proposed Amendment, as modified by the Commission.

[724] *See* Section 6(b)(4); Section 15A(b)(5); Section 6(b)(5); Section 15A(b)(6). 15 U.S.C. 78f(b)(4); 15 U.S.C. 78f(b)(6); 15 U.S.C. 78o–3(b)(5); 15 U.S.C. 78o–3(b)(6).

above in Part III.5.c., the Commission believes that using reserve funds for the ongoing operation of the CAT for the duration between the vacatur of the 2023 Funding Model Order and today is appropriate. Future fees collected by broker-dealers will be collected pursuant to similar SRO rules, permitted by approval of the Proposed Amendment today. Any new fee filings to implement new CAT fees pursuant to the Proposed Amendment would be subject to the same applicable statutory standards under the Exchange Act as the previous filings.

e. Participant CAT Fees for Prospective CAT Costs

CAT LLC proposed to describe the Participant CAT Fees related to Prospective CAT Costs in proposed Section 11.3(a)(ii) of the CAT NMS Plan. Specifically, under proposed Section 11.3(a)(ii)(A) of the CAT NMS Plan, each Participant that is a national securities exchange will be required to pay the CAT Fee for each transaction in Eligible Securities executed on the exchange in the prior month based on CAT Data. Each Participant that is a national securities association will be required to pay the CAT Fee for each transaction in Eligible Securities executed otherwise than on an exchange in the prior month based on CAT Data.[725] The CAT Fee for each transaction in Eligible Securities will be calculated by multiplying the number of executed equivalent shares in the transaction by one-third and by the Fee Rate determined pursuant to proposed Section 11.3(a)(i).[726]

CAT LLC also proposed Section 11.3(a)(ii)(B) of the CAT NMS Plan to provide that Participants would only be required to pay CAT Fees when Industry Members are required to pay CAT Fees. CAT Fees charged to Industry Members become effective in accordance with the requirements of Section 19(b) of the Exchange Act.[727] In contrast, CAT Fees charged to Participants are implemented via an approval of the CAT Fees by the Operating Committee in accordance with the requirements of the CAT NMS Plan.[728] Specifically, to implement the Participant CAT fees, CAT LLC proposed to add the Proposed Participant Fee Schedule, entitled ''Consolidated Audit Trail Funding Fees,'' to Appendix B of the CAT NMS Plan. Proposed Paragraph (a) stated that ''[e]ach Participant shall pay the CAT Fee set forth in Section 11.3(a) of the CAT NMS Plan to Consolidated Audit Trail, LLC in the manner prescribed by Consolidated Audit Trail, LLC on a monthly basis based on the Participant's transactions in Eligible Securities in the prior month.'' [729] Because each Participant would be required to pay a CAT Fee once a Fee Rate has been established by the Operating Committee, and because of the time and burden required, CAT LLC stated that it would not submit an amendment to the CAT NMS Plan every time the Fee Rate is established or adjusted.[730]

It is appropriate to require that each Participant pay a CAT Fee related to Prospective CAT Costs for each transaction in the prior month based on CAT Data.[731] The CAT NMS Plan requires the Participants to contribute to the funding of the CAT.[732] Additionally, as CAT LLC explained, the Executed Share Model recognizes the Participants (as market regulators) as one of the three parties who have primary roles in a transaction,[733] so it is appropriate for a transaction-based funding model to assess a CAT Fee upon the Participants.

The Commission also believes it is appropriate that proposed Section 11.3(a)(ii)(B) provides that the Participants would be required to pay CAT Fees only when Industry Members are required to pay CAT Fees. The CAT Fees charged to Participants would be implemented through an approval of the CAT Fees by the Operating Committee and not through a plan amendment submitted each time the Fee Rate changes,[734] while CAT Fees charged to Industry Members may only become effective in accordance with the requirements of Section 19(b) of the Exchange Act.[735] However, both Participants and Industry Members would be subject to the same Fee Rate [736] so it is appropriate to provide that Participants would be required to pay the Participant CAT Fee once CAT Fees based on the Fee Rate are effective for Industry Members.

The Proposed Participant Fee Schedule is appropriate. As the Proposed Participant Fee Schedule requires each Participant to pay the CAT Fee detailed in Section 11.3(a) of the CAT NMS Plan on a monthly basis, based on the Participant's transactions in Eligible Securities in the prior month, in the manner prescribed by CAT LLC,[737] the proposed fee schedule is appropriate because it imposes the Executed Share Model's Participant CAT Fee obligation on the Participants by specifically requiring the Participants to pay a CAT Fee in accordance with the Executed Share Model. The requirement in the Proposed Participant Fee Schedule clearly sets forth how the Participants will calculate their monthly CAT Fee obligation, and therefore the Commission does not believe that it is necessary for the Participants to submit an amendment to the CAT NMS Plan each time the Fee Rate changes; the formula for calculating fees will be constant although the Fee Rate that would be applied, which is objectively determined, will change only following a Participant fee filing under section 19(b) of the Exchange Act.[738] This approach is appropriate in this circumstance because the CAT NMS Plan sets forth the Executed Share Model, the Participants are required to pay CAT Fees pursuant to the CAT NMS Plan and the same Fee Rate that would apply to Industry Members would apply to Participants.[739]

6. Historical CAT Assessment

a. Calculation of Historical CAT Assessment

Under the Executed Share Model, Past CAT Costs will be recovered from CEBBs and CEBSs through Historical CAT Assessments.[740] Pursuant to proposed Section 11.3(b) of the CAT NMS Plan the Operating Committee will establish one or more Historical CAT Assessments depending upon the timing of any approval of the Proposed Amendment and the completion of the Financial Accountability Milestones.[741] In establishing a Historical CAT

[725] *See* proposed Section 11.3(a)(ii)(A).

[726] *Id.*

[727] *See* proposed Section 11.3(a)(i)(A)(I) and (II); *see also* 15 U.S.C. 78s(b).

[728] *See* Notice, 90 FR at 44919.

[729] *See id.* at 44923.

[730] *See id.* at 44932–33.

[731] *See* proposed Section 11.3(a)(ii).

[732] *See* CAT NMS Plan, at Section 11.1(b), Section 11.3(a).

[733] *See* Notice, 90 FR at 44928.

[734] *Id.* at 44932–33.

[735] *See* proposed Section 11.3(a)(i)(A). *See also* 15 U.S.C. 78s(b).

[736] *See* proposed Section 11.3(a)(ii)(A) and (B).

[737] *See* Notice, 90 FR at 44923.

[738] *See id.* at 44916–17.

[739] *See* proposed Section 11.3(a)(ii)(A) and (B).

[740] *See* Notice, 90 FR at 44920; *see also* proposed Section 11.3(b).

[741] *See* proposed Section 11.3(b)(iii). *See* Notice, 90 FR at 44920 n.47; *see also* CAT NMS Plan, at Section 11.6. To date, there has been one Historical CAT Assessment referred to as Historical CAT Assessment 1. As noted above, *see* note 26, Historical CAT Assessment 1 is no longer in effect and the Commission anticipates that CAT LLC will establish a new Historical CAT Assessment after approval of the Proposed Amendment, as modified by the Commission. *See* Notice, 90 FR at 44920 n.47 (citing Securities Exchange Act Rel. No. 100936 (Sept. 5, 2024), 89 FR 74430 (Sept. 22, 2024) (BOX Exchange LLC filing for Historical CAT Assessment 1). CAT LLC states that there may be one or more additional Historical CAT Assessments related to CAT costs incurred prior to the completion of the fourth and final Financial Accountability Milestone in July 2024. *See* Notice, 90 FR at 44920 n.47.

Assessment, the Operating Committee will determine a ''Historical Recovery Period'' [742] and calculate a ''Historical Fee Rate'' [743] for that Historical Recovery Period. Then, for each month in which a Historical CAT Assessment is in effect, each CEBB and each CEBS will pay a fee (the Historical CAT Assessment) for each transaction in Eligible Securities executed by the CEBB or CEBS from the prior month as set forth in CAT Data, where the Historical CAT Assessment for each transaction will be calculated by multiplying the number of executed equivalent shares in the transaction by one-third and by the Historical Fee Rate reasonably determined pursuant to proposed Section 11.3(b)(i).[744]

The actual amount of Past CAT Costs to be recovered through the Historical CAT

Assessments would be reduced by an amount of excluded costs.[745] The resulting amount would be defined as ''Historical CAT Costs'' in proposed Section 11.3(b)(i)(C) of the CAT NMS Plan. Proposed Section 11.3(b)(i)(C) states that ''[t]he Operating Committee will reasonably determine the Historical CAT Costs sought to be recovered by each Historical CAT Assessment, where the Historical CAT Costs will be Past CAT Costs minus Past CAT Costs reasonably excluded from Historical CAT Costs by the Operating Committee.'' [746] Industry Members would not be assessed a Historical CAT Assessment to recover such excluded costs.[747]

In a comment letter submitted in response to the 2023 Funding Model Amendment, a commenter objects to the method of calculating the Historical CAT Assessment using current transaction activity.[748] This commenter states that the Proposed Amendment lacked a clear mechanism for Industry Members to pass-on historical costs to other market participants.[749] The commenter states, ''[i]t appears challenging for the CAT Operating Committee to allocate historical costs in a way that is directly tied to historical activity, which makes it more difficult for Industry Members to pass-on these costs to other market participants.'' [750]

This commenter also objects to the allocation of Past CAT Costs to Industry Members,[751] stating that it would be inappropriate to allocate any costs related to Thesys Technologies, LLC's role as the plan processor, including the costs of transitioning to a new plan processor, or the Operating Committee's costs of litigation against the Commission.[752] The commenter expresses concern about a lack of transparency into Historical CAT Costs and the size of such costs, stating that the historical costs are excessive and inconsistent with the CAT NMS Plan.[753] The commenter states that a lack of transparency into historical costs raises questions about whether Industry Members would be allocated costs for the period when Thesys Technologies, LLC was the plan processor, noting that the Proposed Amendment only intended to exclude $64 million in costs related to the ''failed engagement of Thesys,'' when the costs were much higher; [754] whether Industry Members would be allocated costs related to litigation between the Operating Committee and the Commission; [755] and whether Industry Members would be allocated costs related to repeated filing of prior funding models.[756] The commenter states that, without knowing the total amount of Historical CAT Costs, or basic information about such costs, the Commission cannot determine whether Historical CAT Costs are reasonable and cannot assess the impact of the proposed allocation on market liquidity, efficiency and competition.[757] For example, the commenter states that the CAT Operating Committee has not assessed ''whether trading activity may decline or bid-offer spreads may widen.'' [758] The commenter states that the CAT Operating Committee ''recklessly argues'' that the proposed allocation of Historical CAT Costs is not concerning due to the existence of higher transaction-based fees.[759] In addition, the commenter states that Industry Members have borne nearly all of the total CAT-related costs due to ''a near-constant barrage'' of changes to technical specifications.[760] The commenter recommends not allocating any historical costs to Industry Members.[761]

In response to the commenter that states that Industry Members are bearing almost all of the CAT-related costs,[762] CAT LLC states that the commenter was conflating the Industry Members' internal costs to comply with CAT reporting requirements with the direct costs of the CAT.[763] CAT LLC states that the Proposed Amendment is intended to address the funding of the direct costs of the CAT and not Participants and Industry Members' compliance costs.[764]

CAT LLC provides a comparison of Historical CAT Costs to Prospective CAT Costs, demonstrating that the $233 million 2023 CAT budget is approximately 45% of the $518 million in Historical CAT Costs (through 2022).[765] CAT LLC stated that it expects to propose a fee rate for the Historical CAT Assessment that would be similar to or smaller than other transaction-based fees, and provided examples in which CEBBs and CEBSs would be assessed less than 1/1000 of a penny per executed equivalent share.[766] CAT LLC

[742] The Historical Recovery Period would be used to calculate the Historical Fee Rate for a Historical CAT Assessment. Proposed Section 11.3(b)(i)(D) of the CAT NMS Plan provides the Operating Committee with the discretion to reasonably establish the length of the Historical Recovery Period as long as no such period is less than 24 months and more than five years. *See infra* Part III.A.6.b.

[743] The Historical Fee Rate is the fee rate used to calculate the Historical CAT Assessment. *See infra* Part III.A.6.c.

[744] *See* proposed Section 11.3(b)(iii)(A).

[745] CAT LLC states that the excluded costs are: (i) $14,749,362 of costs related to the termination of the relationship with the Initial Plan Processor; (ii) $48,874,937 in CAT costs incurred from November 15, 2017 through November 15, 2018, and (iii) $19,628,791 in costs paid to the Initial Plan Processor from November 16, 2018 through February 2019 when the relationship with the Initial Plan Processor was completed. *See* Letter to Vanessa Countryman, Secretary, Commission, from Robert Walley, Chair, CAT NMS Plan Operating Committee, dated Feb. 24, 2026 (''CAT LLC February 2026 Response Letter''), at 3 n.7. CAT LLC states that the Participants ''are responsible for 100% of these costs.'' *Id.*

[746] *See* proposed Section 11.3(b)(i)(C).

[747] *See* Notice, 90 FR at 44935. According to the Proposed Amendment, ''[e]ach Historical CAT Assessment will seek to recover from CAT Executing Brokers two-thirds of Historical CAT Costs incurred during the period covered by the Historical CAT Assessment.'' Proposed Section 11.3(b)(i)(C). The Historical CAT Costs would be Past CAT Costs minus the excluded costs. *Id.*

[748] *See* Citadel July 2023 Letter, at 24, 32. *See also* 2023 Funding Model Order, at 62660.

[749] *See* Citadel July 2023 Letter, at 24.

[750] *Id.* at 32.

[751] *See* Citadel July 2023 Letter, at 3, 23, 24, 31, 32.

[752] *See* Citadel July 2023 Letter, at 31.

[753] *Id.* at 23.

[754] *See* Citadel July 2023 Letter, at 23. *See also id.* at 23, n.100; *id.* at 8 (stating that ''missteps'' by the Operating Committee related to the hiring of the initial plan processor and the hiring of FINRA CAT to replace the initial plan processor resulted in ''wasted expenditures'' of more than $100 million). *See also* Citadel August 2023 Letter, at 7.

[755] *See* Citadel July 2023 Letter, at 23. *See also* Citadel August 2023 Letter, at 7.

[756] *See* Citadel July 2023 Letter, at 24. *See also* Citadel August 2023 Letter, at 7.

[757] *See* Citadel August 2023 Letter, at 7.

[758] *Id.*

[759] *Id.*

[760] *See* Citadel July 2023 Letter, at 31. The commenter notes that in 2016, the Commission estimated that broker-dealers would incur 90% of total CAT-related costs, even if not allocated any costs for building and operating the CAT. The commenter stated that updates to these estimates would show that this figure would underestimate their cost burdens. *See id.*

[761] *Id.* at 3, 31, 32.

[762] *See* Citadel July 2023 Letter, at 31.

[763] *See* CAT LLC July 2023 Response Letter, at 16.

[764] *Id.*

[765] *Id.* at 17.

[766] *Id.* at 18.

notes that broker-dealers are currently charged other transaction-based fees that are higher than the proposed CAT fees.[767]

In a response to commenters on the 2023 Funding Model Amendment that object to the allocation to Industry Members of Historical CAT Costs related to the initial Plan Processor,[768] CAT LLC stated that the Historical CAT Costs to be allocated to Industry Members would not include two categories of costs related to the initial Plan Processor: $48,874,937 in CAT costs incurred from November 15, 2017 through November 15, 2018, and $14,749,362 in costs related to the termination of the initial Plan Processor.[769] CAT LLC stated that the Participants would remain responsible for these costs.[770]

In the Commission's view, the proposed recovery of Past CAT Costs via the Historical CAT Assessment is appropriate, and it is appropriate to require that each CEBB and CEBS pay a Historical CAT Assessment for each transaction in the prior month based on CAT Data.[771] First, current Industry Members are actively reporting to the CAT and therefore receive the benefits from the CAT. The CAT provides more effective oversight of market activity, which could increase investor confidence, resulting in expanded investment opportunities and increased trading activity.[772] Second, it would be difficult to impose fees on Industry Members for their activity in the past because some Industry Members may no longer be in business and such Industry Members would not have taken into consideration the Historical CAT Assessment when entering into the past transactions.[773] In this case, the Commission understands, from CAT LLC's analysis of Industry Members, that there is ''substantial continuity'' among the largest Industry Members, going back to 2020,[774] and thus it is likely that the Industry Members responsible for substantial transaction activity in 2020 (and perhaps earlier, beyond the scope of CAT LLC's analysis) would also be responsible for substantial transaction activity in 2023, mitigating concerns that current Industry Members would be responsible for CAT fees for the past transaction activity of non-operational Industry Members.

Additionally, requiring CAT Executing Brokers to pay Historical CAT Assessments is appropriate because the Participants have thus far paid all Past CAT Costs and the CAT NMS Plan contemplates that both Industry Members and Participants would fund the Company.[775] Furthermore, it is appropriate, in the Commission's view, for the Participants to exclude certain costs from the Past CAT Costs to be recovered from Industry Members.[776] CAT LLC also proposes to require the Operating Committee, in determining fees on Participants and Industry Members, to take into account fees, costs and expenses (including legal and consulting fees) reasonably incurred by the Participants on behalf of the Company prior to the Effective Date in connection with the creation and implementation of the CAT.[777]

In the Commission's view, requiring the Operating Committee to take into account fees, costs and expenses (including legal and consulting fees) *reasonably* incurred by the Participants on behalf of the Company prior to the Effective Date in connection with the creation and implementation of the CAT, when determining fees for Participants and Industry Members, will constrain the Operating Committee from assessing fees based on costs and expenses that are not reasonable. Further, the proposed exclusion of the excluded costs from Past CAT Costs is appropriate in the Commission's view because it would not require all costs incurred by the Participants to be recovered from Industry Members through the Historical CAT Assessment, specifically excluding those costs related to the delay in the start of reporting to the CAT and costs related to the conclusion of the relationship with the Initial Plan Processor.[778]

Finally, the Proposed Amendment sets forth a process that the Commission believes will offer an appropriate level of transparency into Historical CAT Costs. In response to a commenter to the 2023 Funding Model Amendment that objects to the level of transparency provided about the total amount of Historical CAT Costs, and basic information about such costs, and stated that, as a result, the Commission cannot determine whether Historical CAT Costs are reasonable and cannot assess the impact of the proposed allocation on market liquidity, efficiency and competition,[779] as discussed in Part III.A.6.e. herein, the Section 19(b) fee filings to be filed with the Commission by the Participants to impose the Historical CAT Assessment on Industry Members must include detailed information on the Historical CAT Costs, including the amount and type of Historical CAT Costs, and will allow the public the ability to comment on the Historical CAT Costs.[780] In addition to addressing all relevant statutory requirements, including the requirements that the fees are reasonable, equitably allocated, not unfairly discriminatory, and do not unduly burden competition,[781] these proposed Section 19(b) fee filings must contain ''sufficient detail to demonstrate that such costs are reasonable and appropriate,'' [782] which would provide the public and the Commission the detail needed to evaluate the Historical CAT Assessments. Once the proposed Section 19(b) fee filings are filed by the Participants, the Commission will review them for consistency with the Exchange Act and the CAT NMS Plan.

In response to the comment to the 2023 Funding Model Amendment that states that the CAT Operating Committee has not assessed ''whether trading activity may decline or bid-offer spreads may widen,'' [783] and in response to the comment that the CAT Operating Committee ''recklessly argues'' that the proposed allocation of Historical CAT Costs is not concerning due to the existence of higher transaction-based fees,[784] as stated above, the Proposed Amendment does not approve *per se* the amount of the Historical CAT Costs; it sets forth the model but leaves the amount and description of the Historical CAT Costs for the Section 19(b) fee filings. The Commission recognizes, however, that the Participants have disclosed the amount of the Historical CAT Costs in the 2023 Funding Model Amendment.[785] While such Historical

[767] *Id.* at 18–19.

[768] *See* Citadel July 2023 Letter, at 23, 31; 2023 Funding Model Order, at 62662.

[769] *See* CAT LLC July 2023 Response Letter, at 19.

[770] *Id.*

[771] *See* proposed Section 11.3(a)(ii)(A) and (iii)(A).

[772] *See* CAT NMS Plan Approval Order, at 81 FR at 84993.

[773] *See* Notice, 90 FR at 44935.

[774] *Id.* at 44936, n.110 (stating that there has been substantial continuity in the largest Industry Members over time and providing statistics about the continuity).

[775] *See, e.g.,* CAT NMS Plan, at Section 11.1(b), Section 11.1(c), Section 11.2(b), Section 11.3.

[776] *See* Notice, 90 FR at 44921.

[777] *See* proposed Section 11.1(c) (emphasis added).

[778] *See* Notice, 90 FR at 44935. *See also* note 745 (describing what CAT LLC previously identified as excluded costs).

[779] *See* Citadel August 2023 Letter, at 7.

[780] *See* proposed Section 11.3(b)(iii)(B)(II).

[781] 15 U.S.C. 78f(b)(4), 15 U.S.C. 78o–3(b)(5); 15 U.S.C. 78f(b)(5), 15 U.S.C. 78o–3(b)(6); 15 U.S.C. 78f(b)(8), 15 U.S.C. 78o–3(b)(9).

[782] *See* proposed Section 11.3(b)(iii)(B)(II).

[783] *See* Citadel August 2023 Letter, at 7.

[784] *Id.*

[785] *See* 2023 Funding Model Amendment, 88 FR at 17110–11 (providing Historical CAT Costs prior to 2022). CAT LLC also provided updated Historical CAT Costs through 2022. *See* CAT LLC July 2023 Response Letter, at 17.

CAT Costs are not being approved by the Commission at this time, the Commission understands that such amounts provide an indication of what might be charged. In this regard, the Commission notes the Participants included in Exhibit C to the 2023 Funding Model Amendment a chart setting forth an example Historical CAT Assessment, for illustrative purposes only, that each CAT Executing Broker would pay based on its transactions in Eligible Securities in December 2022 related to CAT costs from prior to 2022. The chart indicated that the Historical Fee Rate for the assumed December 2022 period was $0.0000417950 per executed equivalent share. Accordingly, the Commission believes that any potential impact on trading activity or bid-ask spreads would likely be limited.

b. Historical Recovery Period

The ''Historical Recovery Period'' would be used to calculate the Historical Fee Rate for a Historical CAT Assessment.[786] Proposed Section 11.3(b)(i)(D) of the CAT NMS Plan provides the Operating Committee with the discretion to reasonably establish the length of the Historical Recovery Period as long as no such period is less than 24 months and more than five years. CAT LLC analyzed potential recovery periods and determined that the Historical Fee Rate calculated using the proposed Historical Recovery Period of two to five years would be reasonable for Industry Members even if they had to pay both the ongoing CAT Fee and the Historical Fee Assessment simultaneously.[787] Additionally, in determining the range for the Historical Recovery Period, CAT LLC ''sought to weigh the need for a reasonable Historical Fee Rate that spreads the Historical CAT Costs over an appropriate amount of time and the need to repay the loan notes to the Participants in a timely fashion.'' [788] In the Commission's view, it is appropriate for the Operating Committee to establish the length of the Historical Recovery Period to be no less than 24 months and no more than five years. According to the Participants, ''[t]he length of the Historical Recovery Period used in calculating each Historical Fee Rate will be reasonably established by the Operating Committee based on the amount of the Historical CAT Costs to be recovered by the Historical CAT Assessment.'' [789] The Operating Committee is authorized by the CAT NMS Plan to establish the funding of CAT LLC, including the fees to be paid by Participants and Industry Members.[790] Because the Historical Recovery Period is used in the calculation of Historical CAT Assessments to recover costs incurred to fund the CAT, the Commission views it as appropriate for the Operating Committee to determine a reasonable length of time for the Historical Recovery Period since the Operating Committee has authority over CAT funding pursuant to the Plan.

c. Historical Fee Rate

The Historical Fee Rate would be used to calculate Historical CAT Assessments. The Operating Committee will calculate the Historical Fee Rate for each Historical CAT Assessment by dividing the Historical CAT Costs for each Historical CAT Assessment by the reasonably projected total executed equivalent share volume of all transactions in Eligible Securities for the Historical Recovery Period.[791] Additionally, proposed Section 11.3(b)(i)(A) states that once the Operating Committee has approved a Historical Fee Rate, the Participants will be required to file with the Commission, pursuant to Section 19(b) of the Exchange Act,[792] the Historical CAT Assessment to be charged to Industry Members using the Historical Fee Rate.[793] Industry Members would be required to pay such Historical CAT Assessment using such Historical Fee Rate once such Historical CAT Assessment is in effect in accordance with Section 19(b) of the Exchange Act.[794]

Proposed Section 11.3(b)(i)(E) of the CAT NMS Plan provides that ''[t]he Operating Committee shall reasonably determine the projected total executed equivalent share volume of all transactions in Eligible Securities for each Historical Recovery Period based on the executed equivalent share volume of all transactions in Eligible Securities for the prior twelve months.'' [795] CAT LLC would allow the Operating Committee to base its projected total executed equivalent share volume on the prior twelve months, but to use its discretion to analyze the likely volume for the upcoming year.[796] Participants would be required to describe the calculation of the projection in their fee filings submitted to the Commission, pursuant to Section 19(b) of the Exchange Act, to implement the Historical CAT Assessments on Industry Members.[797]

The calculation of the Historical Fee Rate by dividing Historical CAT Costs by the projected total executed equivalent share volume of all transactions in Eligible Securities for the Historical Recovery Period [798] is appropriate. First, it is appropriate for the Historical Fee Rate to be based on Historical CAT Costs. The Proposed Amendment defines Historical CAT Costs as Past CAT Costs minus the Past CAT Costs reasonably excluded from Historical CAT Costs by the Operating Committee [799] (*e.g.,* the excluded costs).[800] It is appropriate to use the Historical CAT Costs related to a Historical CAT Assessment to calculate the Historical Fee Rate used to calculate the Historical CAT Assessment because the Participants are seeking to recover the Historical CAT Costs through the Historical CAT Assessment.[801] The use of Historical CAT Costs is appropriate to determine the Historical Fee Rate because it ties the Historical Fee Rate to the costs that the CAT has incurred and will be apportioned among the CAT Executing Brokers for recovery. Second, it is appropriate to use the projected total executed equivalent share volume of all transactions in Eligible Securities for the Historical Recovery Period to calculate the Historical Fee Rate because this would provide the likely volume for the Historical Recovery Period to be used as the denominator, similar to the manner in which the Fee Rate for Prospective CAT Fees would be calculated. This proposed projection of total executed equivalent share volume based on the prior twelve months is appropriate because it balances the use of data that is sufficiently long to avoid short term fluctuations while providing data close in time to the calculation of the Fee Rate or Historical Fee Rate.[802]

[786] *See* proposed Section 11.3(b)(i)(D)(I).

[787] *See* Notice, 90 FR at 44921. CAT LLC acknowledged that the Historical CAT Assessment would need to be calculated using up-to-date Historical CAT Costs and executed equivalent share volume. *Id.*

[788] *Id.* at 44921.

[789] *Id.*

[790] *See* CAT NMS Plan, at Section 11.1(b).

[791] *See* proposed Section 11.3(b)(i)(A). Proposed Section 11.3(b)(i)(B) provides that the executed equivalent shares used to calculate the Historical CAT Assessment would be counted in the same manner as executed equivalent shares used to calculate CAT Fees related to Prospective CAT Costs.

[792] 15 U.S.C. 78s(b).

[793] *See* proposed Section 11.3(b)(i)(A).

[794] *Id.; see also* 15 U.S.C. 78s(b); *see infra* Part III.A.6.e. (Historical CAT Assessment—Fee Filings under Section 19(b) of the Exchange Act for Industry Member CAT Fees) for a discussion of Section 19(b) filing requirements.

[795] *See* proposed Section 11.3(b)(i)(E).

[796] *See* Notice, 90 FR at 44918.

[797] *See* proposed Section 11.3(b)(iii)(B)(II).

[798] *See* proposed Section 11.3(b)(i)(A).

[799] *See* proposed Section 11.3(b)(i)(C).

[800] *See* Notice, 90 FR at 44935.

[801] *See* proposed Section 11.3(b)(i)(C).

[802] *See* Notice, 90 FR at 44922.

Additionally, it is appropriate for CAT LLC to permit the Operating Committee to use its discretion to analyze the likely volume for the upcoming year.[803] This would allow the Operating Committee to use its judgment when estimating projected total executed equivalent share volume if the volume over the prior twelve months was unusual or otherwise unfit to serve as the basis of a future volume estimate. Furthermore, since the Participants would be required to describe the calculation of the projected total executed equivalent share volume in the fee filings submitted to the Commission, pursuant to Section 19(b) of the Exchange Act, to implement the Historical CAT Assessments on Industry Members, the public will have an opportunity to review the projection and provide comment.[804]

d. Length of Time Historical CAT Assessment Would Be in Effect

Proposed Section 11.3(b)(i)(D)(II) of the CAT NMS Plan would describe the length of time that a Historical CAT Assessment would be in effect. This period of time may be longer or shorter than the Historical Recovery Period used to calculate the Historical Fee Rate for a Historical CAT Assessment. Each Historical CAT Assessment calculated using the Historical Fee Rate would remain in effect until all Historical CAT Costs for that Historical CAT Assessment are collected.[805] CAT LLC stated that ''[a]ny Historical CAT Assessment would remain in effect until the relevant Historical CAT Costs are recovered, whether that time is shorter or longer than the Historical Recovery Period used in calculating the Historical Fee Rate.'' [806] The length of time that the Historical CAT Assessment would be in effect would depend ''on the amount of the Historical CAT Assessments collected based on the actual volume during the time that the Historical CAT Assessment is in effect.'' [807]

In the Commission's view, it is appropriate for Industry Members to be charged a Historical CAT Assessment until all Historical CAT Costs for the Historical CAT Assessment are collected. The Commission understands that the amount of Historical CAT Costs collected will vary depending on how the actual volume compares to the estimated volume. To the extent the actual volume exceeds the estimated volume, a Historical CAT Assessment would be collected faster and thus would be in effect for a shorter period. Similarly, to the extent the actual volume is less than the estimated volume, the Historical CAT Assessment would be collected slower and thus would be in effect for a longer period.

e. Fee Filings Under Section 19(b) of the Exchange Act for Industry Member CAT Fees

Once the Operating Committee has approved a Historical Fee Rate, the Participants shall be required to file with the Commission, pursuant to Section 19(b) of the Exchange Act,[808] such Historical CAT Assessment to be charged Industry Members calculated using such Historical Fee Rate.[809] CAT LLC proposes to provide additional details regarding the fee filings to be filed by the Participants regarding each Historical CAT Assessment pursuant to Section 19(b) of the Exchange Act in proposed Section 11.3(b)(iii)(B) of the CAT NMS Plan. Specifically, this provision would describe that fee filings would be required for each Historical CAT Assessment, the content of such fee filings, and the effect of the Financial Accountability Milestones described in Section 11.6 of the CAT NMS Plan on the fee filings.[810]

Proposed Section 11.3(b)(iii)(B)(I) of the CAT NMS Plan would state that ''Participants will be required to file with the SEC pursuant to Section 19(b) of the Exchange Act a filing for each Historical CAT Assessment.'' [811] CAT LLC proposes to provide additional detail about the information that Participants would be required to include in the filings for the Historical CAT Assessments in proposed Section 11.3(b)(iii)(B)(II). The proposed paragraph sets forth the information about the Historical CAT Assessments that should be included in the fee filings required to be made by the Participants pursuant to Section 19(b) of the Exchange Act.[812] Specifically, such filings would be required to include: (A) the Historical Fee Rate; (B) a brief description of the amount and type of Historical CAT Costs, including (1) the technology line items of cloud hosting services, operating fees, CAIS operating fees, change request fees and capitalized developed technology costs, (2) legal, (3) consulting, (4) insurance, (5) professional and administration, and (6) public relations costs; (C) the Historical Recovery Period and the reasons for its length; and (D) the projected total executed equivalent share volume of all transactions in Eligible Securities for the Historical Recovery Period, and a description of the calculation of the projection.[813]

In addition, CAT LLC proposes to clarify that the Historical CAT Costs described in the fee filings must provide sufficient detail to demonstrate that such costs are reasonable and appropriate.[814] Therefore, CAT LLC proposes to add the following sentence to proposed Section 11.3(b)(iii)(B)(II) of the CAT NMS Plan: ''The information provided in this Section would be provided with sufficient detail to demonstrate that the Historical CAT Costs are reasonable and appropriate.'' [815]

Proposed Section 11.3(b)(iii)(B)(III) provides that the Participants will not make CAT fee filings pursuant to Section 19(b) of the Exchange Act [816] regarding a Historical CAT Assessment until any applicable Financial Accountability Milestone has been satisfied. This provision is appropriate as it takes into account existing requirements set forth in Section 11.6 of the CAT NMS Plan that prevent the Participants from recovering fees related to any given Financial Accountability Milestone until that Financial Accountability Milestone has been achieved.[817]

The Commission emphasizes that the fee filings filed with the Commission, pursuant to Section 19(b) of the Exchange Act,[818] to implement each Historical CAT Assessment on Industry Members will need to provide sufficient

[803] *Id.*

[804] *See* proposed Section 11.3(b)(iii)(B)(II).

[805] *See* proposed Section 11.3(b)(i)(D)(II).

[806] *See* Notice, 90 FR at 44921.

[807] *Id.*

[808] 15 U.S.C. 78s(b).

[809] *See* proposed Section 11.3(b)(i)(A).

[810] *See* proposed Section 11.3(b)(iii)(B)(I), (II), (III).

[811] *See* proposed Section 11.3(b)(iii)(B)(II).

[812] 15 U.S.C. 78s(b).

[813] *See* proposed Section 11.3(b)(iii)(B)(II).

[814] *Id.*

[815] *Id.*

[816] 15 U.S.C. 78s(b).

[817] *See, e.g.,* Section 11.6(a)(iv) (''The Participants will only be permitted to collect Post-Amendment Industry Member Fees for Period 1, Period 2, Period 3, or Period 4 at the end of each respective Period.''). Section 11.6 of the CAT NMS Plan is designed to reduce the amount of fees, costs, and expenses that the Participants may recover from Industry Members if the Participants miss the target deadlines established by that Section. To the extent that the Participants miss a target deadline established by Section 11.6, the Participants would be responsible for paying a larger amount of CAT-related fees, costs, and expenses on their own. The Commission expects that the portion of these fees, costs, and expenses that is attributable to for-profit national securities exchanges would likely be paid out of their existing profits, whereas the portion of these fees, costs, and expenses that is attributable to non-profit national securities associations like FINRA would likely be paid out of past revenue or existing fees. The Commission would evaluate any such new or existing fees in accordance with Section 6(b)(4) and Section 15A(b)(5) of the Exchange Act. 15 U.S.C. 78f(b)(4); 15 U.S.C. 78o–3(b)(5).

[818] 15 U.S.C. 78s(b).

information to enable the Commission to make a determination on whether and when the Participants have satisfied each of the Financial Accountability Milestones—questions that the Commission is not deciding herein. This Order only approves the establishment of the framework by which the Participants will propose Historical CAT Assessments to be charged to Industry Members.[819]

In the Commission's view, the proposed requirement for the Participants to file fee filings with the Commission, pursuant to Section 19(b) of the Exchange Act,[820] to implement each Historical Fee Assessment on Industry Members is appropriate. The detail provided in the fee filings for the Historical CAT Assessment would provide transparency into the Past CAT Costs as it would describe the amount and type of Historical CAT Costs and allow the public the ability to comment on the Historical CAT Costs.[821] The fee filings must contain sufficient detail to demonstrate that the fees are consistent with the Exchange Act, including that such costs are reasonable and appropriate,[822] and provide the public with the detail needed to evaluate the Historical CAT Assessments for comment.

The Proposed Amendment offers an appropriate level of transparency into the Past CAT Costs used for the Historical CAT Assessment so that the industry and the public will be able to understand and assess the Past CAT Costs and the Historical Fee Rate. The Proposed Amendment requires the Section 19(b) fee filings to be submitted to the Commission by the Participants to establish the Historical CAT Assessments for Industry Members to contain the following information: ''(A) the Historical Fee Rate; (B) a brief description of the amount and type of Historical CAT Costs, including (1) the technology line items of cloud hosting services, operating fees, CAIS operating fees, change request fees and capitalized developed technology costs, (2) legal, (3) consulting, (4) insurance, (5) professional and administration, and (6) public relations costs; (C) the Historical Recovery Period and the reasons for its length; and (D) the projected total executed equivalent share volume of all transactions in Eligible Securities for the Historical Recovery Period, and a description of the calculation of the projection.'' [823] CAT LLC explained that this information ''would provide Industry Members and other interested parties with a clear understanding of the calculation of each Historical CAT Assessment and its relationship to Historical CAT Costs.'' [824] In the Commission's view, the detail provided in the fee filings for the Historical CAT Assessment would provide transparency into the Past CAT Costs as the filings would describe the amount and type of Historical CAT Costs and allow the public the ability to comment on the Historical CAT Costs.[825] Additionally, pursuant to the Proposed Amendment being approved, the fee filings will also need to contain ''sufficient detail to demonstrate that such costs are reasonable and appropriate,'' [826] which would provide the public and the Commission the detail needed to evaluate the Historical CAT Assessments for consistency with the Exchange Act and the CAT NMS Plan.

f. Past CAT Costs and Participants

Proposed Section 11.3(b)(ii) of the CAT NMS Plan would clarify that the Participants would not be required to pay the Historical CAT Assessment as the Participants previously have paid all Past CAT Costs. It would state that, ''[b]ecause Participants previously have paid Past CAT Costs via loans to the Company, Participants would not be required to pay any Historical CAT Assessment.'' [827] In addition, proposed Section 11.3(b)(ii) of the CAT NMS Plan would state that the Historical CAT fees collected from Industry Members would be allocated to Participants for repayment of the outstanding loan notes of the Participants to the Company on a pro rata basis; such fees would not be allocated to Participants based on the executed equivalent share volume of transactions in Eligible Securities.[828] Specifically, proposed Section 11.3(b)(ii) of the CAT NMS Plan would state that ''[i]n lieu of a Historical CAT Assessment, the Participants' one-third share of Historical CAT Costs and such other additional Past CAT Costs as reasonably determined by the Operating Committee will be paid by the cancellation of loans made to the Company on a pro rata basis based on the outstanding loan amounts due under the loans.'' [829] Furthermore, proposed Section 11.3(b)(ii) of the CAT NMS Plan would emphasize that ''[t]he Historical CAT Assessment is designed to recover two-thirds of the Historical CAT Costs.'' [830]

The proposed allocation of the Historical CAT Assessment solely to CEBSs and CEBBs, and ultimately Industry Members, is appropriate. The Historical CAT Assessment will still be divided into thirds.[831] CAT LLC stated that the Participants' one-third share of Historical CAT Costs and such other additional Past CAT Costs as reasonably determined by the Operating Committee ''will be paid by the cancellation of loans made to the Company on a pro rata basis based on the outstanding loan amounts due under the loans'' and that the Participants will also be 100% responsible for any excluded costs.[832] CAT LLC explained that the terms of the loan agreements between CAT LLC and the Participants dictate that repayment of the notes will be on a pro rata basis.[833] The pro rata basis for cancelling the loans is appropriate because repayment of the loans made by the Participants is required pro rata per the loan agreements between the Participants and CAT LLC.[834] The CAT NMS Plan permits the Participants to seek recovery of CAT costs from Industry Members, which includes Past CAT Costs.[835] However, similar to cancelling the loans, the Executed Share Model would require the Participants to pay CAT fees related to Prospective CAT Costs.[836]

7. Calculation Information; Billing and Collection of CAT Fees

CAT LLC proposed to provide Participants and CAT Executing Brokers with details regarding the calculation of their CAT Fees upon request.[837] Specifically, CAT LLC proposed to add Section 11.3(a)(iv)(A) to the CAT NMS Plan to provide that ''[d]etails regarding the calculation of a Participant or CAT Executing Brokers' CAT Fees will be provided upon request to such Participant or CAT Executing Broker.'' [838] Similarly, for the Historical CAT Assessment, under proposed Section 11.3(b)(iv)(A), ''at minimum, such details would include each CAT Executing Broker's executed equivalent share volume and corresponding

[819] The Commission does not believe it could determine whether the Historical CAT Costs associated with a Financial Accountability Milestone are ''reasonable or appropriate'' under Section 11.3(b)(iii)(B)(II) without such information.

[820] 15 U.S.C. 78s(b).

[821] *See* proposed Section 11.3(b)(iii)(B)(II).

[822] *Id.*

[823] *See* proposed Section 11.3(b)(iii)(B)(II).

[824] *See* Notice, 90 FR at 44923.

[825] *See* proposed Section 11.3(b)(iii)(B)(II).

[826] *Id.*

[827] *See* proposed Section 11.3(b)(ii).

[828] *See* Notice, 90 FR at 44922.

[829] *See* proposed Section 11.3(b)(ii).

[830] *Id.*

[831] *Id.*

[832] *See* Notice, 90 FR at 44929.

[833] *Id.* at 44933.

[834] *Id.*

[835] *See* CAT NMS Plan, at Section 11.1(b), Section 11.3(b).

[836] *See* proposed Section 11.3(a)(ii).

[837] *See* Notice, 90 FR at 44920.

[838] *See* proposed Section 11.3(a)(iv)(A).

fee.'' [839] In both cases, the new sections require that these details be separated by (1) Listed Options, NMS Stocks and OTC Equity Securities, (2) by transactions executed on each exchange and transactions executed otherwise than on an exchange, and (3) by buy-side transactions and sell-side transactions.[840] Additionally, for each CAT Fee and Historical CAT Assessment, at a minimum, CAT LLC will make publicly available the aggregate executed equivalent share volume and corresponding aggregate fee also by (1) Listed Options, NMS Stocks and OTC Equity Securities, (2) by transactions executed on each exchange and transactions executed otherwise than on an exchange, and (3) by buy-side transactions and sell-side transactions.[841] The Commission understands that the publicly available aggregate statistics will be made available by CAT LLC on a monthly basis with each invoice.

CAT LLC stated that consistent with Section 11.1(d) of the CAT NMS Plan, it will adopt policies, procedures and practices regarding the billing and collection of fees Section 11.4 of the CAT NMS Plan.[842] In addition, pursuant to Section 11.4 of the CAT NMS Plan, CAT LLC will establish a system for the collection of CAT fees from Participants and Industry Members.[843] Under Section 11.4 of the CAT NMS Plan, the Participants must require each Industry Member to pay all applicable fees authorized under this Article XI within thirty (30) days after receipt of an invoice or other notice indicating payment is due (unless a longer payment period is otherwise indicated). If an Industry Member fails to pay any such fee when due, such Industry Member shall pay interest on the outstanding balance from such due date until such fee is paid at a per annum rate equal to the lesser of: (a) the Prime Rate plus 300 basis points; or (b) the maximum rate permitted by applicable law.[844]

Similarly, as set forth in Section 3.7(b) of the CAT NMS Plan, each Participant must pay all fees or other amounts required to be paid under the Plan within thirty (30) days after receipt of an invoice or other notice indicating payment is due (unless a longer payment period is otherwise indicated) (''Payment Date''). The Participant shall pay interest on the outstanding balance from the Payment Date until such fee or amount is paid at a per annum rate equal to the lesser of: (i) the Prime Rate plus 300 basis points; or (ii) the maximum rate permitted by applicable law.[845] The Commission did not receive any objections to nor any comments regarding the calculation of this interest rate.

The proposed provision to Participants and CAT Executing Brokers with details regarding the calculation of their CAT Fees upon request is appropriate. In the Commission's view, providing CAT Execution Brokers information regarding the calculation of their CAT Fees will aid in transparency and permit CAT Execution Brokers to confirm the accuracy of their invoices for CAT Fees. The publication of the aggregate executed equivalent share volume and aggregate fee is appropriate because it would allow Participants and CAT Executing Brokers a high-level validation of executed volume and fees.

8. Additional Changes From Original Funding Model

CAT LLC proposed to delete the term ''Execution Venue'' and its definition from Section 1.1 of the CAT NMS Plan, explaining that this term is not relevant in the Executed Share Model.[846] Section 1.1 of the existing CAT NMS Plan defined ''Execution Venue'' to mean ''a Participant or an alternative trading system ('ATS') (as defined in Rule 300 of Regulation ATS) that operates pursuant to Rule 301 of Regulation ATS (excluding any such ATS that does not execute orders).'' The Original Funding Model would have imposed fees based on market share to CAT Reporters that are Execution Venues, including ATSs, and fees based on message traffic for Industry Members' non-ATS activities.[847] In contrast, the Executed Share Model does not use the term ''Execution Venue,'' as the Executed Share Model imposes fees based on the executed equivalent shares of transactions in Eligible Securities for three categories of CAT Reporters: Participants, CEBBs and CEBSs.[848]

CAT LLC also proposed to amend Section 11.2(c) and Section 11.3(a) and (b) of the CAT NMS Plan to require Participants and CAT Executing Brokers to pay CAT fees based on the number of executed equivalent shares in a transaction in Eligible Securities instead of based on market share and message traffic.[849]

First, CAT LLC proposed to delete subparagraphs (i) and (ii) of Section 11.2(c) and replace these subparagraphs with the requirement that the fee structure in which the fees charged to ''Participants and Industry Members are based upon the executed equivalent share volume of transactions in Eligible Securities.'' [850] The deleted provisions would have required the Operating Committee, in establishing the funding of the Company, to seek to establish a tiered fee structure in which the fees charged to: (i) CAT Reporters that are Execution Venues, including ATSs, are based upon the level of market share and (ii) Industry Members' non-ATS activities are based upon message traffic.

Second, CAT LLC proposed to amend Sections 11.3(a) and 11.3(b) of the CAT NMS Plan to remove detail regarding fixed fees and fee tiers for market share and message traffic by Participants and Execution Venue ATSs under the Original Funding Model.[851] Section 11.3(a) currently describes the fixed CAT fees to be paid by Participants and Execution Venue ATSs based on market share and Section 11.3(b) currently describes the fixed CAT fees to be paid by Industry Members (other than Execution Venue ATSs) based on message traffic.[852] The text in these sections would be replaced with proposed Sections 11.3(a) and (b), which, as discussed above, would describe the calculation and application of the CAT Fees related to Prospective CAT Costs and the Historical CAT Assessments. These proposed changes to Sections 11.3(a) and (b) would also replace references to ''fixed fees'' with ''fees'' instead. CAT LLC explained that the concept of fixed fees is not relevant in the Executed Share Model.[853]

CAT LLC also proposed to amend Sections 11.1(d), 11.2(c), 11.3(a) and 11.3(b) of the CAT NMS Plan to eliminate tiered fees and related concepts because the Executed Share Model does not utilize tiering.[854] First, CAT LLC proposed to remove a reference to the ''assignment of tiers'' from Section 11.1(d). CAT LLC also proposed to remove two sentences from

[839] *See* proposed Section 11.3(b)(iv)(A).

[840] *See* proposed Section 11.3(a)(iv)(A); proposed Section 11.3(b)(iv)(A)

[841] *See* proposed Section 11.3(a)(iv)(B); proposed Section 11.3(b)(iv)(B).

[842] *See* Notice, 90 FR at 44925.

[843] *Id.* at 44926.

[844] *See* CAT NMS Plan, at Section 11.4.

[845] *Id.* at Section 3.7(b). If any such remaining outstanding balance is not paid within thirty (30) days after the Payment Date, the Participants shall file an amendment to this Agreement requesting the termination of the participation in the Company of such Participant, and its right to any Company Interest, with the Commission.

[846] *See* Notice, 90 FR at 44923–24.

[847] *See* CAT NMS Plan, at Section 11.3(a)(i) and (ii); Section 11.3(b).

[848] *See* proposed Section 11.3(a)(ii) and (iii); proposed Section 11.3(b)(iii).

[849] *See* Notice, 90 FR at 44924–25.

[850] *See* proposed Section 11.2(c).

[851] *See* Notice, 90 FR at 44925.

[852] *See* CAT NMS Plan, at Section 11.3(a) and (b).

[853] *See* Notice, 90 FR at 44925.

[854] *Id.* at 44924–25.

Section 11.1(d) permitting the Operating Committee to change the tier assigned to any Person. Second, CAT LLC proposed to amend Section 11.2(c) to delete a reference to a tiered fee structure (specifically, deleting the word ''tiered'') so that CAT fees would not be tiered under the Executed Share Model. Third, CAT LLC proposed to delete subparagraph (iii) of Section 11.2(c), which required the Operating Committee, in establishing the funding of the Company, to seek to establish a fee structure in which the fees charged to CAT Reporters with the most CAT-related activity (measured by market share and/or message traffic, as applicable) are generally comparable (where, for these comparability purposes, the tiered fee structure takes into consideration affiliates between or among CAT Reporters, whether Execution Venues and/or Industry Members).[855] CAT LLC explained that this comparability provision was a factor used to determine the tiers for Industry Members and Execution Venues under the Original Funding Model, but that it is no longer necessary since the proposed Executed Share Model would not use a tiered fee structure.[856] Finally, as discussed above, CAT LLC proposed to amend Sections 11.3(a) and (b) to replace the language with proposed Sections 11.3(a) and (b), which would describe the calculation and application of the CAT Fees related to Prospective CAT Costs and the Historical CAT Assessments. CAT LLC states that such proposed changes would remove the references to tiers in Sections 11.3(a)(i) and (ii) and 11.3(b).[857]

In addition, CAT LLC proposed to amend the CAT funding principles to clarify that CAT Fees and the Historical CAT Assessments are intended to be cost-based fees.[858] Specifically, CAT LLC proposed to amend the funding principle set forth in Section 11.2(c) by making a specific reference to ''the costs of the CAT.'' Proposed Section 11.2(c) would state, ''[i]n establishing the funding of the Company, the Operating Committee shall seek . . . to establish a fee structure in which the fees charged to Participants and Industry Members are based upon the executed equivalent share volume of transactions in Eligible Securities, *and the costs of the CAT* (emphasis added).''[859]

In the Commission's view, the proposed deletion of the term ''Execution Venue'' from the CAT NMS Plan is appropriate because the term is no longer relevant to the CAT NMS Plan. The proposed Executed Share Model does not impose fees on Execution Venues and would instead impose fees on Participants and CAT Executing Brokers (and, ultimately, Industry Members) and therefore it is appropriate to delete the term.

Additionally, it is appropriate to amend Section 11.2(c) and Section 11.3(a) and (b) of the CAT NMS Plan to reflect the proposed use of the number of executed equivalent shares in transactions in Eligible Securities in calculating CAT fees. These changes are appropriate because, unlike the Original Funding Model, the proposed Executed Share Model would not use message traffic, or a tiered fee structure.

Further, the proposed elimination of tiered fees and related concepts from the CAT NMS Plan and the proposed replacement of ''fixed fees'' with references to ''fees'' in the CAT NMS Plan are appropriate. The Original Funding Model would use a tiered fee structure of fixed fees; however, the proposed Executed Share Model would require each Participant and CAT Executing Broker to pay a CAT fee based on its transactions in Eligible Securities.[860] CAT LLC explained that ''[t]he proposed non-tiering approach is simpler and more objective to administer than the tiering approach''[861] and that removing tiers ''eliminates a variety of subjective analyses and judgments from the model and simplifies the determination of CAT fees.''[862] Additionally, the Proposed Amendment would replace the concept of ''fixed fees'' with ''fees'' because CAT fees will vary in accordance with the number of executed equivalent shares in a transaction.[863] The proposed elimination of tiered fees and related concepts from the CAT NMS Plan and the proposed replacement of ''fixed fees'' with references to ''fees'' in the CAT NMS Plan are appropriate because these changes conform the CAT NMS Plan funding model to the proposed Executed Share Model.

Additionally, the Proposed Amendment would amend Section 11.2(c) to make clear that the fee structure established by the Operating Committee to charge fees to Participants and Industry Members would also be based on the costs of the CAT.[864] CAT LLC explained that the change clarifies that the CAT fees are cost-based fees designed to recover the cost of the creation, implementation and operation of the CAT.[865] These proposed changes are appropriate because they would update language in the Original Funding Model to reflect the operation of the proposed Executed Share Model.

9. Other Comments

a. Rule 613 and the CAT NMS Plan

In comment letters submitted for the 2023 Funding Model Amendment, a commenter states that changes and cost overruns have changed the structure of the CAT from what was contemplated by Rule 613.[866] The commenter believes that the Operating Committee and the Commission have engaged in ad-hoc discussions to interpret what the Plan requires ''without adequate notice to Industry Members or due consideration of the costs and benefits associated with such interpretations.''[867] The commenter states that the Commission has not regularly assessed whether costs resulting from a specific interpretation of Rule 613 and the CAT NMS Plan outweigh benefits.[868] The commenter requests that the Commission revisit its assumptions from the CAT NMS Plan Approval Order[869] due to inaccurate cost estimates, a failure to retire duplicative systems, impracticality of technology requirements, a lack of effective governance, and a lack of processes to consider requests to add more data.[870]

In a response letter submitted for the 2023 Funding Model Amendment, CAT LLC states that the CAT was implemented in accordance with Rule 613 and the CAT NMS Plan and that the CAT NMS Plan permits the recovery of costs incurred in the creation, implementation and maintenance of the CAT.[871]

CAT LLC also responds to comments that raised concerns about the Commission's interpretations of CAT NMS Plan requirements that were not related to the funding model and the costs and benefits of those interpretations.[872] CAT LLC states that the Proposed Amendment is not the appropriate forum to resolve

[855] *Id.* at 44925.

[856] *Id.*

[857] *Id.* at 44924–25.

[858] *Id.* at 44924.

[859] Proposed Section 11.2(c).

[860] *See* proposed Section 11.3(a)(ii)(A), (a)(iii)(A), (b)(iii)(A).

[861] *See* Notice, 90 FR at 44925.

[862] *Id.*

[863] *Id.* at 44925.

[864] *See* proposed Section 11.2(c) (''. . . fees charged to Participants and Industry Members are based upon the executed equivalent share volume of transactions in Eligible Securities, *and the costs of the CAT*.'' (emphasis added)).

[865] *See* Notice, 90 FR at 44924.

[866] *See* Citadel July 2023 Letter, at 7.

[867] *Id.* at 6.

[868] *Id.*

[869] *See* CAT NMS Plan Approval Order.

[870] *See* Citadel July 2023 Letter, at 5.

[871] *See* CAT LLC July 2023 Response Letter, at 28.

[872] *See* Citadel July 2023 Letter, at 32–34.

interpretive questions.[873] CAT LLC also states that, for proposed changes to the CAT NMS Plan, the Participants are following the process in Rule 608 for plan amendments and noted that material changes to the CAT system would require an amendment to the CAT NMS Plan,[874] but not a material change to a technology contract as the CAT NMS Plan permits the Operating Committee to enter into, modify or terminate a material contract.[875]

The CAT NMS Plan is consistent with Rule 613, and the Commission does not believe that any changes have been made that are inconsistent with the Plan as approved in 2016, as amended in 2020.[876] Rule 608 and Rule 613 of Regulation NMS provide advance notice of material changes to the CAT system and related costs by requiring changes to the CAT NMS Plan to be filed with the Commission as an NMS plan amendment pursuant to Rule 608 of Regulation NMS and thereby be subject to notice and comment, and Rule 613 requires that the Commission consider, in determining to approve a CAT NMS Plan amendment, the impact of the amendment on efficiency, competition and capital formation.[877] Section 6.9 of the CAT NMS Plan does not provide unfettered discretion to the CAT Operating Committee to make Material Amendments to the CAT system. If the CAT Operating Committee or the Commission wish to impose additional requirements to the CAT NMS Plan, such requirements must be proposed through an amendment to the CAT NMS Plan, filed under Rule 608 of Regulation NMS. Such amendments must be published for notice and comment.[878] Additionally, Rule 613(a)(5) of Regulation NMS [879] requires the Commission to consider, in determining whether to approve an amendment to the CAT NMS Plan, the impact of the amendment on efficiency, competition and capital formation; therefore, this Order contains an analysis of the Proposed Amendment's impact on efficiency, competition, and capital formation.

b. Lawfulness of the CAT

In approving a modified version of the Proposed Amendment as a temporary funding model, the Commission is not reconsidering or revisiting the decision to establish a consolidated audit trail or to approve the CAT NMS Plan. The Commission is, however, separately in the process of a comprehensive reassessment of the CAT. Several commenters on the Proposed Amendment argue that the CAT itself contravenes the Fourth Amendment and the Appropriations Clause, and exceeds the Commission's statutory authority. The Commission has taken the position elsewhere, however, that the commenters' specific constitutional and statutory objections are inconsistent with current judicial precedent, and they thus do not preclude the Commission from approving a temporary funding model to govern while the Commission engages in that review.[880] The Commission takes seriously these comments animated by fundamental concerns about the CAT's current structure, and they will inform the Commission's consideration of potential reforms in the context of its ongoing, comprehensive reassessment of the CAT.

c. Governance

In comments submitted for the 2023 Funding Model Amendment, a commenter states that the CAT governance structure is flawed because exchange groups with multiple affiliated exchanges have ''significant influence'' over the Operating Committee and can ''dictate many CAT-related decisions'' such as the allocation of CAT costs.[881] The commenter further states that Industry Members lack representation on the Operating Committee; therefore, they cannot vote on the design, implementation or funding of the CAT.[882] The commenter states that the governance structure results in the allocation of all CAT costs to Industry Members.[883] Additionally, the commenter believes the governance structure permits the Operating Committee to provide minimal information on the costs to be allocated to Industry Members,[884] stating that the financial information that has been provided by the Operating Committee through audited financial statements and an annual financial and operating budget is disclosed in broad categories and lacks detail about the key drivers of the costs, and that the annual financial and operating budget does not predict costs accurately.[885] Based on this lack of detail, the commenter states that market participants cannot assess whether total CAT costs are reasonable and cannot suggest cost-saving alternatives and must rely on the Operating Committee to contain the budget.[886] The commenter states, ''[i]t is clearly inequitable to compel Industry Members to provide a blank check to fund these spiraling costs in perpetuity, without any governance role or any plan to contain overall costs,'' [887] and that allocating all CAT costs to firms without representation ''marginalize[s] cost-related considerations.'' [888] The commenter also states that the governance structure does not require the Operating Committee or the Commission to assess whether the costs of a specific interpretation of the Plan outweigh any benefits.[889]

The commenter recommends the following enhancements to improve CAT governance: (1) each exchange group and national securities association should have one vote on the Operating Committee, but will have a second vote if ''the exchange group or national securities association has a market center or centers that trade more than 15 percent of consolidated equity and options market share;'' [890] (2) all actions related to funding by the Operating Committee should be authorized by supermajority vote; [891] and (3) Industry Members should have voting representation on the Operating Committee commensurate with the costs allocated to them.[892] The commenter states that if industry representation cannot be achieved through an NMS

[873] *See* CAT LLC July 2023 Response Letter, at 29.

[874] *Id.*

[875] *Id.* at 30 (citing to Section 4.3 of the CAT NMS Plan).

[876] The examples provided in a comment letter submitted in the context of the 2023 Funding Model Amendment provided examples of changes that the commenter states was requested by the Commission. *See* Citadel July 2023 Letter, at 33–35. *See also* 2023 Funding Model Order, at 62671 n.921 (discussing other examples raised by other commenters in the context of the 2023 Funding Model Amendment). The Commission believes that these were included in the CAT NMS Plan approved by the Commission in 2016. *See* Securities Exchange Act Release No. 95234 (July 8, 2022), 87 FR 42247 (July 14, 2022).

[877] *See* Rule 613(a)(5); 17 CFR 242.613(a)(5).

[878] *See* Rule 608(a)(1); 17 CFR 242.608(a)(1).

[879] *See* 17 CFR 242.613(a)(5).

[880] *See, e.g.,* SEC's Opposition to Petitioners' Motion for Stay and Injunctive Relief at 11–13, *Am. Secs. Ass'n* v. *SEC,* No. 23–13396 (11th Cir. Sept. 30, 2024); SEC Defendants' Motion to Dismiss and Opposition to Plaintiff's Preliminary-Injunction Motion at 37–47, 53–55 *Davidson* v. *Gensler,* No. 6:24–cv–00197 (W.D. Tex. July 12, 2024); 2023 Funding Model Order, at 62672–73, *vacated on other grounds by Am. Secs. Ass'n,* 147 F.4th 1264; cf. *Nasdaq Stock Mkt. LLC* v. *SEC,* 38 F.4th 1126, 1131 (D.C. Cir. 2022).

[881] *See* Citadel July 2023 Letter, at 5, 6.

[882] *Id.* at 6.

[883] *See id.*

[884] *Id.*

[885] *Id.* at 6–7; *id.* at n.14.

[886] *See* Citadel July 2023 Letter, at 7.

[887] *Id.* at 2. *See also id.* at 23 (stating Section 6(b)(4), Section 6(b)(5) and Section 6(b)(8) of the Exchange Act do not allow a private entity to require Industry Members to provide a blank check in perpetuity because this is not an equitable allocation of reasonable fees and would greatly harm market competition, efficiency and liquidity).

[888] *Id.* at 7.

[889] *Id.*

[890] *See* Citadel July 2023 Letter, at 34.

[891] *Id.* at 3, 34.

[892] *Id.*

plan, the plan is not an appropriate vehicle for CAT governance.[893]

In response to comments objecting to a lack of Industry Member voting representation on the Operating Committee and suggesting their inclusion based on the proportion of costs allocated to them,[894] CAT LLC states that the addition of Industry Member voting representation is not consistent with the Exchange Act.[895] CAT LLC states that ''allowing Industry Members to control CAT LLC as commenters suggest could adversely affect the regulatory objectives of the CAT'' [896] as Industry Members ''have no statutory obligation to protect investors or to act in the public interest, nor do they have any regulatory obligation to operate the CAT System in a manner that is consistent with the Rule 613 and the CAT NMS Plan.'' [897] CAT LLC states that Industry Members can provide input through Plan amendments and fee filings and the CAT Advisory Committee.[898]

In response to a comment suggesting changes to the allocation of Participant voting rights,[899] CAT LLC states that this issue is beyond the scope of the CAT funding model. CAT LLC also responds to the commenter's suggestion that all funding actions by the Operating Committee require a supermajority vote by stating that it disagreed with the suggestion because all Operating Committee actions relate in a way to CAT costs; therefore, imposing a supermajority requirement could undermine governance.[900]

Commenters raise a number of governance concerns that the Commission expects to consider as part of its comprehensive review of the CAT. But the Commission does not believe that modification of SRO and Industry Member voting rights, which the Commission considered when it approved the CAT NMS Plan, is within the scope of the Proposed Amendment.[901] Furthermore, in response to those comments suggesting the addition of Industry Members as voting members on the operating committee, we note that—in vacating the Order Approving the CT Plan—the D.C. Circuit concluded that the inclusion of non-SRO representation on the operating committee of the CT Plan was inconsistent with Section 11A of the Exchange Act.[902] Industry Members do have an opportunity to attend meetings of the Operating Committee through the CAT Advisory Committee. According to Section 4.13(d) of the CAT NMS Plan, ''[m]embers of the Advisory Committee shall have the right to attend meetings of the Operating Committee or any Subcommittee, to receive information concerning the operation of the Central Repository (subject to Section 4.13(e)), and to submit their views to the Operating Committee or any Subcommittee on matters pursuant to [the CAT NMS Plan] prior to a decision by the Operating Committee on such matters.[903]

d. FINRA Constitutionality

One commenter states that FINRA's regulatory authority over broker-dealers is unconstitutional, either because FINRA violates the private non-delegation doctrine as a private entity, or the Appointments Clause if FINRA is considered a government entity.[904] This commenter states that the constitutional problems with FINRA require rejecting the Proposed Amendment for a number of reasons, including that the Proposed Amendment depends on the authority and involvement of an unlawful entity, including FINRA's role in the operation of CAT and calculation of proposed fees, and the probability that at least one court will hold FINRA to be unlawful.[905]

CAT LLC states that this comment appears to be based on a misunderstanding regarding the entity that serves as the current Plan Processor, which is FINRA CAT, LLC, a separate legal entity that is a subsidiary of FINRA.[906] In response, the commenter states that CAT LLC did not dispute that its operations are dependent on FINRA, defend FINRA's constitutionality, or otherwise address ''the substantial probability that one of the many constitutional challenges to that self-regulatory organization's exercise of regulatory authority will succeed.'' [907] This commenter states that FINRA itself has a ''central and indispensable role in operating the CAT,'' regardless of the ''nominal distinction'' between FINRA and its subsidiary, and so because FINRA is unconstitutional, so too is the exercise of FINRA's authority by a FINRA subsidiary that FINRA may supervise and control.[908] This commenter also states that delegation to a subsidiary cannot solve FINRA's own constitutional dilemma, and that either delegation ''exacerbates the private non-delegation problem'' if FINRA is a private entity, or is in contravention of the Appointments Clause if FINRA is a governmental entity.[909]

The Commission does not believe it would be appropriate to disapprove the Proposed Amendment on the basis that a court, in the future, could potentially determine that FINRA CAT's parent entity FINRA violates the constitution. In any event, the Commission has ''follow[ed] the lead set by the courts'' and has rejected private non-delegation and Appointments Clause challenges to FINRA's structure and operations.[910]

IV. Efficiency, Competition, and Capital Formation

In determining whether to approve a proposed amendment, and whether such amendment is in the public interest, Rule 613 requires the Commission to consider the potential effects of the proposed amendment on efficiency, competition, and capital formation.[911] In its analysis, the Commission has reviewed the statements about such effects put forth by the Participants and commenters and independently analyzed the likely effects of the Proposed Amendment on efficiency, competition, and capital formation.[912] A commenter stated that

[893] *See* Citadel July Letter, at 34. In response, CAT LLC stats that this comment is outside the scope of the Proposed Amendment. *See* CAT LLC July 2023 Response Letter, at 31, n.144.

[894] *See* Citadel July 2023 Letter, at 34; 2023 Funding Model Order, at 62675 n.1012 (citing other comment letters submitted for the 2023 Funding Model Amendment).

[895] *See* CAT LLC July 2023 Response Letter, at 21.

[896] *Id.*

[897] *Id.*

[898] *Id.*

[899] *See* Citadel July 2023 Letter, at 34.

[900] *See* CAT LLC July 2023 Response Letter, at 21–22.

[901] *See* CAT NMS Plan Approval Order, 81 FR at 84728–30.

[902] *See The NASDAQ Stock Market LLC et al.* v. *SEC,* Case No. 21–1167, D.C. Cir. (July 5, 2022); 15 U.S.C. 78k–1.

[903] *See* CAT NMS Plan, at Section 4.13. *See also* 17 CFR 242.613(b)(7).

[904] *See* AmFree Letter, at 2–4.

[905] *Id.* at 4–6.

[906] *See* CAT LLC December 2025 Response Letter, at 13.

[907] *See* Letter to Vanessa Countryman, Secretary, Commission, from Gentry Collins, CEO, AmFree Chamber, dated March 5, 2026 (''AmFree March 2026 Letter''), at 1.

[908] *Id.* at 2.

[909] *Id.*

[910] *In re Robbi J. Jones,* Exchange Act Rel. No. 104273, 2025 WL 3419593, at * 15–16 (Nov. 28, 2025), *pet'n pending* (5th Cir. 25–60703); *see also, e.g., Oklahoma* v. *United States,* 163 F.4th 294, 307 (6th Cir. 2025) (''In case after case, the federal courts have upheld [the SEC–SRO scheme]''). In *Alpine Sec. Corp.* v. *FINRA,* 121 F.4th 1314, 1339 (D.C. Cir. 2024), the D.C. Circuit found a likely private non-delegation violation ''only to the extent'' that FINRA sought to expel a broker-dealer from membership ''with no opportunity for SEC review.'' But the court explained that its opinion was ''limited to expulsion orders issued in expedited proceedings,'' *id.* at 1330, which are not at issue here.

[911] 17 CFR 242.613(a)(5).

[912] *See* Citadel October 2025 Letter, at 4 (noting that it is the Commission's responsibility to

Continued

the Commission should update its economic analysis of the CAT NMS Plan to reflect the actual costs of operating CAT.[913] In analyzing the potential impacts of the Proposed Amendment on efficiency, competition, and capital formation, the Commission has incorporated up-to-date information on the costs of building and operating the CAT in addition to other information learned since the CAT NMS Plan Approval Order. For the purposes of this analysis, the effects of the Proposed Amendment—which include replacing certain provisions of the CAT NMS Plan and providing detail not previously included in the CAT NMS Plan—are therefore measured against this updated economic baseline.[914] The updated baseline is used by the Commission to conduct an analysis of the Proposed Amendment in light of issues raised in the Notice and public comments, as well as the Eleventh Circuit opinion vacating the 2023 Funding Model Order and remanding the matter to the Commission for further proceedings consistent with its opinion.

Based on its analysis, the Commission believes that the Proposed Amendment will involve efficiency gains along some dimensions but will likely also involve tradeoffs against other forms of efficiency. The Proposed Amendment could negatively alter the competitive position of particular competitors, though the CAT fees[915] associated with the Proposed Amendment are unlikely to be large enough to affect overall competition. The Proposed Amendment should result in insignificant effects on capital formation.[916] Also, while the Executed Share Model might change which investors ultimately bear CAT costs, the Executed Share Model might not change the total costs borne by investors relative to the Original Funding Model. These effects are discussed in Part IV.C.2, Part IV.D.2, Part IV.E, and Part IV.B, respectively.[917]

The Commission is modifying the Proposed Amendment to provide for a two-year limitation on collecting funds from Industry Members under this funding model.[918] If there is no further action, *i.e.,* another CAT NMS Plan amendment, either submitted by the Participants and approved by the SEC or initiated by Commission rulemaking, then the Participants would not be able to obtain funding for the CAT after March 31, 2028. As a result, the effects discussed below are temporary and limited to the period the Executed Share Model is in effect. By being limited to a given time period, the effects will not be as large economically as they would be if not time limited.

Further, some of the economic effects may be altered by the temporary nature of the Executed Share Model as modified. For example, it may affect efficiency of how costs are recovered, if Industry Members and Participants make different cost recovery decisions because of the temporary nature. The sunset may also affect the incentives of Industry Members and Participants to limit their burdens on CAT and reduce CAT costs. If there are costs associated with reducing their burden on CAT, Industry Members and Participants may be less willing to incur those costs if the Executed Share Model is only temporary.

A. Realized Costs To Build and Operate the CAT

The CAT NMS Plan Economic Analysis from 2016 divided the analysis of CAT cost estimates into: (i) costs of building and operating the Central Repository, (ii) costs of data reporting and surveillance performed by Participants, and (iii) costs of data reporting by broker-dealers.[919]

The costs to build[920] and operate the Central Repository—the latter including technology costs such as cloud hosting services costs, as well as general and administrative costs such as legal and insurance costs—are distributed to Participants and to Industry Members by the Executed Share Model. The initial costs to operate the Central Repository have proven to be higher with respect to what was estimated in the 2016 Economic Analysis,[921] and the operating costs increased by more than 30 percent, in constant dollars, between 2021 and 2024.[922] Because of these cost trends, commenters have stated that the Commission should document the current CAT budget, explain why actual costs were higher than the estimates in the 2016 Economic Analysis, and update its estimates of the future

independently weigh the costs and benefits of the Proposed Amendment and determine its impact on efficiency, competition, and capital formation); *see also, e.g.,* Citadel July 2023 Letter, at 2, 11, 12–13, 15–16 (stating that the Participants' analysis of an earlier version of the executed share model was lacking, and stating that it would negatively affect efficiency, competition, and capital formation). The Commission has independently analyzed the Proposed Amendment using information from the Participants and commenters as well as additional information as indicated.

[913] *See* Citadel October 2025 Letter, at 4–8; Citadel January 2026 Letter, at 2–3. The same commenter also stated that the Commission had not analyzed the economic effects of allocating a large portion of the costs of operating the CAT to Industry Members and their customers. *See* Citadel October 2025 Letter, at 6 (citing to a table summarizing CAT operating costs). The Commission analyzed the effects of CAT costs being borne by Industry Members in 2016. *See, e.g.,* CAT NMS Plan Approval Order, 81 FR at 84878–82. This discussion will also update that analysis based on the Proposed Amendment.

[914] Some of the conclusions of the Proposed Amendment on Efficiency, Competition, and Capital Formation provided by the Participants are assessed relative to alternatives rather than the baseline the Commission used in the analysis herein.

[915] In this discussion of efficiency, competition, and capital formation, the term ''CAT fees'' means those costs charged by the plan processor, CAT LLC, to Participants and Industry Members according to a funding model. For the Executed Share Model in the Proposed Amendment, the two categories of CAT fees are CAT Fees and Historical CAT Assessments.

[916] *See supra* Part III for a discussion of why the Commission is approving the Proposed Amendment.

[917] A commenter stated that the Commission should also consider, as part of its analysis of economic effects, certain alternatives to the Proposed Amendment, including minimum and maximum fee levels, calibrations to fees for market makers, and adjustments to the split between Participants and Industry Members. *See* Citadel October 2025 Letter, at 8; *see also* Citadel August 2023 Letter, at 5 (suggesting alternatives to prior version of the Executed Share Model). As discussed above, each of these alternatives would have strengths and weaknesses. *See supra* Part III.A.2. Given the potential distortions that could occur with these alternatives and the time-limited nature of the Proposed Amendment, the Commission does not believe that the existence of the alternatives calls into question the Proposed Amendment's satisfaction of the approval standard in 17 CFR 242.608(b)(2), or otherwise warrant a departure from the policy choices made by the Participants.

[918] *See supra* Part III.A.

[919] *See* CAT NMS Plan Approval Order, 81 FR at 84853.

[920] The build cost primarily involved development of the technology of the CAT system. *See https://www.catnmsplan.com/audited-financial-statements* for detailed accounting treatments of Developed Technology for annual financial statements. *See also infra* Table 1 and the associated discussion.

[921] Specifically, see the discussion in *infra* Part IV.A.1.c on the comparison of realized costs for the five years following the selection of the Plan Processor and those estimated in 2016.

[922] See Table 3 in *infra* Part IV.A.1.c.

trajectory of the CAT budget.[923] The following discussion addresses those topics within the context of helping to establish the baseline for the economic effects of the Proposed Amendment.

1. Costs To Build and Operate the Central Repository

While the build costs of the Central Repository fell within the range that was estimated in 2016, the operating costs of the Central Repository increased rapidly, especially since CAT reporting started,[924] and were high in comparison to those estimated in the CAT NMS Plan Notice and the CAT NMS Plan Approval Order.[925] The 2016 estimates were partial estimates that were subject to significant uncertainty, as the Commission acknowledged at the time. The growth in operating costs, however, has been slower than the growth of the market as measured by trade transaction volume and message traffic. The costs to build and operate the Central Repository peaked in 2024, and they have significantly declined since 2024 as a result of Commission and Participant actions. For example, the Plan Processor's cloud hosting costs, which represent the majority of operating costs, have declined significantly since 2024—the costs to build and operate the Central Repository in 2026 could be close to two thirds of those in 2024.

a. 2016 Cost Estimates

The CAT NMS Plan Notice and the CAT NMS Plan Approval Order discussed how the actual costs could differ from the Commission's 2016 cost estimates because those estimates were based on the information available at the time, with uncertainties surrounding the implementation costs,[926] and did not include all cost drivers. Also, the economic effects of the Plan depended to some extent on decisions that would be made after the approval of the Plan.[927]

The preliminary estimates in the CAT NMS Plan Notice were based on the bids of the final six Shortlisted Bidders.[928] Subsequently, the Participants narrowed the number of bidders to three.[929] Based on this new range of bids, and a change in the number of Participants,[930] the Commission estimated that the range of costs to build the Central Repository was $37.5 million to $65 million, and the range of annual operating costs was $36.5 million to $55 million.[931] The Commission explained [932] at the time that these cost estimates for the Central Repository did not include Quote Sent Time reporting by Option Market Makers and the capture of Allocation Time in Allocation Reports.[933] In addition, the Participants clarified that the costs in the bids did not include other expenses that might be incurred such as insurance, operating reserves, or third-party costs such as accounting and legal expenses.

In the CAT NMS Plan Notice, the Commission stated that there was significant uncertainty surrounding the actual implementation costs of the CAT because the methodology and limitations in the data used to develop these cost estimates could result in estimates that would differ significantly from actual costs.[934] In particular, some of the actual economic effects of the Plan depended on decisions that would be made after the approval of the Plan, such as governance provisions in the Plan related to the operation and the administration of the CAT.[935]

b. Realized Costs To Build and Operate the Central Repository

The cost to build the Central Repository over the period 2019–2025 was close to the upper bound of the range of build cost estimated in 2016. The total costs to build and operate the Central Repository over the period 2019–2023, the five years following the selection of the Plan Processor, exceeded the upper bound of the 2016 estimates, although not by a large magnitude, when expressed in constant dollars.[936] Below, we discuss the evolution of costs over time in 2016 constant dollars (henceforth, 2016

[923] *See* Citadel October 2025 Letter, at 4–5; *see also* SIFMA October 2025 Letter, at 2–3 (suggesting analysis of the current and future trajectory of the CAT budget); ASA October 2025 Letter, at 3 (requesting a comprehensive analysis of how CAT costs increased ''out of control''); Citadel January 2026 Letter, at 2–3; ASA February 2026 Letter, at 2. Some of the analyses suggested by commenters would require review of individual CAT LLC invoices by the Commission. *See* Citadel October 2025 Letter, at 4 (documentation of number of Industry Members billed by Participants), 6 (evaluation of invoices to consider differences in CAT costs for equity and options trading activity), 6–7 (analysis of retail investor trading activity using invoices), 7 (analysis of percentage of CAT costs borne by largest market makers based on proprietary trading activity using invoices); *see also* Citadel January 2026 Letter, at 3 (analysis of how fees were actually allocated under the 2023 Funding Model Amendment to evaluate the effect on market makers and retail investors); ASA February 2026 Letter, at 4 (similar). The Commission has responded below to each of these suggestions either by analyzing the potential effects raised by the commenter with other data or through qualitative discussion of the economic effects. In addition, to the analysis in this order, the Commission is conducting a comprehensive review of the CAT. *See supra* note 37 and accompanying text.

[924] Year 2021 is the first full year of CAT reporting. Reporting started in the middle of 2020—equities reporting on June 22, 2020, and options on July 20, 2020 (*see* Statement, Update on the Consolidated Audit Trail: Data Security and Implementation Progress, *https://www.sec.gov/newsroom/speeches-statements/clayton-kimmel-redfearn-nms-cat-2020-08-21*).

[925] *See* Table 1 in *infra* Part IV.A.1.b and Table 3 in *infra* Part IV.A.1.c.

[926] *See* CAT NMS Plan Approval Order, 81 FR at 84863.

[927] *See* CAT NMS Plan Approval Order, 81 FR at 84854–6.

[928] *See* CAT NMS Plan Notice, 81 FR at 30710. At the time of the CAT NMS Plan Notice, the Bidders' implementation cost estimates range from $30 million to $91.6 million; the estimated annual costs to operate and maintain the Central Repository range from $27 million to $135 million. Note that all the estimates in the CAT NMS Plan Notice and the CAT NMS Plan Approval Order were in current—that is, in 2016 dollars. All the monetary values in this baseline, therefore, are converted to constant 2016 dollars. *See infra* Tables 1 and 2.

[929] *See* CAT NMS Plan Approval Order, 81 FR at 84854.

[930] Twenty-one Participants at the time of the revised estimates. *See id.* at 84856.

[931] *See id.* at 84854.

[932] *See id.*

[933] An analysis of CAT Data showed that, in the first quarter of 2024, OQ events accounted for approximately 72 percent of all options-related events and 63 percent of all events in CAT. Further analysis of options trades associated with options market maker quotes in Listed Options showed that a substantial portion of all options trades, approximately 20 percent, was associated with options market maker quotes. *See* CAT NMS Plan Approval Order, 89 FR at 103044–5. The annual shares of options market maker quotes in infra Table 4 are consistent with these findings.

[934] *See* CAT NMS Plan Approval Order, 81 FR at 84852.

[935] *See id.* at 84804. The Commission continued to believe, however, that it was using its best judgment to assess available information and data to provide analysis and estimates of the costs of the CAT NMS Plan. *See id.* at 84863.

[936] *See infra* Table 6. *See infra* Table 1 for details on conversion to constant dollars. *See* Table 3 in *infra* Part IV.A.1 for a detailed discussion of the comparison to the 2016 estimates.

dollars), to account for inflation over time.[937]

Table 1 presents the build costs and the total operating costs of the Central Repository by year in 2016 dollars. The total build costs from April 2019 to September 2025 was $58.6 million in 2016 dollars. The total ongoing costs increased by $17.1 million (in 2016 dollars) between 2021 and 2025.[938]

TABLE 1—BUILD AND TOTAL ONGOING OPERATING COSTS OF THE CENTRAL REPOSITORY

[In millions of 2016 dollars]

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Capitalized Developed Technology costs	.....	.....	.....	13.8	17.4	9.4	5.4	3.6	5.1	3.9
Total ongoing operating costs (Technology + General & Administrative)	4.1	8.4	10.7	35.9	87.2	126.1	150.8	148.6	168.0	143.2

Notes: (1) Sources: CAT LLC February 2026 Response Letter at 3 and Exhibit A; 2024 and 2025 total ongoing operating costs are from *https://www.catnmsplan.com/cat-financial-and-operating-budget*. The underlying numbers for quarters 3 and 4 of 2024, and 2025, of the Financial Statements are estimates as of July 2024, and November 2025, respectively. (2) The total ongoing operating costs include total technology costs, total general and administrative costs, as well as software license fees for 2024 onwards. (3) The 2025 estimate for Capitalized Developed Technology costs (build costs) cover Jan 1–Sept 30. (4) Conversion to constant dollar was done using U.S. Bureau of Economic Analysis, Gross Domestic Product: Implicit Price Deflator [GDPDEF], retrieved from FRED, Federal Reserve Bank of St. Louis, *https://fred.stlouisfed.org/series/GDPDEF*.

Table 2 presents a broad breakdown of the main operating cost components of the Plan Processor, as reported by FINRA CAT, for the period 2021–2025.[939] Since 2021, the first full year of CAT reporting,[940] cloud hosting services costs have accounted for 66 to 75 percent of total ongoing operating costs, while general and administrative costs have accounted for 5 to 7 percent of total ongoing operating costs.[941] Data are unavailable to further disaggregate the cost items in Table 2 into certain subcategories, such as a subcategory for the usage-related costs for data requests made by the Commission or Participants.[942]

TABLE 2—MAIN COMPONENTS OF OPERATING COSTS OF THE CENTRAL REPOSITORY

[In millions of 2016 dollars]

	2021	2022	2023	2024	2025
Total Technology costs	117.5	142.5	140.5	154.5	133.1
Cloud hosting services costs	88.9	112.9	102.9	116.7	93.9
Total General and Administrative costs	8.6	8.2	8.1	9.4	7.2

Notes: (1) Sources: *https://www.catnmsplan.com/cat-financial-and-operating-budget*. The underlying numbers for quarters 3 and 4 of 2024, and 2025, of the Financial Statements are estimates as of July 2024, and November 2025, respectively. (2) Conversion to constant dollar was done using U.S. Bureau of Economic Analysis, Gross Domestic Product: Implicit Price Deflator [GDPDEF], retrieved from FRED, Federal Reserve Bank of St. Louis, *https://fred.stlouisfed.org/series/GDPDEF*. (3) Cloud hosting service costs are a component of Total Technology Costs. As reported in Table 1, the total ongoing operating costs include total technology costs, total general and administrative costs, as well as software license fees for 2024 onwards.

Technology costs, which accounted for 93 percent of the total ongoing costs in 2021, increased by $15.6 million between 2021 and 2025 (a 13 percent increase). General and Administrative costs, which accounted for only 7 percent of total ongoing costs in 2021, declined by $1.4 million between 2021 and 2025 (a 16 percent decrease). Table 3 shows that, the total ongoing operating costs increased by 14 percent over the period 2021–25, with technology costs growing by 13 percent and general and administrative costs shrinking by 16 percent.[943]

[937] To illustrate the relevance of using constant dollars, consider the impairment loss of $75,205,874 that was recorded for the year ended December 31, 2019. If, (a) all of the impairment loss is included as part of the developed technology costs, (b) developed technology costs are aggregated without accounting for accumulated amortization, and (c) all the developed technology cost figures, impairment loss, etc., are expressed in current instead of constant dollars, then we arrive at a total build cost figure, over the period 2017–2023, that is approximately eight times the lower bound estimate (*i.e.,* $37.5 million) of the build cost, and approximately five times the upper bound estimate (*i.e.,* $65 million) of the build cost. When the cost components are treated correctly, and expressed in constant dollars, the realized build costs are close to the upper limit of the range estimated in 2016. *See https://www.catnmsplan.com/audited-financial-statements* for financial statements prior to 2022 and *https://www.catnmsplan.com/cat-financial-and-operating-budget* for 2022 and later.

[938] The first full year of reporting is 2021. *See supra* note 924. Also, note that Table 1 uses the latest publicly available update for the full years of 2024 and 2025. The financial statements are being updated periodically. For example, the CAT LLC February 2026 Response Letter at 3 updates that in the second half of 2025, CAT AWS cloud fees totaled $45.8 million (excluding a $1.95 million workload credit), which is $35.2 million in 2016 dollars. This indicates that when the full year of 2025 cost numbers are updated next, the cost growth numbers between 2021 and 2025 could be even smaller than those calculated in Table 3.

[939] *See* notes to Table 2; *see also* Citadel October 2025 Letter, at 4 (requesting documentation of current CAT budget); Citadel January 2026 Letter, at 2–3; ASA February 2026 Letter, at 2.

[940] *See supra* note 924.

[941] The CAT NMS Plan Notice discussed that while the Plan identified the major cost drivers (*see infra* note 946 and surrounding discussion) it did not present information on how sensitive these cost estimate are to each of these factors. *See* CAT NMS Plan Notice, 81 FR at 30710.

[942] *See* Citadel October 2025 Letter, at 4 (requesting detailed data on usage-related costs).

[943] If inflation is not accounted for and growth rates of CAT costs are calculated using costs at current dollars, then we would arrive at the following incorrect growth estimates over the period 2021–2025: technology costs (31 percent), general and administrative costs (−4 percent) and total ongoing operating costs (32 percent).

TABLE 3—GROWTH IN THE OPERATING COSTS OF THE CENTRAL REPOSITORY

[In 2016 dollars]

	(a)	(b)	(c)	(d)
	Total growth (percent)		Average annual growth (percent)	
	2021–2025	2021–2024	2021–2025	2021–2024
Total Technology Costs	13.3	31.5	3.2	9.6
Cloud hosting services	5.6	31.3	1.4	9.5
Total General and Administrative	−16.3	9.3	−4.3	3.0
Total ongoing operating costs	13.6	33.2	3.2	10.0
Total costs of the Central Repository	8.6	27.7	2.1	8.5

Notes: (1) Total growths are calculated as rates of change between the respective years. The average annual growth rates are geometric averages of the rates of change between two consecutive years. (2) Total ongoing operating costs growth, and total costs of the Central Repository growth numbers are derived from Table 1 and the rest of the growth numbers are derived from Table 2. (3) The underlying numbers for quarters 3 and 4 of 2024, and 2025, of the Financial Statements are estimates as of July 2024, and November 2025, respectively.

Total ongoing operating costs of the Central Repository started to decline after peaking in 2024; they grew by 33 percent between 2021 and 2024, as cloud hosting services costs grew by 31 percent.[944] Cloud hosting services costs declined by 20 percent between 2024 and 2025 (see Table 2), leading to a decline of 14 percent in total technology costs from 2024 to 2025.[945]

c. Growth of the Market Relative to Costs of the Central Repository

In the CAT NMS Plan Notice, the major cost drivers identified by bidders were: (1) transactional volume, (2) technical environments, (3) likely future growth in transactional volumes, (4) data archival requirements, and (5) user support/help desk resource requirements.[946] Technology costs—comprised primarily of compute and storage costs—dominate the operating costs of the Central Repository.[947] In addition, the CAT must process and store extremely large data volumes within specific timeframes, and these processes have been operational in a market environment of increasing message traffic.[948] In analyzing the growth in costs of the Central Repository the evolution of message traffic, thus, could be relevant. We, therefore, compare evolution of the operating costs of the Central Repository with the evolution of the market where, for analytical completeness, the latter is measured by both transaction volumes and message traffic.

Since 2021, the beginning of the first full year of CAT reporting, the Central Repository's operating costs have increased. During the same time, message traffic and trading activities in equity and options markets have also increased. Tables 1 and 3 (above) show that the total ongoing operating costs of the Central Repository grew by 33 percent between 2021 and 2024 and decreased by 15 percent between 2024 and 2025. In contrast, between 2021 and 2025, total message traffic grew by 193 percent for equities and 176 percent for options (Table 4).[949]

TABLE 4—DAILY AVERAGE MESSAGE TRAFFIC (IN BILLIONS): 2021–2025

	Equities			Options	
	Industry members	Exchanges	Total	OMM quotes	Total
Levels (billion):					
2021	19	9	27	135	175
2022	40	13	53	211	258
2023	32	10	42	222	269
2024	37	11	48	259	336
2025	62	17	79	362	483
Total growth (percent):					

[944] If inflation is not accounted for and growth rates of CAT costs are calculated using costs at current dollars, then we would arrive at the following incorrect growth estimates over the period 2021–2024: technology costs (49 percent), cloud hosting services costs (49 percent), general and administrative (24 percent), and total ongoing operating costs (51 percent).

[945] In addition to the realized costs to build and operate the Central Repository, commenters stated that as part of its updated baseline, the Commission should also document CAT Reporters' reporting costs with new surveys. *See* Citadel October 2025 Letter, at 5–6; SIFMA October 2025 Letter, at 2–3. CAT Reporter costs and the distribution of those costs are not affected by the Proposed Amendment. Commenters also stated that the Commission should determine the cost savings for Industry Members associated with reduced use of the EBS system. *See* Citadel October 2025 Letter, at 5–6; Citadel January 2026 Letter, at 3; ASA February 2026 Letter, at 4. The Commission acknowledges that the EBS system is still used by regulators, and that any cost savings from fewer EBS requests are unlikely to fully offset the costs to CAT Reporters. In 2024, the Commission made 5,109 EBS data requests resulting in 201,605 letters to Industry Members, compared to 3,722 requests made in 2014 that resulted in 194,696 letters. CAIS Amendment Approval Order, *supra* note 238, at 2187–88. And the number of requests is likely to increase further because of the recent amendments to the CAT NMS Plan regarding CAIS. *See id.* However, since 2014, the process whereby Industry Members respond to EBS requests has become increasingly automated and it is likely that the fixed costs directly attributable to the request and response process are lower today, although the Commission lacks data on those costs.

[946] *See* CAT NMS Plan Notice, 81 FR at 30710.

[947] *See* Tables 1 and 2 and *see infra* Part IV.C.1.b.

[948] *See supra* note 236 and surrounding discussions including those about the 2025 Cost Savings Amendment. Furthermore, see discussion of options market maker quotes and the impacts of the CAT cost cutting measures in *infra* Part IV.A.2.

[949] Message traffic in equities (options) markets between 2021 and 2024 grew by 78 percent (92 percent) and continued to grow in the subsequent year. Between 2022 and 2023, the message traffic declined in the equity market and stagnated in the Options market, a pattern of change that is consistent with a small decline in cloud hosting services costs observed between 2022 and 2023 in Table 2. A commenter stated that the Commission should document the number of quotation messages, subdivided by equities and options. *See* Citadel October 2025 Letter, at 4. Table 4 includes only the latter because complete equities message traffic is informative of the growth in CAT costs, while equities quotation messages could refer to multiple things that are impracticable to calculate and would not meaningfully impact this analysis.

TABLE 4—DAILY AVERAGE MESSAGE TRAFFIC (IN BILLIONS): 2021–2025—Continued

	Equities			Options	
	Industry members	Exchanges	Total	OMM quotes	Total
2021–2025	226	89	193	168	176
2021–2024	95	22	78	92	92
2021–2023	68	11	56	64	54
2023–2025	94	70	88	63	80

Notes: (1) Source: Consolidate Audit Trail. (2) Complete information for the entire equity market are available from the beginning of Q2 of 2021. Year 2025 estimates include the first two quarters. (3) Options market maker (OMM) quotes account for quote events. (4) Total growths are calculated as rates of change between the respective years.

Growth in trading activities in equity and options markets also exceeded the growth in costs of the Central Repository. Table 5 shows that the number of shares (contracts) traded in the equity (options) market increased by 70 percent (54 percent) between 2021 and 2025.[950] In contrast, cloud hosting services costs for CAT over the same period increased by only 6 percent.[951]

TABLE 5—TRADING ACTIVITIES IN THE EQUITY AND OPTIONS MARKETS, 2021–2025

	Equity	Options
	Number of shares traded (billion)	Number of contracts traded (million)
Levels:		
2021	10	78
2022	12	84
2023	11	88
2024	12	99
2025	17	120
Total Growth (percent):		
2021–2025	70	54
2021–2024	20	27
2021–2023	10	13
2023–2025	55	36

Notes: (1) Equity market information is obtained from daily SIP data, options market information obtained from the relevant CAT table. (2) Year 2025 estimates include the first two quarters. (3) Total Growths are calculated as rates of change between the respective years.

Figure 1 summarizes graphically the trends in total ongoing operating costs of the Central Repository, the message traffic and trade transactions in the market, shown in Tables 1, 4, and 5.[952] We observe a large drop in these costs between 2024 and 2025 that goes against the trends in both message traffic and transactions volume. This is consistent with the assessment of a commenter that changes made to the CAT regarding options market maker quotes may have caused a change of direction in these cost trends;[953] however, the evolution of these costs, over the period 2021–24, while different from those of equity and options message traffic, is aligned with the evolution of number of shares traded in both Equities and Options markets, undermining the same commenter's assertion that cost overruns cannot be attributed to market volume because these costs could be linked to the unanticipated increases in market volume over the period 2021–24.

BILLING CODE 8011–01–P

[950] A commenter stated that the Commission should document the number of executed shares, subdivided by equities and options. *See* Citadel October 2025 Letter, at 4.

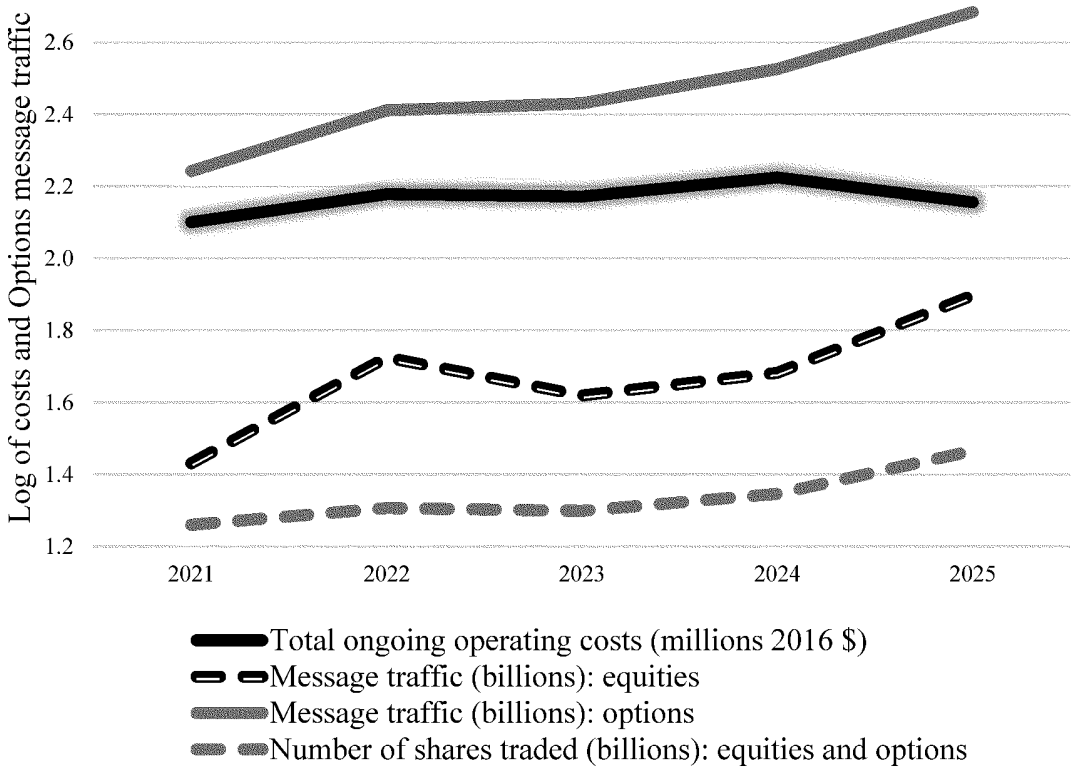
[951] *See* column (a) of Table 3.

[952] The analysis presented in Figure 1 and the prior tables that Figure 1 summarizes is consistent with the analyses of CAT cost trends that were suggested by commenters. *See* Citadel October 2025 Letter, at 4–5; SIFMA October 2025 Letter, at 2–3.

[953] See Citadel, January 30, 2026, at 2, stating, ''Simply attributing those cost overruns to an unanticipated increase in market volume is not accurate or sufficient, as we are now witnessing the CAT budget start to decrease as a result of addressing certain key cost drivers (such as options market maker quotes and data retention requirements), despite the persistence of record trading volumes.'' Also see infra Part IV.A.2 for a discussion of various cost reduction measures.

Figure 1

Total Ongoing Operating Costs of the Central Repository, Message Traffic, and Trade Transactions: 2021-2025



Notes: (a) Data from Tables 1, 4 and 5 used. (b) Logarithms of values taken to adjust for differences in units of magnitudes. (c) Number of shares in Options market are calculated by multiplying the number of contracts with 100.

BILLING CODE 8011–01–C

Table 6 presents the total net costs of building and operating CAT in 2016 dollars. CAT NMS Plan Approval Order presented the range for the total cost estimate for the five years following the selection of the Plan Processor to be $159.8 million to $538.7 million in 2016 dollars.[954] Table 6 shows that the net total costs over the period 2019–2023 was $566 million in 2016 dollars, which is 5 percent higher than the upper limit of the 2016 estimate.

[954] *See* CAT NMS Plan Approval Order, 81 FR at 84987. Note that this range included the combined build and annual recurring costs. Bidders had provided an estimate of annual recurring operating and maintenance costs for the five-year period following the selection of the Plan Processor ranging from a low of $135 million to a high of $465 million, and an estimate of the annual peak year costs (*i.e.,* cost for the year during which it will cost the most to operate the CAT) ranging from $27 million to $110 million (*see* CAT NMS Plan Approval Order, 81 FR at 84986). Also, On February 26, 2019, FINRA CAT, LLC (''FINRA CAT''), an affiliate of FINRA, formally took over as the Plan Processor; *see* Financial Statement for the Years Ending Dec. 31, 2019 and 2018, CAT LLC, at 9 (*https://www.catnmsplan.com/sites/default/files/2021-08/CAT-NMS-LLC-2019-and-2018-Financial-Statements.pdf*).

TABLE 6—TOTAL CAT COSTS IN 2016 DOLLARS

Year	Capitalized developed technology costs	Total ongoing operating costs	Thesys costs to build the CAT for which a full impairment loss was recorded in 2019	Excluded costs	Net costs
2016		4.1			4.1
2017		8.4	27.6		36.0
2018		10.7	45.2	(46.9)	9.0
2019	13.8	35.9		(21.1)	28.6
2020	17.4	87.2		(11.3)	93.3
2021	9.4	126.1			135.5
2022	5.4	150.8			156.2
2023	3.6	148.6			152.2
2019–2023	49.6	548.6	0.0	(32.4)	565.8
2024	5.1	168.0			173.1
2025	3.9	143.2			147.1
2016–2025	58.6	883.0	72.8	(79.3)	935.1

Notes: (1) This table features the ongoing operating costs and build costs are from Table 1 that summarized the information in CAT LLC February 2026 Response Letter at 3 and Exhibit A as well as the CAT LLC financial statements. (2) The 2024 and 2025 total ongoing operating costs are from *https://www.catnmsplan.com/cat-financial-and-operating-budget*. The underlying numbers for quarters 3 and 4 of 2024, and 2025, of the Financial Statements are estimates as of July 2024, and November 2025, respectively. (3) The 2025 estimate for Capitalized Developed Technology costs (Build costs) cover Jan 1–Sept 30. (4) Conversion to constant dollar was done using U.S. Bureau of Economic Analysis, Gross Domestic Product: Implicit Price Deflator [GDPDEF], retrieved from FRED, Federal Reserve Bank of St. Louis, *https://fred.stlouisfed.org/series/GDPDEF*.

2. Cost Reduction Measures and Projected Costs

The costs of the Central Repository have been declining since 2024 and are expected to continue to decline through 2026.[955] As Table 7 shows, the total build and ongoing operating costs of the Central Repository reduced by 15 percent from 2024 to 2025 (in 2016 dollars) and are expected to reduce by another 20 percent between 2025 and 2026, to $117–118 million (in 2016 dollars).[956] In contrast, by every measure presented in Tables 4 and 5, the equities and options markets increased by at least 21 percent from 2024 to 2025, and some predict they will continue growing in 2026.[957]

A series of regulatory measures to cut CAT costs have been approved by the Commission, with other measures under consideration.[958] To illustrate the impact of the approved cost reduction measures since 2024, when the costs peaked, Table 7 presents projected costs for 2025 and 2026 without accounting for all the approved cost reduction measures since 2024. In the absence of these cost reduction measures, the total ongoing operating costs of the Central Repository could be $188 million in 2025 and $204 million in 2026 (all in 2016 dollars).

TABLE 7—PROJECTED AND REALIZED TOTAL ONGOING OPERATING COSTS OF THE CENTRAL REPOSITORY

Year	Scenario	Costs to build and operate the Central Repository (in millions of 2016 $)
2024	(1) Realized costs[a]	173
2025	(2) Projected costs without any cost reduction measure[b]	188
	(3) Realized costs[c]	147
2026	(4) Projected costs without any cost reduction measure[d]	204
	(5) Projected costs after accounting for all cost reduction measures[e]	117–118

[a] *See* Table 2 for a detailed description of the cost numbers.

[b] The average growth rate of total costs of the Central Repository between 2021 and 2024 (column (d) of Table 3) is applied to scenario (1). No cost saving Amendment or Exemptive Reliefs since 2024 are applied.

[c] *See* Table 2 for a detailed description of the cost numbers. The build cost applied to Jan 1-Sept 30 period.

[d] The average growth rate of total costs of the Central Repository between 2021 and 2024 (column (d) of Table 3) is applied to scenario (2). No cost saving Amendment or Exemptive Reliefs since 2024 are applied.

[955] *See* Table 7 for details. Commenters suggested that the Commission analyze the current and future trajectory of CAT operating costs. *See* SIFMA October 2025 Letter, at 2–3; Citadel October 2025 Letter, at 4–5; Citadel January 2026 Letter, at 2–3; ASA February 2026 Letter, at 3–4.

[956] *See* 2025 Cost Savings Amendment.

[957] See, for example, 2026 market outlook by Goldman Sachs (*https://www.goldmansachs.com/insights/articles/the-sp-500-expected-to-rally-12-this-year*) and J. P. Morgan (*https://www.jpmorgan.com/insights/global-research/outlook/market-outlook#section-header#1*).

[958] As explained above, the Commission is conducting a comprehensive review of the CAT. *See supra* note 37 and accompanying text. A commenter suggested that the Commission should consider design alternatives to reduce the costs of operating the CAT. *See* Citadel October 2025 Letter, at 5. Consideration of such alternatives that would affect aspects of the CAT NMS Plan other than the funding model are beyond the scope of this order, but an appropriate topic for the Commission's comprehensive review.

[e] The 2026 estimates are from the 2026 budget estimated in December 2025 *(https://www.catnmsplan.com/sites/default/files/2025-12/12.08.25-CAT-LLC-2026-Financial_and_Operating_Budget.pdf)*. Conversion to constant dollar was done using U.S. Bureau of Economic Analysis, Gross Domestic Product: Implicit Price Deflator [GDPDEF], retrieved from FRED, Federal Reserve Bank of St. Louis, *https://fred.stlouisfed.org/series/GDPDEF*. The 2026 value is projected from the values of the two previous years. The CAIS Amendment is incorporated the following way: it will result in savings of $7 to $9 million in its first year but will cost $4.5 to $5.5 million to implement. Because the preliminary implementation schedule estimated that it could take twelve or more months to implement the CAIS Amendment, we assume that all implementation fees will be paid in 2026 but that the $2 to $4 million in cloud savings will not be achieved in 2026. We adjusted the 2026 budgeted costs using the lower range of cost savings to get $5 million in cost savings and then subtracted the high range in implementation costs of $5.5 million to adjust the 2026 cost upward by $0.5 million. This, thus, accounts for all approved cost savings measures since 2024. *See* CAIS Amendment Approval Order.

The realized and projected costs of 2025 presented in Table 7 help demonstrate the effects of the cost saving amendments that were approved in December 2024.[959] There was a reduction in costs of $26 million (2016 dollars), which was larger than the $16 million in cost saving that the Participants had estimated in their Proposed Amendment.[960] Table 7 also projects that in 2026 the total build and ongoing operating costs of the Central Repository, after applying all the cost reduction measures, could be 32 percent lower from their 2024 level. These cost projections are based on the Participants' cost savings estimates,[961] and the realized costs of 2026 could be different. One commenter stated that CAT costs might yet rise in 2026 for several reasons,[962] including increased costs from Commission and SRO rules, such as the recent amendment of Exchange Act Rule 612 or the approval of new equities and options exchanges.[963] We expect that the scale of the countervailing factors identified by the commenter will be small relative to our projected cost savings estimates, so that they at most will mitigate the projected cost savings rather than reverse them.

B. Magnitude of CAT Fees Borne by Industry and Investors

Based on the 2026 CAT budget and simplifying assumptions, the Commission estimates that, assuming—solely for the sake of this analysis—that all Participants are able to recover their costs by increasing non-CAT fees paid by Industry Members,[964] Industry Members could be responsible for CAT costs of $156.9 million in 2026, $146.4 million in 2027, and $143.4 million in 2028.[965] Under that assumption, if Industry Members are able to pass through or otherwise recover their costs from investors, then investors could be incurring these costs each year. CAT fees will be assessed on a per share traded basis, and billions of shares are traded each year, so the cost on a per share basis is small and smaller than other transaction costs and regulatory fees,[966] on average. Millions of investors trade shares each year, so the cost per investor will also be small, on average. Certain investors, such as firms engaged in proprietary trading, could incur higher total annual costs due to their volume of shares traded; these firms' quotations, message traffic, and trades also are a key driver of total CAT costs each year.

Table 8 shows estimated CAT costs and charges to Industry Members and FINRA under the Executed Share Model for the next three years. The table starts with the 2026 budget and uses it to project potential costs in 2027 and 2028. It presents three alternative projections based on past growth trends in CAT costs—the four-year rolling average annual growth rates over the periods 2021 to 2024 (8.5 percent) for projection (A); 2022 to 2025 (−2 percent) for projection (B); and 2023 to 2026 (−8.2 percent) for projection (C). The discussion that follows focuses on projection (B) because, relative to the other two projections, it is influenced less by periods when CAT was not fully implemented and by future costs control measures that may require additional action by the Participants and Commission.[967] However, all three projections are subject to uncertainty and the actual costs may differ.

The 2026 budget calls for $156.4 million in costs but does not account for the recently approved CAIS Amendment[968] or a pending proposed amendment that could also result in significant cost savings.[969] After adjusting for the CAIS Amendment, the estimated costs are $156.9 million for 2026, which is $0.5 million higher than the 2026 budget. This increase reflects the one-time implementation costs of the CAIS Amendment in 2026 ($5.5 million) and some, but not all, of the expected cost savings in 2026 ($5

[959] *See* Securities Exchange Act Release No. 101901 (Dec. 12, 2024), 89 FR 103033 (Dec. 18, 2024) (''2024 CAT Cost Savings Amendment''). Although exemptive relief regarding the continued collection of certain personally identifiable information was also in effect for much of 2025, it was not expected to result in any cost savings. *See* Securities Exchange Act Release No. 102386 (Feb. 10, 2025), 90 FR 9642, 9645–46 (Feb. 14, 2025).

[960] The Participants' 2024 estimate presented cost savings of $21 million in 2024 dollars (*See* FR 89, No. 243, December 18, 2024). Conversion to 2016 dollars uses the same method described in Table 1. The Commission approved an exemptive relief in September 2025 (The 2025 Exemptive Order: FR 90, No. 189, October 2, 2025). While this exemptive relief was not applicable for most of 2025, it may have also contributed to the cost reduction between 2024 and 2025.

[961] For Participants' cost savings estimates from the CAIS Amendment *see* CAIS Amendment Approval Order, 91 FR at 2171–79 and 2186–87. Also, *see* the 2026 budget estimated in December 2025 (*https://www.catnmsplan.com/sites/default/files/2025-12/12.08.25-CAT-LLC-2026-Financial_and_Operating_Budget.pdf*).

[962] *See* Citadel October 2025 Letter, at 5. Another commenter stated that the Commission should also consider the potential increases in the costs of cybersecurity and security breaches since 2016. *See* SIFMA October 2025 Letter, at 2. Unlike the future events that could affect the drivers of CAT costs, cybersecurity cost developments since 2016 are already incorporated into the current CAT operational budget, and therefore into this analysis of projected CAT costs. In addition, the 2025 CAIS Amendment reduces the risks of a breach—and the corresponding cybersecurity costs of protecting against a breach—by removing certain sensitive data from the CAT. *See* CAIS Amendment Approval Order, 91 FR at 2193.

[963] *See, e.g.,* Securities Exchange Act Release No. 101070 (Dec. 9, 2024), 89 FR 81620, 81722–23 (Oct. 8, 2024) (''Tick Size Final Rule'') (estimating that CAT costs would increase by an estimated $4.1 million per year due to increased equity message traffic associated with the smaller tick size in amended Rule 612); Securities Exchange Act Release No. 104146 (Sept. 30, 2025), 90 FR 47880 (Oct. 2, 2025) (approving Form S–1 of the Texas Stock Exchange LLC).

[964] *See supra* Part III.A.2 for a discussion of the statutory limits that exist on pass throughs.

[965] These CAT costs are in 2025 dollars. *See* also *infra* Table 8.

[966] *See infra* Table 9.

[967] Focusing on projection (B) means we are not using the costs from 2021 or 2026. We are not using 2021 because CAT was early in the build process in 2021. Thus, of the years analyzed, 2021 costs are the least reflective of the costs of a fully implemented CAT. We are not using 2026 because the change in costs from 2024 to 2026 reflects significant cost savings measures, making projection (C) the least sustainable absent future action by the Participants and Commission. This leaves us with the period 2022 through 2025, which incorporates some cost increases resulting from later CAT implementation phases and some cost control measures. We use the rolling average geometric growth rate, which we compute using this formula $((1 + ((\text{year 2 costs} - \text{year 1 costs})/(\text{year 1 costs}))) \times (1 + ((\text{year 3 costs} - \text{year 2 costs})/(\text{year 2 costs}))) \times (1 + ((\text{year 4 costs} - \text{years 3 costs})/(\text{year 3 costs}))))^{(1/3)}$.

[968] The costs are from the 2026 budget estimated in December 2025 (*https://www.catnmsplan.com/sites/default/files/2025-12/12.08.25-CAT-LLC-2026-Financial_and_Operating_Budget.pdf*). Unlike in Table 7, Table 8 is estimated in December 2025 dollars because the purpose is to project the potential costs to be borne by Industry Members or investors rather than to compare budgeted costs to the 2016 estimates, as is the purpose of Table 7. Accounting for inflation as described in supra Table 1, $156.4 million in 2026 is equivalent to approximately $117.6 million in 2016.

[969] *See* 2025 Cost Savings Amendment, 90 FR at 61509.

million).[970] In each of 2027 and 2028, the CAIS Amendment is expected to save $7 million in costs per year (with no additional implementation costs). The adjustment to the 2027 and 2028 estimates reflects all of the cost savings ($7 million per year) and none of the implementation costs. As a result, as shown in Table 8 (under the projection (B) for 2027 and 2028), using constant December 2025 dollars, we estimate CAT costs of $156.9 million in 2026, $146.4 million in 2027, and $143.4 million in 2028.

Two thirds of the estimated costs in 2026, 2027, and 2028 would be charged as CAT Fees to Industry Members under the Executed Share Model. As shown in Table 8 (using constant December 2025 dollars and projection (B) costs for 2027 and 2028), Industry Members' share of aggregate CAT Fees could thus be $104.6 million in 2026, $97.6 million in 2027, and $95.6 million in 2028.[971] These aggregate CAT Fees will likely be shared across about 500 Industry Members,[972] with the bulk of these CAT Fees borne by market makers. Indeed, because CAT Fees will be charged to CEBB and CEBS, they will be charged to fewer Industry Members than under the Original Funding Model. Market makers could be charged a large share of the CAT Fees, because most off-exchange trades involve a market maker on one side, and many exchange trades do as well.[973]

Market makers trade for their own accounts and are the buyer or the seller for approximately 20 percent to 25 percent of executed dollar volume in equities.[974] The top ten market makers account for about 82 percent of this volume.[975] Based on this volume share, as shown in Table 8, market makers would be charged about $23.9 million to $26.2 million, with the top ten market makers being charged $19.6 million to $21.5 million per year.[976] These estimates do not account for the market maker being the executing broker for a customer account, either when they are the executing broker on the other side of the trade or when another broker-dealer represents the other side. If market makers represent customers as executing broker as often as they trade for their own accounts, then the market makers' aggregate assessments would be twice our prior estimates, thus $47.8 million to $52.4 million.[977] Effectively, these estimates assume that market makers are representing customers on one side of a trade only when trading for their own account on the other. Additionally, market makers may also represent customers on one side of a trade when another broker-dealer represents the other side. If this occurs as often as market makers trade for their own account, market makers' aggregate assessments would be $71.7 to $78.6 million.[978]

TABLE 8—ESTIMATED FINRA AND INDUSTRY MEMBER SHARES OF CAT COSTS FOR 2026–2028

[In millions of 2025 dollars]

	2026	2027 Projections			2028 Projections		
		(A)	(B)	(C)	(A)	(B)	(C)
Budget[a]	$156.4	$169.8	$153.4	$143.6	$184.3	$150.4	$131.8
CAIS Adjustment[b]	−0.5	7.0	7.0	7.0	7.0	7.0	7.0
Estimated Annual Costs	156.9	162.8	146.4	136.6	177.3	143.4	124.8
IM Share[c]	104.6	108.5	97.6	91.1	118.2	95.6	83.2
MM Account Share[d]	26.2	27.2	24.4	22.8	29.6	23.9	20.8
Share of Top 10 MM Account Shares[e]	21.5	22.3	20.1	18.7	24.3	19.6	17.1
MM Account + Other Side[f]	52.4	54.4	48.8	45.6	59.2	47.8	41.6
MM Account + Other Side + Customers[g]	78.6	81.6	73.2	68.4	88.8	71.7	62.4
FINRA Share[h]	13.9	14.4	13.0	12.1	15.7	12.7	11.0
IM+FINRA	118.5	122.9	110.6	103.2	133.9	108.3	94.2

[a] The 2026 estimate is based on the 2026 budget estimated in December 2025 that includes the total ongoing operating costs as well as capitalized developed technology costs (*https://www.catnmsplan.com/sites/default/files/2025-12/12.08.25-CAT-LLC-2026-Financial_and_Operating_Budget.pdf*). Projections (A), (B), and (C) reflect alternative projections for CAT costs in 2027 and 2028, based on average annual growth rates in CAT costs over different historical periods: projection (A): 8.5% (2021–2024); projection (B): −2% (2022–2025); projection (C): −8.2% (2023–2026). The estimate does not include any potential savings from a pending proposed amendment. See 2025 Cost Savings Amendment, 90 FR at 61509.

[970] The 2026 budget estimate does not reflect savings from the CAIS Amendment, which was approved in January 2026. *See supra* note 238. The CAIS Amendment will result in savings of $7 to $9 million in its first year but will cost $4.5 to $5.5 million to implement. Because the preliminary implementation schedule estimated that it could take twelve or more months to implement, the estimated 2026 CAT costs assume that all implementation fees will be paid in 2026 but that the $2 to $4 million in cloud savings will not be achieved in 2026. The 2026 budgeted costs are adjusted using the lower range of cost savings to get $5 million in cost savings and the high range in implementation costs of $5.5 million to adjust the 2026 cost upward by $0.5 million.

[971] The range of aggregate annual CAT fees is two-thirds of the estimated annual CAT costs, as detailed in Table 8.

[972] See CAT LLC February 2026 Response Letter, at 1–2.

[973] *See, e.g.,* Citadel July 2023 Letter, at 2, Citadel August 2023 Letter, at 4; Citadel October 2025 Letter, at 7.

[974] Based on 2024 CAT data where the account buyer or selling was indicated to be a market making account. This estimate is based on OTC and NMS equities. As such, it could be higher if the estimates also included options, where natural buyers and sellers are less likely to interact directly.

[975] *Id.* When accounting for options, the concentration of the top ten market makers could be higher or lower depending on whether the largest options market makers differ from the largest equities market makers.

[976] *See* note d in Table 8. In Table 8, we are using the 2026 costs and the 2027 and 2028 costs under projection (B). For market makers (''MM Account Share'' row), the $23.9 million is projected for 2028 and the $26.2 million is for 2026. For 2027, the corresponding amount would be $24.4 million. For the top ten market makers (''Share of Top Ten MM Account Shares'' row), the $19.6 million is projected for 2028 and the $21.5 million is for 2026. For 2027, the corresponding amount would be $20.1 million.

[977] Specifically, we obtain $47.8 million and $52.4 million by multiplying by two our earlier estimates of $23.9 million and $26.2 million.

[978] Specifically, we obtain $71.7 million and $78.6 million by multiplying by three our earlier estimates of $23.9 million and $26.2 million. Alternatively, we also get to $71.7 million by summing up our estimates of $23.9 million and $47.8 million, and we get $78.6 million by summing our prior estimates of $26.2 million and $52.4 million. These estimates are in the same ballpark as a resulting burden implied by the commenter who stated that the top 10 (20) Industry Members would be allocated 50 percent (70 percent) of the fees under the Executed Share Model. *See* Citadel July 2023 Letter, at 19.

[b] The CAIS Amendment will result in savings of $7 to $9 million in its first year but will cost $4.5 to $5.5 million to implement. Because the preliminary implementation schedule estimated that it could take twelve or more months to implement the CAIS Amendment, we assume that all implementation fees will be paid in 2026 but that the $2 to $4 million in cloud savings will not be achieved until 2027. We adjusted the 2026 budgeted costs using the lower range of cost savings to get $5 million in cost savings and then subtracted the high range in implementation costs of $5.5 million to adjust the 2026 cost upward by $0.5 million. The costs for 2027 and 2028 were adjusted downward by the low range of the cost savings from the CAIS Amendment.

[c] The IM Share is the Industry Member share of 2/3rd of CAT Costs.

[d] Using 25 percent as the market maker account share of the IM Share.

[e] The Share of the Top 10 Market Makers is estimated as the estimated cost for all market makers multiplied by 0.25 (or 25 percent), representing the executed volume in market making accounts, and multiplied by 0.82 (or 82 percent), which is the share of the top ten market makers in the total executed volume in market making accounts. The estimates of executed volume in market making accounts is from CAT data for 2024.

[f] Accounting for a market maker customer on the other side of every market maker trade.

[g] Accounting for market makers acting as executing broker for customer trades when the other side is not a market maker. This assumes that they do this as often as they trade.

[h] FINRA's share is estimated as one third of the June 2025 OTC or off-exchange executed equivalent share as given in the Notice. See Notice at 44932.

Table 8 also provides an estimate of the FINRA share of the aggregate CAT costs and the sum of the Industry Member and FINRA shares. The Proposed Amendment prohibits the Participants, which include FINRA, from establishing new fees to directly pass those fees through to Industry Members. However, while the Proposed Amendment prohibits Participants from establishing new fees to pass through CAT Fees directly, the Proposed Amendment does not prohibit the Participants from seeking to recover their share of CAT costs from their members indirectly, such as through increases in other fees they charge to their members, during the two-year interim period.[979] Typically, businesses raise prices when faced with increases in costs, and CAT Fees represent costs.[980] Like every business, the Participants need to recover their costs to remain viable.[981]

As discussed above, should a Participant, including FINRA, seek to recover its share of costs indirectly through other fee increases, the Participant, as an SRO, would be subject to the Section 19(b) fee filing process and have to establish that any proposed fees are reasonable, equitable, and not unfairly discriminatory—and the Commission has made no determination as to whether any future fees by FINRA or any other Participant that would indirectly pass through their share of CAT costs would be permissible.[982] In the event that FINRA seeks to recover its share of CAT costs indirectly through increases in member fees and it is able to make the statutorily required showing, then 100 percent of its share of CAT costs would ultimately be borne by Industry Members. In that scenario, Industry Members would bear 79 percent of CAT costs during the two-year interim period in which the Proposed Amendment is in effect.[983] Under this scenario, as shown in Table 8 (in row ''IM+FINRA Share''), Industry Members would bear costs of $118.5 million in 2026, $110.6 million in 2027, and $108.3 million in 2028. In the event that all the Participants (and not just FINRA) seek to recover their share of CAT costs indirectly through increases in member fees and meet the statutory requirements to do so, then the Industry Members would effectively bear 100 percent of CAT costs during the two-year interim period, but for any costs they can themselves pass through to investors.

In the event that all Participants recover their costs, how they choose to recover their costs would determine which specific Industry Members would bear those costs.[984] For instance, should FINRA recover its costs by raising its membership fees, then FINRA members who are not CAT reporters would bear CAT costs.[985] Hence, the set of affected Industry Members would be broader than the 500 Industry Members expected to be directly affected under the Executed Share Model. Under a scenario where all exchanges recover the costs of CAT Fees by increasing average access fees and/or reducing rebates, the costs of CAT would be passed through to CEBBs and CEBSs because these are the members who are receiving the rebates or paying the access fees. Which CEBBs and CEBS would bear what costs would depend on how the exchanges amend their access fee and rebate tiers. Some exchange access fee tiers are set at the access fee cap and, thus, cannot be increased.[986] Accordingly, CEBBs and CEBSs paying the highest access fees would not experience a fee increase and would not bear additional CAT costs under the scenario considered here.

Industry Members are not prohibited by the CAT NMS Plan from passing through CAT Fees directly to their customers,[987] and where Industry Members can do so they will likely pass on their CAT costs to their customers, who may be investors or other broker-dealers. Ultimately, even when the Industry Members pass through their fees to other broker-dealers, those other broker-dealers will likely, to the extent permitted, recover their costs from their own customers, until the costs are ultimately borne by investors. When

[979] Several commenters stated that the Proposed Amendment does not address Participants raising existing fees. *See, e.g.,* Citadel October 2025 Letter, at 9; FINRA October 2025 Letter, at 10–11.

[980] Given FINRA's non-profit status, the Commission recognizes that CAT Fees would be an expense that FINRA would need to recover in some manner despite the commitment by FINRA to not establish any CAT recovery fees during the temporary funding model. *See* FINRA January 2026 Letter, at 3.

[981] The Participants as well as Industry Members typically have several sources of revenue. For example, Participants generate revenues through market data fees. The Participants may be able to recover their CAT costs by including them in their market data fees provided that any increases in such fees would be subject to the Section 19(b) fee filing process.

[982] *See supra* note 49 and associated text.

[983] This results from dividing the FINRA allocation (around 37 percent) by three (to account for its share of each off-exchange or OTC Executed Equivalent Share) and then adding the Industry Member share, 66.66 percent (*i.e.,* two thirds), to the result (39.7% ×1/3 + 66.66% = 79%). This estimate ignores what Industry Members would pass to investors. The 39.7 percent comes from the June 2025 equivalent share volumes from the Notice at 44932. The remaining 60.3 percent is executed on exchanges. Several commenters expressed concerns about Industry Members paying 67–80 percent of CAT fees, assuming 100 percent FINRA cost recovery. *See, e.g.,* Citadel July 2023 Letter, at 16, 21, 22, AmFree Letter, at 6; SIFMA October 2025 Letter, at 3; Citadel October 2025 Letter, at 9; Citadel January 2026 Letter, at 3, 5.

[984] Commenters stated that the Commission should consider the economic effects of this potential distribution. *See, e.g.,* Citadel July 2023 Letter, at 16, 21, 22, AmFree Letter, at 6; SIFMA October 2025 Letter, at 3; Citadel October 2025 Letter, at 9; Citadel January 2026 Letter, at 3, 5. How Participants recover their costs has implications for other economic effects as well. For example, *see infra* note 1087 and the discussion of transaction fees in *infra* Part IV.D.2.a.

[985] *See* FINRA October 2025 Letter, at 11.

[986] *See* Tick Size Final Rule, 89 FR at 81694, Table 4. Currently, access fees are capped at $0.0030, but this cap will be declining to $0.0010 in November 2026.

[987] There are limitations on the fees that a broker-dealer may charge its customers, *see, e.g.,* FINRA Rule 2121, but those restrictions do not meaningfully limit Industry Members' ability to pass through CAT fees because the per share magnitude of those fees is so small. *See* Table 9.

internalizers and market makers trade on their own account (*i.e.,* proprietary trading), however, they are their own customer. In this instance, they could seek to recover the cost of paying CAT Fees indirectly, either by charging higher transaction costs (*e.g.,* less price improvement or higher effective spreads) for trades in which they have (external) customers or by altering their prices on certain services they offer to their customers.[988] These higher costs or prices would ultimately be borne by investors.

CAT costs that are ultimately borne by investors will be spread among millions of investors. In 2024, an average of over 7.4 million customer accounts entered equity orders per week, of which nearly 6.9 million were from individual investor accounts, which includes retail investors and other non-institutional investors.[989] The total number of individual investors who are likely to bear the costs of CAT is likely significantly higher because many individual investors trade much less than weekly. Further, because some investors trade options but not equities, the total number of investors bearing CAT costs is even larger. As another measure of the number of investors, during the fourth quarter of 2025, 35.8 million unique CCIDs traded equities only, 0.5 million traded options only, and 2.3 million traded both equities and options.[990] One commenter raised concerns related to outsized allocations to transactions for retail investors, due to those retail investors trading low-priced NMS stocks.[991] The trading by individuals who trade stock directly is not nearly as concentrated as market making but displays some concentration. The top 10,000 individual investors per week account for about 75 percent of equity traded share volume and the top 100 account for about 25 percent of equity traded share volume among individual account types.[992] Therefore, while CAT costs will be spread among millions of individuals, individual investors with higher equity traded share volumes will bear higher costs.

The Commission acknowledges that individual investors could bear CAT costs both directly, by trading in equities and options, and indirectly, as investors in institutional vehicles. Specifically, many individuals invest primarily or exclusively through institutional vehicles, such as mutual funds and pension funds, that invest on behalf of individuals. In 2024, institutional trading accounted for an average of 26 percent of share trading volume per week in equities.[993] Over 125 million retail investors invest in registered funds [994] and even more investors are pension fund beneficiaries only. These individuals would thus bear CAT costs indirectly through their investments in institutional vehicles, which would likely experience pass through or higher fees from Industry Members, to the extent permitted.

The CAT costs borne by investors, either directly through Industry Members or via their institutional investments, would likely be related to trading activity and borne on a per share traded basis. Customers who receive directly passed through CAT Fees would likely face costs per share traded. In trading with market makers or other liquidity providers, individual and institutional investors, in aggregate, would likely pay a higher average transaction cost per share. While Industry Members might recover their CAT costs in other ways, the CAT costs are likely to be borne more by those investors who trade more or who invest in institutions that trade more. Therefore, concentration in trading activity by individual investors will translate into some individual investors bearing greater CAT costs because they trade more, but such CAT costs will still be borne on a per share traded basis.

Because individuals will likely bear fees on a per share basis, an examination of the magnitude of CAT costs that individuals may likely bear should focus on how a per share fee compares to other costs of trading. A focus on aggregate CAT costs obscures the way costs are distributed across Industry Members and investors, and conflates increases based on increased trading activity with operational inefficiency. Contrary to the suggestion of a commenter,[995] focusing on the economic effects of the Proposed Amendment on a per share basis most accurately reflects how those costs will be experienced by those that ultimately bear them.

Table 9 provides a comparison of the Historical Fee Rate and the CAT Fee Rate to other costs of execution and shows that CAT Fees per share are relatively small.[996] When the Historical Fee Rate and the CAT Fee Rate are added together, the combined rate ($0.0000073 to $0.000016) is far less than the average transaction costs, as measured by effective half-spread ($0.0066) paid to market makers and

[988] A commenter stated that fees charged on proprietary trading cannot be directly passed through but could be recovered from other market participants through higher trading spreads. *See* Citadel October 2025 Letter, at 7; Citadel July 2023 Letter, at 19–20; *see also* Citadel August 2023 Letter, at 3; *see also* CAT LLC July 2023 Response Letter, at 9–10. *See* also CAT LLC February 2026 Response Letter, at 1–2

[989] Based on 2024 CAT data on the weekly number of new orders entered by customer account holder type for NMS equities. New orders are defined as Industry Member Equity New Order (MENO) event messages that are at the beginning of a CAT lifecycle (*i.e.,* order originations). Customer accounts are defined as the count of unique CCIDs or combinations of CCIDs within an account holder type. Account holder type represents the type of beneficial owner of the account for which the order was received or originated. Individual customers are defined as an account that does not meet the definition of ''institution'' as defined in FINRA Rule 4512(c) and is also not a proprietary account (see Section 4.1., pg. 52 and Appendix G: Data Dictionary, pg. 452 of *https://www.catnmsplan.com/sites/default/files/2026-02/02.13.26_CAT_Reporting_Technical_Specifications_for_Industry_Members_v4.1.0r14_CLEAN.pdf*).

[990] The number of CCIDs associated with trades in the CAT are a measure of the number of unique market participants who may ultimately bear a portion of the CAT costs. *See* Citadel October 2025 Letter, at 4; Citadel January 2026 Letter, at 2; ASA October 2025 Letter, at 3; ASA February 2026 Letter, at 2. This count is broader than individual investors because it includes market makers and other Industry Members trading on their own account, as well as institutional investors. The count of CCIDs for equity trades includes both OTC and NMS equities. And for trades with multiple CCIDs listed, each unique CCID was included in the count.

[991] *See* Citadel July 2023 Letter, at 20; Citadel October 2025 Letter, at 6–7. This commenter states that trades in stocks with sub $1 prices account for 33 percent of retail NMS stock trading and that rounding fractional shares to 1 share further increases the share of CAT costs charged to retail transactions. *See also* Citadel August 2023 Letter, at 4.

[992] Based on 2024 CAT data on the weekly percent of NMS and OTC equity trade share volume among individual account holders for orders that originated during 2024. Individual investors are defined as the unique account holder CCIDs or combinations of CCIDs across individual accounts. Individual customers are accounts that do not meet the definition of ''institution'' as defined in FINRA Rule 4512(c) and is also not a proprietary account (*see* Section 4.1., pg. 52 and Appendix G: Data Dictionary, pg. 452 of *https://www.catnmsplan.com/sites/default/files/2026-02/02.13.26_CAT_Reporting_Technical_Specifications_for_Industry_Members_v4.1.0r14_CLEAN.pdf*).

[993] Based on 2024 CAT data on weekly trade share volume by the account holder type at order origination for NMS and OTC equities. Account holder type represents the type of beneficial owner of the account for which the order was received or originated. Institutional customers are defined as an institutional account as defined in FINRA Rule 4512(c) (*see* Section 4.1., pg. 52 and Appendix G: Data Dictionary, pg. 452 of *https://www.catnmsplan.com/sites/default/files/2026-02/02.13.26_CAT_Reporting_Technical_Specifications_for_Industry_Members_v4.1.0r14_CLEAN.pdf*).

[994] The 2025 Investment Company Fact book (available at *222.ici.org/system/files/2025-05/2025-factbook.pdf*) reports that 126.8 million U.S. individuals owned mutual funds in 2025.

[995] See Citadel October 2025 Letter, at 8.

[996] This analysis assumes that the future Historical Fee Rate and CAT Fee Rate will be comparable to what was charged from February 18, 2020, to May 13, 2025.

other liquidity providers.[997] At the low end of the ranges, the combined rate is about 900 times smaller than the effective half-spread; at the high end of the ranges, the combined rate is over 400 times smaller than the effective half-spread. This measure of average transaction cost does not take make/take fees into account, which are paid to an exchange rather than a market maker, but make/take fees are still more than 50 times larger than the combined rate for CAT fees.

The Commission does not expect the CAT Fees on a per share basis to increase to the point where they would become more meaningful relative to other costs of execution. Even if CAT costs increase 10.4 percent per year,[998] the per share fees will still be orders of magnitude smaller than other costs of execution and will likely grow at a slower rate than CAT costs.[999] Further, the 10.4 percent estimate likely overestimates the potential cost increases going forward. This rate is based on the overall cost trends from 2021 to 2024, which started before CAT was fully implemented when operating expenses were not fully realized.[1000] Finally, the Commission and Participants are focused on improving the cost-effectiveness of CAT,[1001] which should help prevent significant cost increases.

TABLE 9—FEE RATES COMPARED TO OTHER COSTS OF EXECUTION AND REGULATORY FEES

Cost	Low		High	
	Fee	Comparison	Fee	Comparison
Historical Fee Rate	$0.0000043	n/a	$0.0000043	n/a
CAT Fee Rate	$0.000003	n/a	$0.0000117	n/a
Combined Rate	$0.0000073	n/a	$0.0000160	n/a
Effective Half Spread	$0.0066	904.1	$0.0066	412.5
Make/Take Fees	$0.0004	54.8	$0.0030	187.5
Section 31 Fees	$0.00007	9.6	$0.00072	45.0
FINRA TAF Fees	$0.000119 (equities)	16.3	$0.000166 (equities)	10.4
	$0.00002 (options)	2.7	$0.0000279 (options)	1.7
ORF Fees	$0.000015	2.1	$0.000029	1.8

This table compares actual CAT fees to other fees per share. The Comparison column gives the ratio of the comparison cost divided by the sum of the Historical Fee Rate and the CAT Fee Rate, so it measures how many times larger the comparison cost is than the combined CAT fees or what fraction the comparison cost is if the comparison cost is smaller than the CAT fees. The CAT Fee Rates are from *www.catnmsplan.com/cat-fee-alerts* and are the total fee rates divided by three to indicate the fee rates allocated to each party of a transaction. The Combined CAT Fee Rate is the sum of the Historical CAT Fee Rate and the CAT Fee Rate. Section 31 Fees are from *sec.gov* from February 18, 2020, to May 13, 2025, converted to per share rates using trade size percentiles for the high and low ranges. Specifically, the lower end of the rate comes from the 25th percentile trade sizes of $670 and 51 shares from the fourth quarter of 2025. The higher end of this range comes from the 75th percentile trade sizes of $4,670 and share trade size of 180 from the fourth quarter of 2025. Section 31 Fees are charged on sale transactions only. The average share-weighted effective half-spread for Q2 of 2025 was $0.0066 (see supra note 997). The example Make/Take fees are from Nasdaq (following the CAT LLC July 2023 Response Letter; see *https://www.nasdaqtrader.com/Trader.aspx?id=PriceListTrading2)*. The example FINRA Trading Activity Fees (TAF) were effective July 10, 2017—December 31, 2021, for the low end and January 1, 2024—December 31, 2025, for the high end *(https://www.finra.org/rules-guidance/rulebooks/corporate-organization/section-1-member-regulatory-fees)*. FINRA TAFs are charged for sale transactions. The options FINRA TAFs are per contract divided by 100, for a rough approximation of equivalent shares. The example ORF Fees are per contract from MEMX and BOX divided by 100, for a rough approximation of equivalent shares. The low end is the MEMX ORF fee and the high end is the BOX ORF fee, that were effective on February 17, 2026.

Also, CAT fee rates are smaller than other regulatory fees. Examples of other regulatory fees include Section 31 fees, FINRA Trading Activity Fees (TAF), and ORF fees. Table 9 shows that these other regulatory fees tend to be smaller than the costs of execution, but the CAT fee rates are still smaller than these other regulatory fees. The CAT fee rates are about 9 to 45 times smaller than the Section 31 fees charged between 2020 and May 2025. For equities, the CAT fee rates are about 10 to 16 times smaller than FINRA TAFs during the time periods July 10, 2017 to December 31, 2021 and January 1, 2024 and December 31, 2025. While for options, the CAT fee rates are between 1.74 times to 2.73 times smaller than FINRA TAFs fee rates during the same time period. CAT fee rates are about half the ORF fees.

Despite the small per share fees, the Commission recognizes that such fees can aggregate to a large annual cost for investors who trade at a high frequency, such as market makers and high frequency proprietary trading firms. In 2024, 469 firms that had either market making or proprietary trading accounts accounted for 99.5 percent of all orders entered in the CAT but fewer than 45 percent of equity traded share volume. When focusing on firms with proprietary trading accounts (that may also have market making accounts), 449 firms accounted for 96.5 percent of

[997] Effective half spread captures the costs that investors pay for their order to execute against a market maker or standing limit order. This is the average share-weighted effective spread across stocks in the highest share volume decile in the second quarter of 2025. The average effective spread was calculated for each stock by equally weighting each day, and then the weighted average effective spread was calculated by weighting each stock's spread by their share volume. Less liquid stocks have higher effective spreads, making the CAT fees even smaller relative to transaction costs.

[998] *See supra* note 967.

[999] The per share fees depend not only on the CAT costs but also on the number of executed equivalent shares traded. Estimating annual growth rates in shares and contracts traded from the volume numbers in Table 4 yields geometric averages of 14.2 percent growth in shares executed and 11.4 percent growth in contracts executed. In addition, once the historical costs are covered, CAT LLC will no longer collect the Historical Assessment, so total CAT Fees will decline by the Historical Fee Rate.

[1000] *See supra* note 967.

[1001] The Commission is currently engaged in a comprehensive review of the CAT which is intended to include an examination of CAT costs. *See supra* note 31. Further, CAT LLC states that it supports the Commission's announced comprehensive review as well as its broader efforts to ensure the CAT achieves its intended regulatory purposes in a cost-effective manner. *See supra* note 34.

[1002] The number of orders entered is based on 2024 CAT data on the number of new equity orders entered by firms who had market making and/or other proprietary accounts. New orders are defined as Industry Member Equity New Order (MENO) event messages that are at the beginning of a CAT lifecycle (*i.e.,* order originations). Firms are defined at the CRD level. The traded share volume includes volume that may not have had a corresponding MENO entered (*i.e.* internalizations, *see https://catnmsplan.com/faq#B41*). For more details on account holder types, see Appendix G: Data Dictionary, pg. 452 of *https://www.catnmsplan.com/sites/default/files/2026-02/02.13.26_CAT_Reporting_Technical_Specifications_for_Industry_Members_v4.1.0r14_CLEAN.pdf*).

equity orders entered and around 31 percent of equity traded share volume. Therefore, in the aggregate, while these firms may bear larger CAT costs, these firms' activities (*e.g.,* quotations, message traffic, or trades) also represent a larger portion of the cost burdens on the CAT system.[1002]

C. Efficiency

1. Baseline

In the CAT NMS Plan Approval Order, the Commission identified certain elements of the Original Funding Model that could have negative implications for efficiency and also stated that the significant uncertainty in the Original Funding Model could also have implications for efficiency.[1003] In consideration of the comment letters submitted in response to the Executed Share Model, the Commission recognizes that the Original Funding Model would have also resulted in additional inefficiencies. Overall, the Original Funding Model could have resulted in likely insignificant reductions in operational efficiencies, skewed incentives for efficiency, and reductions in market efficiencies.

a. Operational Efficiency

The tiered structure of the Original Funding Model would have led to uncertainties affecting operational efficiencies of Industry Members and Participants. In particular, Industry Members would not have known their per-message cost until the end of the month, though they would have charged their customers in real time, creating an inefficiency. In particular, the Original Funding Model would have charged flat fees to Industry Members and Participants in the same tiers (''Original CAT Fees''). Thus, Industry Members with message traffic near the top of the tier would have paid lower fees per message than Industry Members in the same tier but with lower message traffic. Likewise, Participants near the top of their market share tiers would have paid lower fees per executed share. Even if Industry Members and Participants could predict which tier they would be in, passing-through fees, or planning for cost recovery, would involve Industry Members and Participants charging based on expected per-message or per-share Original CAT Fees rather than actual per-message or per-share Original CAT Fees, which could have been higher or lower than expected. This uncertainty creates an operational inefficiency in structuring the fee pass-through.[1004]

Also, charging Industry Members a flat fee that depends on their message traffic could result in Industry Members, who generally earn revenue only for executed orders,[1005] getting charged for orders that do not get executed. This could have resulted in certain Industry Members paying more in Original CAT Fees than they generated in revenue from transactions. Further, some Industry Members would have found passing through fees only to those customers whose orders were executed operationally more efficient by increasing existing fees (or reducing incentives such as payment for order flow). These situations would have resulted in executed orders subsidizing the burdens of message traffic (assuming message traffic is the only cost driver).[1006]

Complexities associated with creating tiers in the Original Funding Model would also have created operational inefficiencies. To ensure that the CAT NMS Plan covered its costs with the tiered fees, the creation of the fee schedule would have involved deciding on the number of tiers, estimating how many Industry Members would qualify for each tier, estimating how much to charge each tier, and then justifying each decision. The potential for disagreements resulting from the complexity and the challenges in drafting justifications for such complex decisions could have involved a cumbersome and inefficient fee setting experience.

b. Incentive Effects

The Original Funding Model would not have perfectly aligned fees with the costs imposed on CAT, limiting the incentives for cost efficiency. Because fees to be charged by CAT are based on cost recovery, aligning such fees with burdens on CAT could promote efficiency by creating incentives to limit costs. First, the uncertainty in the allocations across Participants or Industry Members meant that the Original Funding Model would have created the risk that such allocations were less than perfectly aligned with costs, creating inefficiencies. Further, any pass-throughs to Participants' members or to the customers of Industry Members could have dampened the incentives for cost efficiency. The Original Funding Model created incentives for Industry Members to limit costs by limiting their unnecessary message traffic.[1007] However, the tiered structure of the Original Funding Model would have weakened these incentives for Industry Members who were not close to a tier cutoff. Finally, because the allocations across equities or options impact how fees aligned with costs, the Original Funding Model risked inefficiencies because it was not designed to dynamically adjust to the relative burdens of linkage processing and storage costs.

The CAT NMS Plan Approval Order recognized that the CAT Funding model could alter the incentives of both Participants and Industry Members to limit their burdens on CAT.[1008] Participants can influence their burdens on CAT and the overall costs of CAT through their voting participation on the CAT Operating Committee. They also influence CAT burdens through business decisions such as how many order types to offer. Unlike Participants, Industry Members cannot influence costs through their voting,[1009] so their influence depends largely on their non-voting participation on the CAT Advisory Committee and on how their reporting affects CAT costs. For example, Industry Members can control the burdens they place on CAT through policies for reporting data on time that do not need to be corrected and through the complexity of how they report their activity.[1010]

The CAT NMS Plan Approval Order recognized that the Original Funding Model had the potential to result in a lack of incentives for Participants to seek efficient ways to achieve the regulatory objectives of CAT.[1011] In particular, the Original Funding Model did not specify the allocation between Industry Members and Participants and the CAT NMS Plan Approval Order recognized a risk that if the allocation skewed too heavily toward Industry Members, the Participants could have lower incentive to limit costs. If the Original CAT Fees would have offset CAT costs without the Participants

[1003] *See* CAT NMS Plan Approval Order, 81 FR at 84882.

[1004] Both the CAT Adopting Release and the CAT NMS Plan Approval Order discussed that the Industry Members and the Participants may pass through their CAT costs, including CAT fees. *See supra* note 47.

[1005] *See* Notice, 90 FR at 44927.

[1006] While message traffic is a major cost driver, it is not the only cost driver and the lifecycle linkages are another major cost driver, especially in the equity markets (*see* discussion in Part IV.C.2.b.iii).

[1007] *See id.* CAT NMS Plan Approval Order, 81 FR at 84881.

[1008] *See id.* CAT NMS Plan Approval Order, 81 FR at 84737, 84880, 84881, and 84892. *See also* CAT NMS Plan Notice at 30748, 30766, 30767, and 330769.

[1009] *See* Citadel October 2025 Letter, at 8.

[1010] The CAT technical specifications allow for discretion in how Industry Members report the activity associated with many scenarios.

[1011] *See* CAT NMS Plan Approval Order, 81 FR at 84737 and 84892.

internalizing those CAT costs, Participants could lack the incentive to limit costs. Thus, a lower allocation to Participants could reduce Participants' incentives to limit CAT costs.

The incentives of Participants and Industry Members to limit costs could also have been reduced because they could pass-through their costs. The ability for Participants and Industry Members to pass through fees could reduce incentive effects of the Original Funding Model, but Participants and Industry Members would still have had some incentives to limit costs. In the CAT NMS Plan Approval Order, the Commission recognized that FINRA and the other Participants could pass through their CAT fees to their members.[1012] Such pass-throughs could take several forms. The Commission understands that Participants, including FINRA, have many revenue sources, which may include transaction fees, data fees, connectivity fees, listing fees, and regulatory fees. In fact, because the Original Funding Model charged Participants based on their market share, the most direct way for Participants to pass through the costs would have been to increase fees related to their market share—their transaction fees, which are based on a fee schedule set pre-trade. Because the per volume CAT fee would have been unknown at the time the Participants had to file the transaction fees for such volume, the Participants would have internalized the risk of the pass-through fees not covering their Original CAT Fees. Likewise, Industry Members who pass-through their Original CAT Fees would have had reduced incentives to limit CAT costs, but the inability to structure their pass-through to perfectly align with Original CAT Fees would have forced some internalization of costs. This partial internalization preserves some incentives to control costs, but such incentives are weaker than if fees were fully borne.

While the Original Funding Model would have set fees for Industry Members based on their message traffic, the efficiency benefits were likely minimal. First, its tiered structure would have dampened the incentives to reduce the costs of CAT by reducing unnecessary message traffic. In particular, the Original Funding Model would have assigned Industry Members to tiers based on their message traffic. Within a tier, however, all Industry Members would have been charged the same flat fee. Thus, an additional message would have been free in terms of CAT costs unless it put the Industry Member into a higher tier. So, only those Industry Members close to a cutoff would have had the incentive to reduce message traffic, and Industry Members who expected to be in the top tier would have had no incentive to reduce unnecessary message traffic. Further, Industry Members cannot reduce message traffic without altering how they handle customer orders, which could be counter to their duties, or reducing liquidity, which could reduce market efficiency. Therefore, absent evidence of significant unnecessary message traffic, the efficiency incentives of basing Original CAT Fees on message traffic are unlikely to have been significant.

In addition, since the approval of the CAT NMS Plan, additional information about the cost drivers has been made public and suggest that message traffic is not the only cost driver. In particular, the Participants, in a response letter, report that for the second half of 2025, 29 percent of CAT costs are from the ''Linker,'' 34 percent from storage, and 25 percent from ''Data Processing.'' [1013] In addition, in 2025, 65 percent of total operating costs of the Central Repository are the processing and storage of CAT data in the cloud.[1014] The ''Linker'' costs are the costs to link order messages across a lifecycle.[1015] Linking order messages across a lifecycle involves looking across four days of data, so the linker costs are likely related to message traffic. In 2021, Participant message traffic involved in linkage processing was much larger than Industry Member message traffic,[1016] but has likely declined since the removal of options market maker quotes from linkage processing.[1017] However, the Commission understands that complexity of the order lifecycles is a cost driver within the linkage processing, and certain order handling practices of Industry Members, such as the use of riskless principal transactions, involve more complex linkages than other order handling practices.

The Original Funding Model did not indicate how Original CAT Fees would be allocated to equities versus options, but this allocation decision would have had an effect on efficiency. The options markets account for the vast majority of message traffic, but most of the options market message traffic is on-exchange message traffic (mostly market maker quotes).[1018] However, option market maker quotes likely do not have complex order lifecycles that would drive the costs of the linkage processing. Indeed, the Commission understands that the linkage processing of equities orders is generally more complex than the linkage processing of options orders, especially after the 2024 CAT Cost Savings Amendment, which suspended linkage processing and reduced storage costs for options market maker quotes.[1019] Further, the storage costs for options market maker quotes declined further under the September 2025 Exemptive Order.[1020] For the Original Funding Model to successfully match Original CAT Fees with cost burdens, it would have likely needed a complex algorithm to allocate costs across equities and options that dynamically accounted for linkage processing and storage costs.

The increase in the costs to build and operate the CAT since the CAT NMS Plan Approval Order does not alter the direction of the economic incentives described above, but the incentives to be cost efficient could be stronger when costs are higher.

c. Market Efficiency

The Original Funding Model could have resulted in market inefficiencies, though these inefficiencies were unlikely to be significant.[1021] Several of

[1012] *Id.* at 84853.

[1013] See CAT LLC February 2026 Response Letter, at 3.

[1014] For the 2025 estimates *see* Consolidated Audit Trail, LLC, 2025 Financial and Operating Budget, dated Dec. 12, 2025, *available at:* 12.22.25_CAT-LLC-2025-Finacial_and_Operating-Budget.pdf. Also *see supra* note 938.

[1015] *Id. See also* CAT NMS Plan Approval Order, 81 FR at 85024–5 (discussing linkage requirements).

[1016] *See* Consolidated Audit Trail Industry Webinar: CAT Costs, dated Sept. 21, 2021, *available at: https://catnmsplan.com/sites/default/files/2021-09/09.21.21-CAT-Costs_0.pdf,* at 8.

[1017] *See* 2024 CAT Cost Savings Amendment, 89 FR at 103034–38.

[1018] Because options market makers do not report many of their quotes to CAT, instead sending a quote-sent time stamp to options exchanges that is included in the exchanges' CAT data, additional option market maker quotes increase the message traffic of Participants rather than option market makers and are, thus, not counted in the message traffic of Industry Members in the Original Funding Model. *See* CAT NMS Plan Approval Order, 81 FR at 84873.

[1019] According to the 2024 CAT Cost Savings Amendment, options market maker quotes in Listed Options will no longer be subject to any requirement to link and create an order lifecycle, and will not undergo any linkage validation, linkage feedback, or lifecycle enrichment processing; in addition, options market maker quotes in Listed Options would be accessible through BDSQL and Direct Read interfaces only, which is related to a reduced storage footprint for options market maker quotes in Listed Options. *See* 2024 CAT Cost Savings Amendment, 89 FR at 103034–38.

[1020] The September 2025 Exemptive Order further allows the Participants to delete options market maker quote data altogether after one year form the CAT system. *See* September 2025 Exemptive Order, *supra* note 239, 90 FR at 47858.

[1021] *See* CAT NMS Plan Approval Order, 81 FR at 84879.

these inefficiencies derive from the fact that the Original Funding Model would have charged Industry Members a flat fee according to a tiered fee schedule. Message traffic would have determined an Industry Member's tier. Because providing liquidity, including but not restricted to market making, involves more potential message traffic, the Original Funding Model could have discouraged liquidity provision. Discouraging liquidity provision could have reduced liquidity, particularly in less liquid securities, potentially reducing market efficiency. The tiered nature of the Original Funding Model would have reduced the potential reduction in liquidity by flattening the fees, but this could have created its own distortions and, thus, inefficiencies if Industry Members altered activity to avoid qualifying for a higher tier.[1022] The Commission concluded in the CAT NMS Plan Approval Order that any changes in behavior were unlikely except in those Industry Members near a fee-tier cutoff point, and, therefore, these behavior changes would have likely not had a significant effect on market quality or efficiency.[1023]

The Commission acknowledged in the CAT NMS Plan Approval Order and the CAT NMS Plan Notice that it was possible that some or most of the costs of the CAT will be passed onto investors.[1024] This may have further decreased the incentives for Industry Members to alter their behavior to avoid qualifying for a higher tier.

The increased costs since the CAT NMS Plan Approval Order would likely have increased these effects on market efficiency under the Original Funding Model, but these effects would have remained limited. The tiered structure would still have dampened the impact on liquidity, even with the increased costs. The increased costs could have led to greater cost differences across tiers, which could have strengthened any distortions created by Industry Members near tier cut-offs. This effect would likely have remained limited in terms of the volume of activity affected, and its magnitude cannot be quantified because the Original Funding Model did not specify the tier cut-offs.

2. Analysis of the Proposed Amendment

The Participants provided an analysis of efficiency in the Notice. In particular, the Participants state that, ''By providing for the financial viability of the CAT, the [Executed Share Model] would allow the CAT to provide its intended benefits. For example, the CAT is intended to provide significant improvements in efficiency related to how regulatory data is collected and used. In addition, the CAT could result in improvements in market efficiency by deterring violative activity.'' [1025]

The Commission considered whether the Executed Share Model promotes efficiency along several dimensions: operational efficiency, incentive alignment, and market efficiency. In this analysis, the Commission considered both how the Executed Share Model differs from the Original Funding Model and the additional details in the Executed Share Model not previously included in the CAT NMS Plan. In the analysis below, the Commission explains that the Executed Share Model itself will promote operational efficiency and market efficiency, trade off some efficiencies associated with aligning fees with CAT costs against others and create some efficiency-improving incentives at the expense of others. The analysis also recognizes below that some commenters stated that the Executed Share Model is less efficient than it could be.

a. Operational Efficiency

The Executed Share Model presents some operational efficiency improvements over the Original Funding Model, although other alternatives may be more efficient in some ways. The Executed Share Model could improve efficiency over the Original Funding Model by enabling Participants and Industry Members to know their fees in advance of their activity and by reducing the complexity of the fees. However, it is not clear that the Executed Share Model presents an operational efficiency improvement over the Original Funding Model with respect to precision of estimates of expected total fees to be collected.

CAT LLC states that charging the executing brokers as specified in the Executed Share Model is an efficient way for CAT LLC to bill Participants and Industry Members as it is simple, straightforward, and in-line with existing fee and business models.[1026] They also acknowledge that certain Industry Members will have to develop processes to collect pass-through CAT fees from clients and describe that the Plan Processor plans to make available trade-by-trade data to CAT Executing Brokers for each CAT bill, which will facilitate the passing-through of CAT fees.[1027]

Relative to the Original Funding Model, Industry Members and Participants will be better able to observe their fee per activity under the Executed Share Model, in this case their fee per share transacted in advance. Under the Original Funding Model, Industry Members would only have learned about their fees per message after the end of the month and Participants would have learned their fees per share after the end of the month.[1028] Under the Executed Share Model, both Participants and Industry Members [1029] can estimate in advance the fees charged on each potential transaction, thus enabling them to create fee schedules for transactions or other services that better reflect their costs, resulting in operational efficiencies. In response to commenters who expressed concerns about the costs for them to pass-through fees,[1030] the Commission understands that such Industry Members generally have arrangements with broker-dealers customers for services based on executed shares and these arrangements could include charges to cover various fees.[1031]

The fact that the Proposed Amendment prohibits the Participants from directly passing their CAT costs through to members introduces operational inefficiencies. If CAT costs are not passed through directly on a per transaction basis, and the Participants seek to recover CAT costs through other cost recovery mechanisms,[1032] the

[1022] *See* Part IV.C.1.b for a discussion of the incentives of Industry Members near the tier cutoffs.

[1023] *Id.* at 84879.

[1024] *See, e.g.,* CAT NMS Plan Approval Order, 81 FR at 84863: ''. . . the Commission acknowledged in the Notice and continues to believe that it is possible that some or most of the costs of CAT will be passed on to investors.''; CAT NMS Plan Approval Order, 81 FR at 84881: ''. . . could still result in costs that are passed on to investors because . . .''; CAT NMS Plan Notice, 81 FR at 30729 for a discussion whether broker-dealers will pass on the costs of CAT to investors; and CAT NMS Plan Notice, 81 FR at 30737 where the Commission asks whether and to what degree the costs of CAT will be passed onto investors.

[1025] *See* Notice, 90 FR at 44937.

[1026] *See* CAT LLC July 2023 Response Letter, at 3–4.

[1027] *See id.,* at 9–10.

[1028] *See supra* Part IV.A.1.a for a discussion of how the per-message fees would have varied within the flat-fee tiers of the Original Funding Model.

[1029] *See* Notice, 90 FR at 44928 where CAT LLC stated that Industry Member ''that do not directly pass-through their CAT fees may account for and recover such fees as part of their overall business costs when considering and establishing other revenue-generating sources.''

[1030] *See, e.g.,* Citadel July 2023 Letter, at 20, 24; Citadel August 2023 Letter, at 5–6. One commenter also focused specifically on the ability for Industry Members to pass through Historical CAT Assessments, *see* Citadel July 2023 Letter, at 20, 24, but those fees would also have a fixed rate charged to future executed shares, so passing those fees through would still represent an efficiency improvement over the Original Funding Model.

[1031] *See* CAT LLC July 2023 Response Letter, at 9, 34.

[1032] *See* Part IV.B.

amount they recover through those other mechanisms might not match exactly their CAT assessment over time; it could be higher or lower. A deviation between the recovered CAT assessment and the actual CAT assessment incurred would introduce operational inefficiencies.

As discussed above, Industry Members are not prohibited by the CAT NMS Plan from passing through CAT fees directly to their customers.[1033] Therefore, certain Industry Members may be able to avoid the operational inefficiencies described above when recovering CAT costs through some other cost recovery mechanism. This is not the case for all Industry Members and all CAT costs. For example, internalizers and market makers cannot pass on CAT fees incurred on their proprietary trading directly to customers. Also, if FINRA chooses to recover its CAT costs indirectly through member fees, it may not be possible for a broker-dealer to identify how much it is paying in CAT costs and therefore to tie those CAT costs to particular trades to then directly pass them on as a trade execution fee to a customer. In addition, FINRA members who are not CAT reporters do not generate revenues relating to any CAT costs they will pay through an indirect pass through of CAT costs by FINRA as member fees. Those FINRA members would have to find a way to recoup those CAT costs as general business costs through other means, which results in an operational inefficiency.

The Executed Share Model reduces the complexities of the Original Funding Model, improving operational efficiency. However, while the Executed Share Model specifies the per share fees to be paid by Participants and Industry Members, it may not increase the precision in estimating the total fees to be collected as the number of shares traded are not known a priori, thus creating uncertainty in its impact on operational efficiency. The Executed Share Model will not involve designing a tiered structure that estimates how many Industry Members and Participants will qualify for each tier based on projections of each's message traffic or market share, coming up with cutoffs and flat fees in each tier to cover projected costs, and justifying each projection model, tier cutoff, and flat fee. Instead, the Executed Share Model involves estimating future volume, dividing budgeted costs by the estimated future volume, and justifying the estimated future volume model and budgeted costs. Thus, the Executed Share Model will be much less complex for Participants to implement. However, because the Executed Share Model involves estimating future volume and the Commission has observed significant fluctuations in volume, the fees actually collected in the Executed Share Model will not necessarily match the budgeted costs. Because the Original Funding Model had similar uncertainties, the Commission cannot determine if this inefficiency is more or less severe for the Executed Share Model.

The Commission recognizes the inefficiencies associated with invoicing CEBBs and CEBSs directly rather than using clearing brokers to collect fees. Because the Original Funding Model allowed for but did not specify the use of clearing brokers, this inefficiency is not relative to the baseline but is relative to an alternative. The industry's current practice is to collect certain regulatory fees from the sell-side clearing broker-dealer, so there would be certain efficiencies from using a similar process. However, collecting CAT fees from clearing broker-dealers could introduce inefficiencies as well. The Proposed Amendment requires the collection of CAT fees from both the buy and sell side of the transaction, but because current industry practice does not involve clearing broker-dealers collecting fees from the buy-side of the transaction, if the Proposed Amendment required the collection of CAT fees from both the buy and sell side of the transaction from clearing brokers, it might require implementation by clearing broker-dealers. Unlike clearing firms that may simply clear a trade on behalf of the executing broker, executing brokers may be better positioned to pass through their CAT fees from both the buy and sell side because they are always parties to a transaction. In responding to comments on an earlier version of the Executed Share Model, CAT LLC states that charging clearing brokers would be less efficient than charging executing brokers because it would require linking executed shares to clearing brokers.[1034] CAT LLC also stated that it planned to provide trade-by-trade billing information to executing brokers and training on using that information to facilitate pass-through of costs, which would also increase operational efficiency for Industry Members.[1035] The feasibility of charging executing brokers has been demonstrated by the collection of CAT fees under the 2023 Funding Model Amendment; CAT LLC states that it has observed very few issues with executing brokers being able to pay invoices, and 99% of CAT fees have been paid on time.[1036]

b. Incentive Effects

The Commission recognizes the potential for the Executed Share Model to affect incentives and, therefore, either improve or harm efficiency. Aligning fees with costs promotes economic efficiency because Industry Members and Participants bear the costs they directly or indirectly impose on CAT NMS, creating the incentive to limit costs.[1037] The Executed Share Model presents a risk the CAT fees will not align with the burdens on CAT, which dampens the incentives to limit costs and promote efficiency. The primary sources of these risks are in: (i) the allocation between Participants and Industry Members, (ii) the ability to pass-through or recover the costs of CAT fees, (iii) the structure of the Executed Share Model, and (iv) the allocation to options relative to equities. While the prohibition on Participants directly passing through their CAT fees to their members incentivizes the Participants to limit the costs of CAT, they could still seek to recover their CAT fees through other cost recovery mechanisms, subject to statutory requirements, which could limit any increase in their incentives to limit the costs of CAT as compared to the Original Funding Model. Nonetheless, the Commission concludes that any changes in incentives and inefficiencies resulting from a change in the alignment of costs and burdens is minor because the CAT fees are significantly smaller per share than other execution costs.[1038]

[1033] *See* Part IV.B.

[1034] *See* CAT LLC July 2023 Response Letter, at 3.

[1035] *See id.* at 5.

[1036] *See* Notice, 90 FR at 44928.

[1037] One commenter stated that the Commission lacks an incentive to control CAT costs because it does not have an obligation to fund the CAT. *See* SIFMA October 2025 Letter, at 4. The Commission oversees and enforces the Participants' compliance with the CAT NMS Plan, as well as consistency of any fees by Participants with statutory and regulatory standards. *See* 17 CFR 242.608(b)(2), (c), (d); 17 CFR 242.613(h). In particular, fees, including CAT Fees, must be reasonable and equitably allocated, not result in unfair discrimination, or not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Exchange Act. *See* 15 U.S.C. 78s(b)(2)(C)(i); *see also* 15 U.S.C. 78f(b), 78k–1(c)(1). These legal obligations are alternative sources of incentives. Indeed, the Commission has approved multiple measures to reduce CAT costs and is engaged in a comprehensive review of the CAT.

[1038] *See supra* Part IV.B. for a discussion of the magnitude of CAT fees and Table 9 for a comparison of CAT fees to other transaction costs and regulatory fees.

i. Allocation to Participants and Industry Members and Their Cost Recovery

The Executed Share Model allocates costs to Participants and Industry Members, both of whom contribute to the costs of CAT. However, despite the prohibition on passing-through fees, the Commission expects that Participants might still seek to cover their costs through other mechanisms.[1039] Industry Members will also likely attempt to pass-through their CAT fees or otherwise recover these costs. Notably, the risk that they will not be able to cover their costs completely could discipline both Participants and Industry Members to seek to limit the burdens they impose on CAT. Finally, the allocation in the Executed Share Model trades off incentives to inefficiently spend too much against incentives to inefficiently spend too little.

The Executed Share Model presents a risk, as the Original Funding Model did,[1040] that Participants might not be allocated enough of the costs to have the incentive to seek efficient ways to achieve the regulatory objectives of CAT. While the Executed Share Model specifies an allocation that was unknown in the Original Funding Model, several commenters question whether the allocation provides Participants with incentives to seek efficiency.[1041] Further, while the Proposed Amendment prohibits Participants from passing through their CAT fees directly, some commenters stated that the ability for Participants to recover their CAT costs lessens Participants' incentive to control costs.[1042] Commenters also expressed concern with rising CAT costs to illustrate the magnitude of this potential inefficiency,[1043] stating that they do not have enough transparency on cost drivers to assess whether CAT costs are reasonable,[1044] that the Proposed Amendment has no mechanism to control or limit the budget,[1045] and that Industry Members lack control over CAT costs.[1046]

The fact that FINRA is expected to be the heaviest regulatory user of CAT suggests that FINRA being responsible for a large proportion of CAT costs promotes efficiency, though FINRA's control over costs could be limited, suggesting inefficiency in a high allocation.[1047] Data usage contributes to CAT costs. Query tools, for example, account for 3 percent of CAT costs and some cloud hosting costs reflect costs to query CAT data and process it for regulatory usage. Indeed, FINRA has stated that it is not opposed to fees based on regulatory usage.[1048] However, FINRA's limited voting power on the Operating Committee might restrict its influence on issues affecting CAT costs,[1049] such as the execution of reporting requirements that implement the CAT NMS Plan.

The Participants have stated that the transparency and level of detail in the fee filings will impose a discipline on the Participants to justify the costs of CAT.[1050] For example, separating Historical CAT Costs from Prospective CAT Costs allows Industry Members more insight into the sources of CAT costs underlying the fees and to allow Industry Members to comment on the size of such fees. The Participants have explained that increases in CAT costs are attributable, in large part, to factors outside of their control, including market developments.[1051] For example, at the adoption of the CAT NMS Plan in 2016, the Commission estimated that the CAT would receive 58 billion records per day, but the Participants state that during the second half of 2025, quarters 3 and 4, the CAT receives an average of 793 billion and 704 billion records per day, respectively.[1052] The Commission agrees that a primary driver of the increase in CAT costs has been increases in trading activity, which is outside of the control of the Participants,[1053] and makes it difficult to estimate future costs. Nevertheless, the Commission has included its own projections of future operating costs based on prior growth in trading activity and recent cost reduction measures.[1054]

The Participants also disagree that they are not incentivized to manage costs with a one-third allocation. They state that currently, there is a strong incentive to manage costs while paying 100 percent of the costs and that incentive will continue with a one-third allocation. They state that CAT costs are substantial and they will continue to receive critical review.[1055]

Further, the Participants state that the complexity and diversity of Industry Members' chosen business models and order handling practices contributes substantially to CAT costs because they result in increased processing and storage costs.[1056] In contrast, the Participants state that exchange features are not nearly as diverse as the ways in which Industry Members execute

[1039] *See supra Part IV.B and* Part IV.C.2.a. The SROs need to have adequate funding to fulfill their statutory obligations.

[1040] *See supra* Part IV.C.1.b.

[1041] *See, e.g.,* Citadel 2025 Letter, at 8 (referencing statements by Commissioners Peirce and Uyeda).

[1042] *See, e.g.,* Citadel July 2023 Letter, at 16, 22; Citadel October 2025 Letter, at 8.

[1043] *See, e.g.,* Citadel July 2023 Letter, at 2, 5, 7–9, 23, 26–27; Citadel August 2023 Letter, at 7–8. One commenter pointed out that CAT costs typically exceed the budget by 20 percent. *See* Citadel July 2023 Letter, at 8–9, n.21; Citadel August 2023 Letter, at 7. The Commission recognizes that CAT operating costs have exceeded the cost estimates in the CAT NMS Plan Approval Order with the total net costs of building and operating the CAT for an initial five year period falling just outside the range of the 2016 estimate. See discussion of cost increases in Part IV.A.1 and the impact of recent amendments on the costs to operate the CAT in Part IV.A.2.

[1044] *See, e.g.,* Citadel July 2023 Letter, at 2, 6–7, 13–14, & nn.63, 64; Citadel August 2023 Letter, at 6–7.

[1045] *See, e.g.,* Citadel August 2023 Letter, at 7.

[1046] *See* Citadel October 2025 Letter, at 8 n.33.

[1047] *See supra* note 379 and surrounding discussion. *But see* FINRA April 2023 Letter, at 7 (''[I]t is unclear . . . how the outsized allocation to FINRA is based on the extent to which FINRA participates in and benefits from the markets. In addition, this rationale conflates the costs to create and operate CAT with the usage of CAT data.'') Note that FINRA's allocation in the Original Funding Model (about 50 percent for Participants' share of the costs allocated to equities) could have been the same or greater than the allocation in the Executed Share Model, calculated based on volume for November 2025.

[1048] *See* FINRA April 2023 Letter, at 8, referencing comment letters from 2021 and 2022.

[1049] FINRA discusses its limited voting power in FINRA April 2023 Letter, at 4 and FINRA June 2023 Letter, at 8.

[1050] *See also,* CAT LLC December 18, 2025 Response Letter incorporating by reference CAT LLC May 2023 Response Letter, at 10–11, which discussed other efforts to manage the costs of CAT. The Participants provide a more comprehensive response about cost management efforts. *See* CAT LLC July 2023 Response Letter, at 19–20. They state that Industry Members will have ample opportunity to comment, there will be quarterly budget information and financials, there is Commission oversight, and the Participants have ongoing cost discipline efforts through a cost management group and other efforts. For more details of the activities of the cost management group, *see* CAT LLC July 2023 Response Letter, at 22–26.

[1051] *See, e.g.,* Letter to Vanessa Countryman, Secretary, Commission, from Robert Walley, Chair, CAT NMS Plan Operating Committee, dated Dec. 17, 2025, at 22–23 (cited by CAT LLC December 2025 Response Letter, at 7, in support of the Proposed Amendment), *available at https://catnmsplan.com/sites/default/files/2025-12/LLC-Proposed-CAT-NMS-Plan-Amendment-2025-Cost-Savings-Amendment-12.17.25.pdf* (explaining how, despite the implementation of optimizations that have significantly decreased the per-unit costs, data storage costs are remain significant component of CAT costs because needs in 2025 were much larger than anticipated in 2016).

[1052] *See* CAT LLC February 2026 Response Letter, at 3. The same letter, at 3, reports that in the second half of 2025, the total inbound event volume was 95.75 trillion records, with an average monthly inbound event volume of 16 trillion events. *See also* Citadel October 2025 Letter, at 4 (requesting documentation of the updated number of CAT records created each day).

[1053] *See supra* Part IV.A.1.c (explaining how the growth in message traffic has far exceeded the growth in CAT operating costs).

[1054] *See supra* Part IV.A.2.

[1055] *See* CAT LLC July 2023 Response Letter, at 22.

[1056] *See* CAT LLC July 2023 Response Letter, at 7.

trades.[1057] In addition, Industry Members have customers that create CAT costs related to FDIDs, CCIDs, and CAIS, while Participants do not.[1058] Further, the Participants state that ''Industry Members have far more late data and corrections than Participants'' and that ''[t]he linker costs related to late data and corrections are significant.'' [1059] The Commission believes that Industry Members being responsible for a significant proportion of CAT costs promotes efficiency. This is particularly valid for message traffic and late data and corrections, which is something Industry Members can directly control to reduce overall CAT costs. However, the Commission also recognizes that any Participant cost recovery that results in Industry Members who are not CAT Reporters bearing the costs of CAT would reduce the incentives to limit costs.[1060]

The Commission recognizes that, to the extent either Participants or Industry Members are able to recover the costs of paying CAT fees and Participants are able to satisfy the statutory requirements to do so, that could lessen their incentives to limit the CAT costs they control. As discussed above,[1061] the Commission believes that under the Proposed Amendment, the Participants will continue to have countervailing incentives to contain the costs that are within their control. In addition, the Participants may not be able to or may choose not to recover all of their share of CAT costs through transaction fees.[1062] As a result, Participants who cannot or chose not to adjust their transaction fee schedules will either internalize some of their share of CAT costs or recoup them through fees other than transaction fees.[1063]

Further, several other factors also suggest that Participants will have some incentive to control costs. First, Participants have recently undertaken a series of measures to bring down costs.[1064] Second, Participants' attempts to recover their costs from CAT fees might not match exactly their CAT assessment over time. The recovery could be higher or lower.[1065] The risk that Participants will fail to recover all of the costs of their CAT fees is greater when costs are increasing.[1066]

Finally, the Executed Share Model alters the incentives to inefficiently spend too little. Being responsible for CAT costs (or having to internalize CAT costs they do not pass through) is unlikely to result in Participants having the incentive to under-spend on regulatory tools.[1067] Any such under-spending would not reduce the Participants' self-regulatory duties and could result in inefficiencies in their own regulatory costs.

ii. Structure of the Funding Model

Basing Industry Member fees on share volume rather than message traffic could reduce efficiency relative to the Original Funding Model, but the efficiency benefits of the Original Funding Model would have been dampened by its tiered structure. Further, the Executed Share Model could also have some efficiency improvements over the Original Funding Model. Nonetheless, the Commission recognizes additional inefficiencies related to the burden of orders of different sizes and the rounding of fractional shares, both of which affect the distribution of any Industry Member pass-throughs. Finally, the separation of Historical Assessments from CAT Fees creates clarity to strengthen the incentives from CAT Fees.

The Executed Share Model could create inefficiencies relative to the message-traffic-based Original Funding Model. While the shares executed are related to CAT cost drivers, executed shares could be less related to CAT cost drivers than message traffic. However, the Executed Share Model solves the incentive efficiency of the tiered structure in the Original Funding Model.[1068] Further, the Commission recognizes that, based on the breadth of CAT costs, it is not feasible to calculate the cost burden on CAT of each CAT Reporter,[1069] making it infeasible for any Funding Model to exactly match fees with burdens on CAT.

Indeed, the Executed Share Model could result in Participants or Industry Members paying different fees across transactions despite potential similarities in cost. For example, Participants or Industry Members will be charged ten times the fee for a 1,000 share transaction than for a 100 share transaction. While 1,000 share transactions may, on average, have a higher burden on CAT than a 100 share transaction because such transactions are more likely to involve more messages and more complex lifecycles, the burden of a 1,000 share transaction on CAT versus a 100 share transaction is unlikely to be ten times higher.

One commenter raised other potential inefficiencies related to outsized allocations to transactions for retail investors associated with those retail investors trading low-priced NMS stocks.[1070] The Commission recognizes that such an allocation could discourage brokers from servicing retail investors if they cannot recover all CAT costs from investors and/or that retail investors could be paying for a large portion of CAT costs. This is consistent with the analysis in the CAT NMS Plan Approval Order where the Commission recognized that retail investors were likely to bear costs for CAT.[1071] However, the small magnitude of the per share CAT fees will mitigate the likelihood that brokers will be discouraged from servicing retail investors.[1072]

Unlike the Prospective CAT Fees, the Historical Assessments in the Executed Share Model do not provide much incentive for efficiency because the costs were incurred in the past and future action cannot change them. However, by separating Historical CAT Assessments from CAT Fees, the Executed Share Model could allow Industry Members and Participants to more clearly assess how their own

[1057] *See supra* notes 152–154.

[1058] *See supra* note 156.

[1059] *See supra* note 155.

[1060] *See* FINRA October 2025 Letter, at 11–12, which points out that increasing FINRA membership fees could increase fees for FINRA members that are not CAT Reporters.

[1061] *See supra* Part III.A.2.

[1062] Some of the equity exchange Participants who already charge transaction access fees at the maximum level allowed but regulation, which prevents them from increasing their transaction fees to efficiently pass through all their CAT fees to their members. *See* Securities Exchange Act Release No. 96494 (Dec. 14, 2022), 87 FR 80266, tbl.5 (Dec. 29, 2022). While exchanges charge several tiers of fees, they will not be able to raise the fees that already match the fee cap.

[1063] If Participants internalize some of their share of CAT costs, those costs are part of the costs to run their business and they will recoup those costs in ways they recoup other general business costs.

[1064] *See supra* Part III.A.2 for a discussion of these measures and notes 237 and 238 for examples.

[1065] *See supra* Part IV.C.2.a.

[1066] *See supra* Part III.A.2.

[1067] The Participants state that they seek to reduce costs ''without adversely affecting the regulatory goals of the CAT.'' *See* CAT LLC July 2023 Response Letter, at 22.

[1068] *See supra* Part IV.C.1.c for further discussion of the inefficiencies of the Original Funding Model.

[1069] *See* Notice, 90 FR at 44927 (''In light of the many inter-related cost drivers of the CAT (*e.g.,* storage, message traffic, processing), determining the precise cost burden imposed by each individual CAT Reporter on CAT is not feasible.''). *See also* CAT LLC July 2023 Response Letter, at 34, where the Participants describe that it is difficult to determine the precise cost burden imposed by each individual CAT reporter. They state that increased trading activity impacts message traffic, data processing, storage, and other factors and, thus, correlate with cost burdens and that Industry Member activity is generally for the purpose of transacting.

[1070] *See supra* notes 312–316.

[1071] *See, e.g.,* CAT NMS Plan Approval Order, 81 FR at 84863, 84881, 84888, and 84893 for examples of statements on investors bearing the costs of CAT.

[1072] *See supra* Table 9 and related discussion.

actions could affect the Prospective CAT Costs and their CAT Fees to promote improvements to efficiency relative to the Original Funding Model.

iii. Allocation to Options and Equities

One commenter states that equities market participants will contribute ''far more'' under the Executed Share Model than options markets.[1073] If the Executed Share Model over-allocates fees to equity market transactions relative to options market or OTC equity transactions, it will create inefficiency by artificially inflating equity transaction costs while artificially decreasing options and OTC transaction costs. Because the Original Funding Model did not specify the allocation to options versus equities, the Executed Share Model resolves this uncertainty. However, the Commission has mixed information on whether the Executed Share Model will, indeed, over-allocate fees to the equity markets. Some commenters stated that equity trading volume creates a relatively low burden relative to options activity.[1074] The Commission disagrees with this statement. In November 2025, equities (NMS and OTC) account for approximately 74 percent of the equivalent share volume while options account for approximately 26 percent.[1075] On the other hand, an analysis of the CAT data from the second quarter of 2025 shows that equities account for 14 percent of message traffic while options account for 86 percent. The message traffic in the options market is driven by options market quotes, which are reported by options exchanges and which are not subject to linkage processing and are stored for a shorter duration than other CAT data. If processing and storing CAT messages is a primary cost driver and assuming that option and equity messages are equally burdensome, an allocation aligning fees to costs would assess approximately 14 percent of the fees on Participants and Industry Members in the equities markets, suggesting that the Executed Share Model allocation of approximately 74 percent of the fees over-allocates fees to equities. However, this assumption is likely incorrect.

In fact, equity order linking complexity likely accounts for higher costs than option order linking complexity, suggesting that the higher allocation of CAT fees to equity market Participants and Industry Members could promote efficiency. The linkage processing costs of CAT are approximately 85 percent of the non-CAIS storage costs.[1076] The Commission estimated that roughly 96 percent of CAT Participant message traffic and 75 percent of total options message traffic is comprised of options market maker quotes.[1077] While option market maker quotes account for such a large fraction of message traffic and, thus, immediate storage costs, option market maker quotes involve lower linkage costs than other messages and are stored for a shorter duration. Indeed, the equities market accounted for about 99.5 percent of the number of linkages processed and the number of options linkages processed was about 0.14 percent of the number of options messages reported, reflecting no linkage processing for options market maker quotes.[1078] Additionally, the Commission understands that equities linkages can be more complex, and thus more costly to process, than are options messages. As a result, options trading volume creates a relatively low burden relative to equity activity when it comes to linkage costs. Options trading volume does create a larger burden relative to equity activity in terms of storage costs. But, the 2024 CAT Cost Savings Amendment and the September 2025 Exemptive Order reduced the storage duration of option market maker quotes relative to equities message traffic.[1079] Together, these reduced the burden of the options market on CAT relative to the burden of the equities market on CAT.

c. Market Efficiency

The Executed Share Model will exert opposing effects on market efficiency but, overall, will have a minimal effect on market efficiency. The Executed Share Model improves upon the disincentives for market making in the Original Funding Model potentially increasing market efficiency. However, the approach to invoice only CEBB and CEBS could result in fewer Industry Members being charged CAT fees with the charges predominantly on market makers, increasing transaction costs and reducing market efficiency. The magnitude of increased transaction costs from these market maker pass-throughs and any additional pass-throughs or cost recovery is minimal, even when considering the cost increases since 2016. Finally, the Executed Share Model could promote market efficiency by eliminating potential distortions that could have been caused by the Original Funding Model.

The Executed Share Model eliminates the disincentives to provide liquidity associated with the Original Funding Model that could have resulted in market inefficiencies, including removing the potential for distortions near the tier cutoffs.[1080] Instead of paying higher fees with more message traffic, which would discourage liquidity providing activity,[1081] the Executed Share Model charges a fee for each Executed Equivalent Share. Because market making and other liquidity providing activity tends to have a high ratio of message traffic to transactions, the Executed Share Model could be more favorable towards providing liquidity than the Original Funding Model. Promoting liquidity provision promotes market efficiency. However, because the Original Funding Model addressed this disincentive in its tier structure, the Commission cannot be certain that the reduction of this disincentive would have a significant effect on market efficiency.

Even though the process of charging fees to CEBB and CEBS concentrates the CAT fees with market makers, this process is unlikely to harm market efficiency because the CAT fees per

[1073] *See* Citadel October 2025 Letter, at 6.

[1074] *See* FINRA April 2023 Letter, at note 23; *see also* Citadel August 2023 Letter, at 4; Citadel October 2025 Letter, at 6 (citing FINRA April 2023 Letter).

[1075] Calculated using the CAT fee billing trade summary from *https://www.catnmsplan.com/billing-trade-summaries.* Option contract volume is multiplied by 100 and OTC volume is divided by 100 to establish rough estimates of equivalent share volume to reported equity transactions.

[1076] *See supra* note 1013 and accompanying text for a discussion of cost drivers. ''Linker'' accounts for 29 percent of CAT costs while non-CAIS storage accounts for 34 percent. Data processing costs are 25 percent.

[1077] CAT data from the second quarter of 2025; *see id.* If processing and storing CAT messages is a primary cost driver, options exchanges' collective 9 percent share of CAT costs, compared to equity exchanges' 12 percent share and FINRA's 12 percent share, may also appear to inefficiently over-allocate the Participants' share of CAT costs to equity exchanges (note that these share calculations are based on executed equivalent share volumes in November 2025 (*see id*); the underling information used for FINRA share in supra Table 8 is from June 2025).

[1078] Based on November 2025 CAT data containing statistics for validations and linkage for files submitted to FINRA CAT, the equities market accounted for 1.84 trillion linkages processed on 3.17 trillion messages reported while the options market accounted for 9.80 billion linkages processed on 7.15 trillion messages reported. Most options market maker quotes have only two events in their CAT Lifecycle (*i.e.,* quote and quote cancelation) and don't require linkage to other CAT events.

[1079] The Participants estimated from the 2024 Cost Savings Amendment a $21 million overall cost savings in 2024 dollars. *See* 2024 Cost Savings Amendment, *supra* note 237, at 103045–46. From the September 2025 Exemptive Order, the cloud hosting savings is expected to be $34–47 million in 2025 dollars. *See* September 2025 Exemptive Order, *supra* note 239.

[1080] *See supra* Part IV.C.1.c.

[1081] *Id.*

share are small. In charging fees to CEBB and CEBS, the fees will be charged to fewer Industry Members than under the Original Funding Model and market makers could be charged a large proportion of those fees.[1082] Most off-exchange trades involve a market maker on one side and many exchange trades do as well. As such, market makers are likely to be either the CEBB or CEBS on many off-exchange trades and will thus be charged on most executed shares. Because market makers do not have customers to whom they can pass through fees, they could seek to recover the cost of paying CAT fees either by charging higher transaction costs (less price improvement/higher effective spreads) or altering their prices on other services.[1083] If they charge higher transaction costs, the higher costs will be borne by investors. However, any increase in transaction costs is unlikely to be greater than the CAT fees, which are many times smaller than current effective half spreads.[1084] This means that market makers could recover costs by increasing effective spreads marginally on average but do not need to increase them on every trade. As CAT fees are predominantly charged to market makers, this is unlikely to significantly reduce liquidity and market efficiency, though to the extent that some CAT costs will likely be borne by investors this could marginally reduce market efficiency.

However, the Proposed Amendment does not change the aggregate amount of CAT fees charged across all Industry Members and Participants,[1085] which is based on the actual costs of building and operating the CAT. It also does not change that investors could bear all those CAT costs. The Proposed Amendment covers the allocation of CAT fees for operating the CAT among Participants and Industry Members, and it prohibits Participants from passing through CAT fees directly.[1086] As explained above, under the Proposed Amendment, Participants may still seek to recover their costs from their members through other cost recovery mechanisms,[1087] and the Proposed Amendment does not regulate whether Industry Members may pass through their CAT fees to their customers (*i.e.,* investors). Accordingly, investors may still bear the costs of CAT under the Executed Share Model, as they might also have under the Original Funding Model.

The Executed Share Model could change which investors ultimately bear CAT costs.[1088] One commenter suggests that retail investors will bear a disproportionate size of the CAT costs because they tend to trade low-priced NMS stocks.[1089] The Commission recognized in the analysis in the CAT NMS Plan Approval Order that retail investors were likely to bear costs for CAT.[1090] The trading by individuals who trade stock directly is somewhat concentrated, with the top 10,000 individual investors per week accounting for about 75 percent of equity traded share volume.[1091] This concentration in trading activity by individual investors will translate into concentration in which investors will bear more CAT costs, but the costs will still be borne, on average, on a per share traded basis. That per share cost to individual investors is orders of magnitude smaller than other costs of execution and will likely grow at a slower rate than CAT costs.[1092]

Further, the elimination of the tiered structure in the funding model promotes market efficiency by removing the potential distortions around the tier cutoffs. However, the Commission previously concluded that the effect of behavior changes around the tier cutoffs on market efficiency was likely not significant.[1093] As a result, the removal of tiers promotes market efficiency, but this is unlikely to significantly improve market efficiency.

D. Competition

Several commenters stated that the Proposed Amendments present a burden on competition.[1094] The Commission analyzed the impact of the Proposed Amendments on the competition for trading services, broker-dealer services, and regulatory services. The Proposed Amendment could negatively alter the competitive position of a few types of competitors for trading services and broker-dealer services, but whether such changes will render these markets less competitive overall is unlikely. Specifically, the Executed Share Model could alter competitive advantages and disadvantages in the competition for trading services. Further, the Executed Share Model could provide competitive advantages to certain broker-dealer business models over others. However, the magnitude of CAT fees borne by competitors is so small as to be inconsequential to advantages, disadvantages, and the overall level of competition.

1. Baseline

In the CAT NMS Plan Approval Order, the Commission identified certain elements of the Original Funding Model that could have negative implications for competition in trading services, broker-dealer services, and regulatory services.[1095] In addition, the Commission stated ''the uncertainty regarding how the [Operating] Committee allocated the fees used to fund the Central Repository could affect the conclusions on competition.'' [1096]

a. Trading Services

The market for trading services, which is served by exchanges, ATSs, and liquidity providers (internalizers and others), relies on competition to supply investors with execution services at efficient prices. These trading venues, which compete to match traders with counterparties, provide a framework for price negotiation and disseminate trading information. The competitors for trading services compete on a number of dimensions, such as transaction fees and execution quality, and some attempt to attract order flow by paying for that order flow or otherwise rebating.

The market for trading services in options and equities currently consists of 26 national securities exchanges, which are all Plan Participants, and off-exchange trading venues including broker-dealer internalizers, which execute substantial volumes of

[1082] *See, e.g.,* Citadel July 2023 Letter, at 2, Citadel August 2023 Letter, at 4; Citadel October 2025 Letter, at 7.

[1083] *See* Citadel October 2025 Letter, at 7.

[1084] *See* Table 9.

[1085] However, the Proposed Amendment could alter incentives to limit CAT costs, which could reduce costs overtime. *See supra* Part IV.C.2.b.

[1086] *See supra* Part III.A.2.

[1087] The Commission recognizes that the particular mechanisms used by participants who seek to recover their costs could have implications for market efficiency (or could have other economic effects), though the magnitude of effects on market efficiency would likely be small. For example, if Participants met the statutory requirements needed to alter their access fee and/or rebate schedules to recover the costs of CAT fees, these changes could alter price efficiency and incentives for liquidity provision. *See* Tick Size Final Rule, 89 FR at 81759–60.

[1088] *See supra* Part IV.B for a discussion of the factors associated with which investors will bear CAT costs.

[1089] *See supra* note 1044.

[1090] *See supra* note 1071 and accompanying text.

[1091] *See supra* note 992 and accompanying text.

[1092] *See* Table 9 and accompanying discussion.

[1093] *See supra* note 1023 and accompanying text.

[1094] *See, e.g.,* Citadel July 2023 Letter, at 1; Citadel October 2025 Letter, at 7. In addition, commentors stated that the Commission should consider whether the Proposed Amendment ''unfairly favors one group of market participants over another'' or ''picks winners and losers.'' *See* SIFMA October 2025 Letter, at 2–3; Citadel October 2025 Letter, at 6–7. This analysis of competition considers how the executed share model advantages or disadvantages competitors in addition to whether is alters the competitive landscape.

[1095] *See* CAT NMS Plan Approval Order, 81 FR at 84882–84.

[1096] *See id.* at 84882 n.2800.

transactions in equities, and 39 ATSs, which are not Plan Participants.[1097] Aside from trading venues, exchange market makers provide trading services in the securities market. These firms stand ready to buy and sell a security ''on a regular and continuous basis at publicly quoted prices.'' [1098] Exchange market makers quote both buy and sell prices in a security held in inventory, for their own account, for the business purpose of generating a profit from trading with a spread between the sell and buy prices. Off-exchange market makers also stand ready to buy and sell out of their own inventory, but they do not quote buy and sell prices.[1099]

In the Original Funding Model, the portion of fees allocated to the exchanges, FINRA, and ATSs would have been divided among them according to market share of share volume and the portion allocated to Industry Members would have been divided among them according to message traffic, including message traffic sent to and from an ATS.[1100] The Operating Committee would have allocated fees for the equities market and options market separately based on market share in each market. The Commission concluded that the Original Funding Model could have resulted in a competitive advantage for exchanges over ATSs because message traffic to and from an ATS would have generated fee obligations on the broker-dealer that sponsors the ATS, while exchanges would have incurred almost no message traffic fees.[1101] In addition, the Commission recognized uncertainties associated with the allocation of fees that could have affected competition, such as the level of fees at each tier (though the entities in the smallest activity tier would have paid the lowest fees) and whether off-exchange liquidity providers would have paid fees similar to similarly-sized ATSs and exchanges. Finally, the Commission recognized potentially differential fees across market participants, including lower fees for internalizers, which could have affected competition.[1102]

b. Broker-Dealer Services

For simplification, the Commission presents its analysis as if the competition to provide broker-dealer services encompasses one broad market with multiple segments even though, in terms of competition, it actually may be more realistic to think of it as numerous inter-related markets. There are currently approximately 1,000 broker-dealers that are CAT Reporters.[1103] The competition to provide broker-dealer services covers many different markets for a variety of services, including, but not limited to, managing orders for customers and routing them to various trading venues, holding customer funds and securities, handling clearance and settlement of trades, intermediating between customers and carrying/clearing brokers, dealing in government bonds, private placements of securities, and effecting transactions in mutual funds that involve transferring funds directly to the issuer. Some broker-dealers may specialize in just one narrowly defined service, while other broker-dealers may offer diversified services across many different lines of businesses. As such, the competitive dynamics within each of these specific lines of business for broker-dealers is different, depending on the number of broker-dealers that operate in the given segment and the market share that the broker-dealers occupy.

The market for broker-dealer services relies on competition among broker-dealers to provide the services listed above to their customers at efficient levels of quality and quantity. The broker-dealer industry is competitive, with most business concentrated among a small set of large broker-dealers and thousands of small broker-dealers competing for niche or regional segments of the market. Broker-dealers often compete among each other through commission rates, service quality, and service variety and some bundle their services. At present, some broker-dealers specializing in individual investors charge zero commissions and instead cover costs by receiving payment for order flow or charging more for other services. To limit costs and make business more viable, small broker-dealers often contract with larger broker-dealers or service bureaus to handle certain functions, such as clearing and execution, or to update their technology.[1104] Large broker-dealers typically enjoy economies of scale over small broker-dealers and compete with each other to service the smaller broker-dealers, who are both their competitors and their customers.

The CAT NMS Plan Approval Order described the Original Funding Model as an explicit source of financial obligation for broker-dealers and therefore an important feature to evaluate when considering potential differential effects of the Plan on competition in the market for broker-dealer services.[1105] The Commission understood that the Original Funding Model should have resulted in the smallest broker-dealers paying the lowest fees,[1106] but the Plan did not outline how the magnitudes of fees would have differed across the tiers or whether the smallest broker-dealers would have paid the highest per-message fees. The Commission concluded that, regardless of the differential effects of the CAT NMS Plan Funding Model on small versus large broker-dealers, the CAT NMS Plan Funding Model, in aggregate, would have likely not reduced competition in the overall market for broker-dealer services.[1107]

c. Regulatory Services

In the CAT NMS Plan Approval Order, the Commission considered the effect of the CAT NMS Plan on competition to provide regulatory services.[1108] The 26 SROs compete to provide regulatory services in at least two ways. First, because SROs are responsible for regulating their members and the trading within venues they operate, their regulatory oversight is bundled with the operations of their venues. Consequently, for a broker-dealer, selecting a trading venue also involves being subject to regulatory oversight of the SRO that operates that venue. Second, SROs can provide regulatory services for other SROs through the use of RSAs.[1109] In addition, some regulatory activity is coordinated among SROs through multiparty 17d–2 agreements.[1110] FINRA is the primary provider of contracted regulatory services. Any new competitors for regulatory services would face significant barriers to entry in building up the necessary expertise and technical capabilities.[1111]

[1097] *See* Securities Exchange Act Release No. 61358, 75 FR 3594 (Nov. 23, 2016) at 3598–3560, (for a discussion of the types of trading centers). The number of ATSs includes 34 NMS ATSs from *https://www.sec.gov/divisions/marketreg/form-ats-n-filings.htm* and 5 OTC ATSs.

[1098] *See* SEC, *Market Maker, available at http://www.sec.gov/answers/mktmaker.htm.*

[1099] *See* Securities Exchange Act Release No. 96495 (Dec. 14, 2022), 88 FR, 128, 181 (Jan. 3, 2023).

[1100] *See* CAT NMS Plan Approval Order, 81 FR at 84793.

[1101] *See id.* at 84883.

[1102] *See id.* at 84879.

[1103] *See* Notice, 90 FR at 44936.

[1104] *See* Securities Exchange Act Release No. 63241 (Nov. 3, 2010), 75 FR 69791, 69822 (Nov. 15, 2010) (Risk Management Controls for Brokers or Dealers with Market Access).

[1105] *See* CAT NMS Plan Approval Order, 81 FR at 84885.

[1106] *See id.* at 84884.

[1107] *See id.* at 84887.

[1108] *See id.* at 84887.

[1109] *See supra* note 364 and accompanying text.

[1110] *See* 17 CFR 240.17d–2.

[1111] The Commission stated in the CAT NMS Plan Approval Order that ''CAT may reduce barriers to entry for this market'' while acknowledging other

RSAs are contracts that would not be renegotiated as often as CAT fees would vary, which limits the precision to which FINRA can increase the charges on these agreements as a mechanism to pass through its CAT fees. Since the start of the CAT NMS Plan implementation, the Commission has not observed a change in the competition for regulatory services.

2. Analysis of the Proposed Amendment

a. Trading Services

The Participants state that, ''the [Executed Share Model] would not impose an inappropriate burden on competition,'' adding that transaction-based models for fee recovery are already in place.[1112] The Commission agrees that transaction-based models do offer some efficiency benefits over the Original Funding Model,[1113] but whether the Proposed Amendment provides any marginal competitive advantages and disadvantages is unclear. The effects on these competitors might not affect the overall level of competition because the fees are expected to be relatively small.

The Proposed Amendment may provide a competitive advantage for exchanges over off-exchange trading venues, but this advantage may not be large relative to the level of competition and smaller than it would have been under the Original Funding Model. In particular, the Executed Share Model will allocate higher CAT fee allocations to Industry Members, which includes off-exchange trading venues such as ATSs and internalizers, relative to Participants. For example, if FINRA is able to recover its share of CAT costs, Industry Members could bear 79 percent of CAT costs unless they pass their costs on to their customers.[1114] If other Participants likewise are able to recover their CAT costs, Industry Members could bear 100 percent of CAT costs minus what they pass on to customers. The effect of the resulting CAT costs borne by Industry Members on competition would depend on the form of cost recovery.[1115] Those competitors that resort to increasing the fees to transact will be at a disadvantage in attracting order flow relative to those who can recover costs another way, because they will be a relatively more expensive place to trade In fact, if the exchanges are able to offset their CAT fees in ways other than increasing transaction fees on exchanges while ATSs and others cannot, the cost to transact on ATSs or directly through broker-dealers will appear to increase more in response to CAT fee allocations, providing exchanges with a competitive advantage.[1116] This is particularly probable for exchanges that do not rely solely on revenues from transaction fees. However, ATSs might be better off relative to exchanges under the Executed Share Model than they would have been under the Original Share Model, which would have also resulted in a competitive disadvantage for ATSs.[1117]

The Executed Share Model could increase the costs of internalization relative to agency order matching (or riskless principal), creating a competitive disadvantage for the internalization model, reversing the competitive advantage internalizers would have had under the Original Funding Model.[1118] When an off-exchange market maker internalizes a trade, it will be charged as both the CEBS and CEBB for the trade and will have a single customer to which to pass-through CAT fees for one side of the trade.- On the other side of the trade, the market maker engages in proprietary trading. Off-exchange venues that engage in order matching have customers on both sides. Because the CAT fees charged on their proprietary trading cannot be passed through,[1119] off-exchange market makers may either absorb the CAT assessments on their proprietary trading or recover them in ways such as by reducing payment for order flow or price improvement.[1120] Any of these alternatives could hurt internalizers competitively and create the incentive to absorb at least some of their assessments,[1121] thus reducing their profit margins.

More generally, any market makers, whether on exchange or not, will be charged fees for their proprietary trading, and this could create competitive advantages among market makers in certain situations. Unlike off-exchange market makers, on-exchange market makers in equities trade against incoming orders only by being the most competitive liquidity supplier rather than through payment for order flow arrangements. As a result, the only way for on-exchange market makers to recover their costs of paying CAT Fees is to marginally widen their spreads. The Commission recognizes that this likely would result in on-exchange market makers in equities being at a competitive disadvantage to off-exchange market makers in having to absorb the fees or increase their spreads because they do not have other arrangements, such as payment for order flow, that could facilitate other ways of recovering the cost of allocated CAT fees. Because other liquidity providers who post limit orders and quotes to trade would face the same cost, the displayed quotations on exchanges could appear to be less competitive overall but would likely increase marginally—enough to cover CAT assessments.[1122]

When combined, the effects of each of these likely offset such that the actual advantages and disadvantages are unclear and likely to be so small as to be undetectable. For example, the marginal increase in spreads could also help to offset any disadvantage to internalization over riskless-principal because marginally wider spreads could help internalizers avoid reductions in price improvement and payment for order flow. Likewise, a marginal increase in spreads could make exchanges appear less competitive relative to ATSs, offsetting the advantage of exchanges over ATSs.\ discussed above.

In options, however, the Executed Share Model could result in exchange members who bring an order to an exchange experiencing a competitive advantage in price improvement auctions. In particular, because having customers allows them to pass-through their fees to those customers consistent

barriers to entry. *See* CAT NMS Plan Approval Order, 81 FR at 84887 n. 2849 (describing the barriers to entry addressed by CAT). *See also* Securities Exchange Act Release No. 95388 (July 29, 2022), 87 FR 49930, 49961 (Aug. 12, 2022) (describing the barriers to entry of potential new national securities associations more generally).

[1112] *See* Notice, 90 FR at 44937.

[1113] *See supra* Part IV.C.2.b and IV.C.2.c for discussions of efficiency gains associated with basing CAT fees on shares executed rather than message traffic.

[1114] *See* supra note 983 and associated text.

[1115] Commenters stated that the Commission should consider the economic effects of this potential distribution. *See, e.g.,* Citadel July 2023 Letter, at 16, 21, 22, AmFree Letter, at 6; SIFMA October 2025 Letter, at 3; Citadel October 2025 Letter, at 9; Citadel January 2026 Letter, at 3, 5.

[1116] One commenter stated that a prior version of the executed share model would result in off-exchange transactions being assessed higher fees than on-exchange transactions. *See* Citadel July 2023 Letter, at 21.

[1117] *See supra* note 1101 and accompanying text.

[1118] *See supra* note 1102 and accompanying text.

[1119] See supra Part IV.B for a discussion of potential CAT.

[1120] *See* CAT LLC July 2023 Response Letter, at 9–10 and CAT LLC February 2026 Response Letter, at 1–2.

[1121] However, the Participants state that the executing brokers may determine to pass their CAT fees through to their own customers and thus may not absorb the CAT fees. *See* CAT LLC July 2023 Response Letter, at 8–9.

[1122] *See supra* Part IV.C.2.c. for a discussion of how market makers may charge higher transaction costs and the magnitude of a potential increase in transaction costs.

with legal limitations on the fees that they can charge,[1123] options exchange members with customers can bid more competitively in the auctions than can exchange members who do not have customers.

However, the magnitude of changes in any competitive advantages or disadvantages is unlikely to significantly affect order flow because fee differences between competing venues are only one of many factors (such as availability of non-displayed order types and price impact characteristics of transactions on different venues) that broker-dealers consider when choosing how to route their order flow. Further, the Executed Share Model levels the playing field between exchanges and ATSs relative to the Original Funding Model.[1124] In particular, the assessments and any pass-throughs paid by broker-dealers or investors of an execution on an ATS could be similar to those of an execution on an exchange, depending on how (and whether) ATSs and exchanges choose to pass-through their fees. ATSs can choose to pass through their fees directly (to the extent permitted by rules on broker-dealer fees) or recover them in other ways, whereas the Proposed Amendment prohibits the exchanges from passing through their fees directly, though they may seek to recover their costs another way. Further, the magnitude of the CAT fees are small relative to other transaction costs.[1125]

b. Broker-Dealer Services

The Executed Share Model alleviates concerns with the Original Funding Model about the allocation of fees across small and large broker-dealers. In particular, by charging CEBBs and CEBSs based on Executed Equivalent Shares, small broker-dealers are less likely to face CAT fees that are outsized relative to their revenue,[1126] whether they act as executing brokers or are charged pass-throughs by executing brokers. This could reduce barriers to entry.

The efficiency gains in passing through fees from the Executed Share Model will not be evenly distributed across broker-dealer competitive strategies. In particular, where competition has driven commissions to zero, the Executed Share Model Fees are more easily passed through to customers of broker-dealers who offer a wider variety of services than for broker-dealers who do not. Broker-dealers offering a wide variety of services could slightly increase costs of a number of these services (or stop providing services that are low margin), as permitted, to recover their costs of CAT fees. By contrast, broker-dealers that offer fewer additional services have fewer ways to recover their CAT costs because they have fewer ways to distribute their increased operating costs. And broker-dealers offering fewer services are typically charging zero commissions for competitive reasons and they may not choose to or not be able to charge commissions to cover CAT costs. These latter broker-dealers could be at a competitive disadvantage if they have no other option but to absorb such fees or accept reduced payment for order flow as a form of pass-through from executing brokers and then have limited ways to recoup such fees through other sources of revenue. Because more established broker-dealers are more likely to be the ones offering a wider variety of services, this effect could increase barriers to entry.

Further, if FINRA ultimately recovers the costs of paying CAT Fees by raising its membership fees, the majority of broker-dealers bearing CAT costs will not be CAT Reporters.[1127] Because these broker-dealers are not CAT reporters, they likely do not compete against CAT reporters in the facilitation of options and equities trading. However, they may compete against CAT reporters in providing other services. If they do, such a cost recovery could put non-CAT reporters at a competitive disadvantage relative to CAT reporters or non-FINRA members.

One commenter stated that the top 10 (20) Industry Members would be allocated 50 percent (70 percent) of the fees under the Executed Share Model, ''unduly burdening competition.'' [1128] The Commission has considered this concentration and believes that several factors alleviate this concern. In particular, many of these Industry Members will likely pass through much of their fees to client broker-dealers to the extent permitted or may also recover the costs of their CAT assessments in other ways.[1129] In addition, the Industry Members that will be directly charged the most by CAT LLC under the Proposed Amendments likely do not offer all of the same services as broker-dealers who are charged the least or not charged CAT fees by CAT LLC directly at all under the Proposed Amendments. In particular, those charged the least are unlikely to offer the electronic liquidity provision services that drive the CAT costs of those charged the most.[1130] Where they do offer the same services, those charged the most could suffer a competitive disadvantage relative to those charged the least. This disadvantage would matter most in segments of the market where they are not well established if they chose to significantly raise prices in that market segment to recover CAT costs.

c. Regulatory Services

The Commission recognizes that if FINRA were to pass through its CAT fees by increasing its fees for RSAs over time,[1131] FINRA could be less competitive in providing regulatory services.[1132] This could increase the chances either of exchanges conducting more of their own regulatory services or of another SRO attempting to compete with FINRA for RSAs. Indeed, such potential competitors would not have the burden of having to cover CAT fees for off-exchange and OTC volume. However, FINRA will likely not attempt to cover all of their share of CAT costs by increasing what they charge for RSAs, because exchanges may be unwilling either to renegotiate RSAs each time CAT fees change or for the purpose of covering FINRA's CAT fees.

[1123] *See supra* note 986.

[1124] *See supra* note 1102 and accompanying text for a discussion of the effect of the Original Funding Model on ATSs.

[1125] *See supra* Part IV.B., Table 9.

[1126] Under the Original Funding Model, broker-dealers in the lowest fee tier could have been charged CAT fees that were large relative to their revenue from trading. *See supra* Part IV.C.1.a.

[1127] *See* FINRA October 2025 Letter, which points out that increasing FINRA membership fees could increase fees for FINRA members that are not CAT Reporters.

[1128] *See* Citadel July 2023 Letter, at 19, Citadel 2025 Letter, at 7, and Citadel 2026 Letter, at 3.

[1129] *See supra* note 987 and accompanying text.

[1130] Broker dealers that compete as electronic liquidity providers in high-volume securities are likely to have the highest executed share volume and thus pay the highest fees. However, these broker-dealers compete against each other in providing this service and thus are likely to be similarly burdened by fees under the amendment. Broker-dealers that pay the lowest or no fees are unlikely to compete in this activity because such activity entails high fixed costs in specialized technology and thus are unlikely to gain a competitive advantage from the amendment.

[1131] Notwithstanding FINRA's commitment to not establish any CAT recovery fees during the temporary funding model (*see* FINRA January 2026 Letter), the Commission recognizes that FINRA's non-profit status may necessitate the increase of other regulatory fees charged by FINRA. The Notice specifically mentions FINRA raising RSA fees to fund its CAT costs. *See* Notice, 90 FR at 44932.

[1132] The Participants state, ''[b]y treating each Participant the same, the CAT fees would not become a competitive issue by and among the Participants.'' *See* Notice, 90 FR at 44931; *see also id.* at 44938, 44943 (similar statements). This conclusion does not seem to address competition to provide regulatory services specifically. However, comments about differences between the role of FINRA and the other Participants warrant considering this competition given FINRA's position in providing RSAs. *See, e.g.,* AmFree Letter, at 6; FINRA April 2023 Letter, at 2–5.

[1133] Further, even with access to CAT, the barriers to entry in competing for RSAs could limit new competitors.

E. Capital Formation

In the CAT NMS Plan Approval Order, the Commission stated that the Original Funding Model for CAT was not wholly certain and, thus, stated the ''view that there is uncertainty concerning the extent to which investors will bear Plan costs and consequently to what extent Plan costs could affect investors' allocation of capital.'' [1134] The Participants state that they believe the Proposed Amendment would have a positive effect on capital formation due to improvements in investor confidence.[1135] This positive effect is driven by the existing enhancements to surveillance provided by CAT because the Proposed Amendment is designed to maintain the CAT as a going concern financially.

The Commission recognizes that the Proposed Amendment may have negative effects on capital formation if the CAT fees ultimately borne by investors are large enough to affect investors' allocation of capital or if capital constraints of small or mid-sized broker-dealers significantly hinder innovating to find more efficient ways to service investors.[1136] However, as discussed at length above, the additional costs borne by investors are likely to be and remain small relative to other transaction costs.[1137] While the Executed Share Model might change which investors ultimately bear CAT costs, the Executed Share Model might not change the total costs borne by investors relative to the Original Funding Model as the Commission does not expect the Executed Share Model to increase the magnitude of CAT costs.[1138]

V. Conclusion

For the reasons discussed, the Commission, pursuant to Section 11A of the Exchange Act,[1139] and Rule 608(b)(2) [1140] thereunder, is approving the Proposed Amendment, as modified by the Commission. Section 11A of the Exchange Act authorizes the Commission, by rule or order, to authorize or require the self-regulatory organizations to act jointly with respect to matters as to which they share authority under the Exchange Act in planning, developing, operating, or regulating a facility of the national market system.[1141] Rule 608 of Regulation NMS authorizes two or more SROs, acting jointly, to file with the Commission proposed amendments to an effective NMS plan,[1142] and further provides that the Commission shall approve an amendment to an effective NMS plan if it finds that the amendment is necessary or appropriate in the public interest, for the protection of investors and the maintenance of fair and orderly markets, to remove impediments to, and perfect the mechanisms of, a national market system, or otherwise in furtherance of the purposes of the Exchange Act.[1143]

For the reasons set forth above, the Commission finds that the Proposed Amendment, as modified by the Commission, meets the required standard.

It is therefore ordered, pursuant to Section 11A of the Exchange Act,[1144] and Rule 608(b)(2) [1145] thereunder, that the Proposed Amendment (File No. 4–698) be, and hereby is, approved.

By the Commission.

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–05350 Filed 3–18–26; 8:45 am]

BILLING CODE 8011–01–P

[1133] Indeed, because RSA agreements are voluntary, FINRA stated that RSA fees would not be ''a reliable source of sustainable CAT funding.'' FINRA October 2025 Letter, at 12. FINRA charges other fees that they could increase, as necessary. For example, FINRA charges Membership Fees and Trading Activity Fees. Raising these other fees would result in inefficiencies, such as would occur if FINRA members who are not CAT Reporters bear CAT costs. *See supra* Part IV.C.2.a & b.i.

[1134] *See* CAT NMS Plan Approval Order, 81 FR at 84893.

[1135] *See* Notice, 90 FR at 44937.

[1136] *See* Citadel October 2025 Letter, at 7 (stating that the amounts used to pay for the CAT could otherwise be deployed to benefit investors, issuers, and the markets). However, the Notice, 90 FR at 44928 discusses that ''CAT fees to not raise new and different issues for CAT Executing Brokers with respect to net capital requirements than other transaction-based fees charged to executing brokers.''

[1137] *See* Part IV.B. for an analysis of the potential magnitude of fees under the Executed Share Model.

[1138] As discussed above, *see supra* Part IV.C.2.b, the Commission does not expect the Executed Share Model to have a significant effect on the incentives to control or reduce costs as compared to the Original Funding Model.

[1139] 15 U.S.C. 78k–1.

[1140] 17 CFR 242.608(b)(2).

[1141] *See* 15 U.S.C. 78k–1(a)(3)(B).

[1142] *See* 17 CFR 242.608.

[1143] *See* 17 CFR 242.608(b)(2).

[1144] 15 U.S.C. 78k–1.

[1145] 17 CFR 242.608(b)(2).

FEDERAL REGISTER

Vol. 91 Thursday,
No. 53 March 19, 2026

Part III

The President

Executive Order 14395—Establishing the Task Force To Eliminate Fraud

Federal Register
Vol. 91, No. 53
Thursday, March 19, 2026

Presidential Documents

Title 3—

The President

Executive Order 14395 of March 16, 2026

Establishing the Task Force To Eliminate Fraud

By the authority vested in me as President by the Constitution and the laws of the United States of America, it is hereby ordered:

Section 1. *Purpose and Policy.* American taxpayers fund a vast benefits system for citizens in need that includes housing, food, medical care, cash assistance, and more. States administer these federally funded programs, and some States have embraced loopholes that avoid individual eligibility validation, allow self-certification of eligibility, and expand eligibility far beyond what the Congress intended. Worse, despite accepting Federal funds, some States have refused to institute basic fraud controls such as providing enrollee information to the Federal Government that would allow it to verify eligibility. As a result, illegal aliens, criminals, foreign gangs, bureaucrats, State and local officials, non-governmental organizations, and ineligible providers exploit these programs—which are intended to provide a safety net to lawfully eligible Americans—with ease. This exploitation and lack of controls to prevent it have resulted in widespread fraud, waste, and abuse at the expense of the American taxpayers who pay for and utilize these programs, contributing substantially to the national debt.

Self-dealing political actors use such public benefits programs to solidify control over their communities and our political systems. Due to lax immigration policy and immigration fraud, certain public officials admit into our country, and provide sanctuary from Federal immigration laws to, migrant populations who are likely to rely on means-tested, public assistance programs (welfare) and increase the political support and power of the public officials providing the benefits. This increased support incentivizes public officials to maximize the flow of welfare to these communities and makes public officials who do so more powerful. Many of these public officials then fail to police these programs—and in some cases, willfully turn a blind eye to fraud, waste, and abuse within them—to ensure that welfare flows to these migrants. Due to insufficient election integrity measures, some migrants who are not eligible to vote do so anyway, with the same public officials permitting widespread ballot harvesting schemes that compromise our election integrity and help these public officials remain in power.

The staggering fraud and waste in Minnesota alone is a case in point. Federal prosecutors in the State estimate that Medicaid fraud in recent years could total in the billions. Nearly 9 percent of the roughly $866 million spent on food stamps in Minnesota each year is estimated to be spent in error. The non-profit Feeding our Future engineered a scam that stole nearly $250 million intended to feed needy children in Minnesota by opening fake meal sites and submitting fraudulent claims for millions of meals that were never served. One of the defendants in this scam was also charged with submitting false claims to an autism services program that was subject to widespread fraud. Hundreds of millions of dollars in Federal childcare funding to Minnesota were stolen by an organized ring of Somali immigrants and others who used the stolen money to purchase cars, property, and luxury travel, and sent the funds overseas. The Federal Government is investigating allegations that some of the United States taxpayer dollars subject to fraud in Minnesota were even funneled to one of Africa's most heinous terror groups. All of this was ignored or undetected by State officials. There is also strong reason to believe that similar problems

exist in other States, including California, Illinois, New York, Maine, and Colorado. In fact, Minnesota and 20 other States filed a lawsuit to block the Federal Government from even conducting a basic review to determine whether their enrollees are in fact eligible for taxpayer-funded benefits under the Supplemental Nutrition Assistance Program. Such extensive, undetected fraud could only exist in a system that ignores it.

Fraud and mismanagement in these programs constitutes theft of the hard-earned tax dollars from Americans paying into these programs, and of the benefits owed to Americans who need them. The failure to ensure sufficient Federal oversight to prevent fraud, waste, and abuse has allowed irresponsible State politicians to increase Federal spending in their own States, which has contributed to inflation for health care services, housing, utilities, and groceries.

Making matters worse, the previous administration adopted policies that weakened the Federal Government's oversight of State administration and distribution of Federal funds under these programs, including by reducing commonsense verification measures, expanding access without adequate controls, tolerating unacceptable error rates, creating conditions in which fraud was institutionally tolerated and therefore flourished, and enabling individuals with substantial means to improperly access benefits.

My Administration will use all available resources and authorities to fight fraud, close loopholes, enforce eligibility rules, and protect benefits for eligible Americans, while ensuring States administering Federal benefits programs do the same.

Sec. 2. *Establishment of the Task Force.* (a) There is hereby established within the Executive Office of the President a Task Force to Eliminate Fraud (Task Force).

(b) The Vice President of the United States shall serve as the Chairman of the Task Force. The Chairman of the Federal Trade Commission shall serve as Vice Chairman of the Task Force, shall preside over the Task Force at the direction of the Chairman or in his absence, and shall exercise all powers of the Chairman herein defined at his direction or in his absence. The Chairman shall designate an Executive Director, who shall administer and execute the day-to-day operations of the Task Force, and who shall report to the Vice Chairman. The Assistant to the President for Homeland Security shall serve as the Senior Advisor to the Task Force.

(c) In addition to the Chairman, the Vice Chairman, and the Senior Advisor, the Task Force shall include appropriate representatives from the following executive departments and agencies (agencies), or components:

(i) the Department of the Treasury;

(ii) the Department of Justice;

(iii) the Department of Agriculture;

(iv) the Department of Labor;

(v) the Department of Health and Human Services;

(vi) the Department of Housing and Urban Development;

(vii) the Department of Education;

(viii) the Department of Veterans Affairs;

(ix) the Department of Homeland Security;

(x) the Small Business Administration;

(xi) the Office of Management and Budget; and

(xii) other agencies, inspectors general, or components within the Executive Office of the President, as determined by the Chairman.

(d) The Chairman or the Vice Chairman shall convene regular meetings of the Task Force, determine its agenda, and direct its work, consistent with this order. The Executive Director shall assist in the performance

of these duties. The Chairman may designate any member of the Task Force to preside over meetings of the Task Force in the absence of the Vice Chairman.

(e) The Task Force shall coordinate with the Homeland Security Council on any matters related to law enforcement, public safety, national security, transnational crime, and organized criminal activity.

Sec. 3. *Operation and Priorities of the Task Force.* (a) The Task Force shall, on behalf of the President, coordinate and accelerate a comprehensive national strategy to stop fraud, waste, and abuse within Federal benefit programs, including programs administered jointly with State, local, tribal, and territorial partners. The Task Force shall advise the President and, on behalf of the President, shall coordinate the work of appropriate member agencies to:

(i) develop measures to improve eligibility verification processes in Federal benefits programs and maximize enforcement of eligibility requirements, including program-specific requirements and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996;

(ii) develop appropriate controls that operate before funds are obligated or disbursed to prevent improper payments in Federal benefits programs, including by coordinating agency action to determine when ongoing fraud or potential fraud require proactively pausing certain types of funding until such controls can be established;

(iii) evaluate indicators of fraud and high-risk vulnerabilities to fraud, including major fraud trends and cross-program and large-scale schemes, which shall include considering the current and potential use by member agencies of third-party contractors to maximize efficacy in detecting fraud;

(iv) promote the facilitation of information and data sharing and coordination between State, local, tribal, and territorial governments and the Federal Government, and benefit-providing agencies and law enforcement agencies;

(v) disrupt and dismantle fraud networks and facilitators, including providers, contractors, or other entities and repeat cross-program offenders through interagency information sharing and coordination;

(vi) investigate and disrupt the mechanisms through which fraud is committed, including any mechanisms involving facilitation of fraud by Federal, State, local, tribal, or territorial officials;

(vii) prevent remittance transfers that involve the proceeds of Federal benefits fraud, as appropriate and consistent with applicable law;

(viii) audit and ensure prospective compliance monitoring, including for use in identifying fraud in Federal benefits programs; and

(ix) analyze identifying information for all providers or retailers associated with redemption of benefits to inspect for fraud and develop a process by which member agencies recommend policies for wide-scale revalidations or reauthorization to deter fraudulent providers, as appropriate and to the extent consistent with applicable law.

(b) Each agency administering Federal benefit programs shall, consistent with applicable law, provide to the Task Force information concerning such programs that the Task Force deems relevant to advising the President and coordinating efforts to uncover benefits fraud and increase fraud-detection capability.

(c) The Task Force shall be subject to the President's direct supervision and control. The Task Force, through the Chairman, shall provide frequent updates to the President regarding its work and shall ensure that its actions are consistent with the President's directions.

Sec. 4. *Improved Controls and Fraud-Prevention Measures.* (a) Each agency administering Federal benefit programs represented on the Task Force shall identify the agency's benefit transactions and processes that are most susceptible to fraud schemes, which may include new enrollments, redeterminations, provider enrollments, eligibility self-attestation procedures, changes

to payment destinations or payees, or transactions involving third party intermediaries. Within 30 days of the date of this order, each such agency shall submit to the Chairman and Vice Chairman of the Task Force descriptions of such transactions and processes and suggested measures to prevent such fraud.

(b) Within 60 days of the date of this order, the Task Force shall coordinate member agency efforts to adopt, as appropriate, minimum anti-fraud requirements for transactions and processes identified under subsection (a) of this section to prevent fraud and loopholes that allow for systemic abuse and exploitation. If such transactions and processes involving Federal funding are administered by a State, local, territorial, or tribal jurisdiction, then the Task Force and appropriate member agencies shall address how such jurisdictions can demonstrate implementation of the anti-fraud requirements. The Task Force and its member agencies also shall examine and recommend, as appropriate, any ways that Federal funds may be withheld from jurisdictions that do not have adequate anti-fraud requirements. Specifically, such anti-fraud requirements may include:

(i) screening, proof of identity, and eligibility verification;

(ii) pre-payment integrity and risk controls, including affirmative documentation requirements concerning services provided;

(iii) information- and data-sharing processes, updated criteria, minimum integrity checks, cross-program risk indicators, and coordinated recovery and enforcement pathways to prevent immigration sponsor and beneficiary and household-related related fraud, abuse, or improper usage;

(iv) appropriate use of providers, vendors, contractors, nonprofit organizations, intermediaries, and service organizations; and

(v) audit and remedial measures, including suspension, termination, repayment, exclusion, and debarment actions, as appropriate.

(c) Within 90 days of the date of this order, each member of the Task Force shall submit to the Chairman and the Vice Chairman of the Task Force a measurable implementation plan concerning the measures identified or developed under this order.

Sec. 5. *Administration.* The heads of other agencies shall, upon the request of the Chairman or the Vice Chairman, provide administrative and technical support, or information required by the Task Force to carry out its functions.

Sec. 6. *Maximizing Taxpayer Pursuit of Fraud Involving Taxpayer Dollars.* The Attorney General shall:

(a) take appropriate action to promote the meritorious pursuit by private persons of civil actions under 31 U.S.C. 3730 concerning fraud within Federal benefit programs; and

(b) ensure prompt review of such actions, including within the 60-day period contemplated by 31 U.S.C. 3730(a)(4) to the maximum extent practicable.

Sec. 7. *General Provisions.* (a) Nothing in this order shall be construed to impair or otherwise affect:

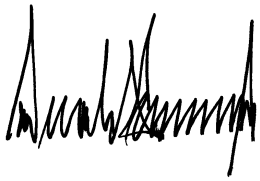
(i) the authority granted by law to an executive department or agency, or the head thereof; or

(ii) the functions of the Director of the Office of Management and Budget relating to budgetary, administrative, or legislative proposals.

(b) This order shall be implemented consistent with applicable law and subject to the availability of appropriations.

(c) This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

(d) The costs for publication of this order shall be borne by the Department of the Treasury.



THE WHITE HOUSE,
March 16, 2026.

[FR Doc. 2026–05497
Filed 3–18–26; 11:15 am]
Billing code 4810–25–P

Reader Aids

Federal Register

Vol. 91, No. 53

Thursday, March 19, 2026

CUSTOMER SERVICE AND INFORMATION

ELECTRONIC RESEARCH

World Wide Web

Full text of the daily Federal Register, CFR and other publications is located at: **www.govinfo.gov.**

Federal Register information and research tools, including Public Inspection List and electronic text are located at: **www.federalregister.gov.**

E-mail

FEDREGTOC (Daily Federal Register Table of Contents Electronic Mailing List) is an open e-mail service that provides subscribers with a digital form of the Federal Register Table of Contents. The digital form of the Federal Register Table of Contents includes HTML and PDF links to the full text of each document.

To join or leave, go to **https://public.govdelivery.com/accounts/USGPOOFR/subscriber/new**, enter your email address, then follow the instructions to join, leave, or manage your subscription.

PENS (Public Law Electronic Notification Service) is an e-mail service that notifies subscribers of recently enacted laws.

To subscribe, go to **http://listserv.gsa.gov/archives/publaws-l.html and select** *Join or leave the list (or change settings);* then follow the instructions.

FEDREGTOC and **PENS** are mailing lists only. We cannot respond to specific inquiries.

Reference questions. Send questions and comments about the Federal Register system to: **fedreg.info@nara.gov**

The Federal Register staff cannot interpret specific documents or regulations.

FEDERAL REGISTER PAGES AND DATE, MARCH

CFR PARTS AFFECTED DURING MARCH

At the end of each month the Office of the Federal Register publishes separately a List of CFR Sections Affected (LSA), which lists parts and sections affected by documents published since the revision date of each title.

3 CFR

Proclamations:
11014.....11439
11015.....12285
11016.....12495
11017.....12913

Executive Orders:
13603 (amended by EO 14391).....13199
14390.....12051
14391.....13199
14392.....13201
14393.....13203
14394.....13207
14395.....13485

Administrative Orders:
Notices
Notice of 2026–03–02 10937

5 CFR

Proposed Rules:
316.....10904
330.....10904
351.....10904
353.....10904
359.....10904
362.....10904
430.....10904
2429.....10774

7 CFR

760.....11129
915.....11131
944.....11131
1205.....9977
1214.....11135
1215.....11441
1222.....11140
1414.....10491
1430.....11129
3555.....13211

Proposed Rules:
6.....11174
923.....11181
932.....11184
981.....11187
1212.....11189

9 CFR

Proposed Rules:
201.....12936

10 CFR

9.....10939
72.....12915
800.....10954
1040.....10954, 10955
1042.....10955
1703.....10305

Proposed Rules:
2.....10450, 11934
15.....12084
51.....10450, 11934
52.....10450, 11934
54.....10450, 11934
170.....12084
171.....12084

12 CFR

5.....9977, 10491
27.....10499
265.....10745
611.....10956
614.....10956
620.....10956
626.....10956
628.....10956
630.....10956
1228.....12673
1238.....12055

Proposed Rules:
3.....10202
6.....10202
8.....10202
15.....10202
19.....10202
Ch. VII.....10343
703.....11934
749.....11934

13 CFR

142.....13217
302.....12675
303.....12676
305.....12677

14 CFR

25.....12678, 12915
29.....12680
33.....12917
39 .....10309, 10311, 10313, 10503, 10506, 10508, 10510, 10513, 10746, 10956, 10959, 10961, 10965, 11443, 11446, 12055, 12059, 12065, 12068, 12287, 12289, 12292, 12497, 12499, 12501, 12684
71 ...9982, 9983, 10968, 11889, 12295, 12686, 13219
97 .....10316, 10318, 12687
107.....9984

Proposed Rules:
39 .....10349, 10522, 11191, 11478, 11480, 12312, 12314, 12512, 12695, 12698, 12942, 13238, 13240
71 .....10013, 10014, 10352, 10979, 12514

15 CFR

4.....10748

16 CFR

Proposed Rules:
Ch. I 12325

LIST OF PUBLIC LAWS

Note: No public bills which have become law were received by the Office of the Federal Register for inclusion in today's **List of Public Laws**.

Last List February 20, 2026

Public Laws Electronic Notification Service (PENS)

PENS is a free email notification service of newly enacted public laws. To subscribe, go to *https://portalguard.gsa.gov/__* layouts/PG/register.aspx.

Note: This service is strictly for email notification of new laws. The text of laws is not available through this service. **PENS** cannot respond to specific inquiries sent to this address.