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DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

7 CFR Part 985

[Doc. No. AMS–SC–24–0069]

Spearmint Oil Produced in the Far West; Salable Quantities and Allotment Percentages for the 2025–2026 Marketing Year

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Final rule.

SUMMARY: This final rule implements a recommendation from the Far West Spearmint Oil Administrative Committee (Committee) to establish salable quantities and allotment percentages for Class 1 (Scotch) and Class 3 (Native) spearmint oil produced in Washington, Idaho, and Oregon and parts of Nevada and Utah (Far West) for the 2025–2026 marketing year.

DATES: Effective June 8, 2026.

FOR FURTHER INFORMATION CONTACT: Joshua R. Wilde, Marketing Specialist, or Barry Broadbent, Chief, Northwest Region Branch, Market Development Division, Specialty Crops Program, AMS, USDA; Telephone: (503) 326–2724, or Email: Joshua.R.Wilde@usda.gov or Barry.Broadbent@usda.gov.

SUPPLEMENTARY INFORMATION: This action, pursuant to 5 U.S.C. 553, amends regulations issued to carry out a marketing order as defined in 7 CFR 900.2(j). This final rule is issued under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674) (the Act), amending Marketing Order No. 985 (7 CFR part 985; the Order). The Far West Spearmint Oil Administrative Committee (Committee) locally administers the Order and comprises spearmint oil producers operating within the area of production, and a public member.

This action is exempt from the Office of Management and Budget (OMB)

review process required by Executive Order 12866. This rule amends existing Marketing Order No. 985, as amended (7 CFR part 985), Marketing Order Regulating the Handling of Spearmint Oil Produced in the Far West, and is necessary for the continued operation of Marketing Order No. 985. Additionally, this action is exempt from the requirements of Executive Order 14192, “Unleashing Prosperity Through Deregulation,” pursuant to section 5(c).

This final rule has been reviewed under Executive Order 13175—Consultation and Coordination with Indian Tribal Governments, which requires federal agencies to consider whether their rulemaking actions would have tribal implications. The Agricultural Marketing Service (AMS) has determined this final rule is unlikely to 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.

This final rule has been reviewed under Executive Order 12988—Civil Justice Reform. This final rule is not intended to have retroactive effect. Under the Order now in effect, salable quantities and allotment percentages have been established for both classes of spearmint oil produced in the Far West. This final rule establishes the quantity of spearmint oil produced in the Far West that handlers may purchase from, or handle on behalf of, producers during the 2025–2026 marketing year, which began on June 1, 2025.

The Act provides that administrative proceedings must be exhausted before parties may file suit in court. Under section 608c(15)(A) of the Act, any handler subject to an order may file with the U.S. Department of Agriculture (USDA) a petition stating that the order, any provision of the order, or any obligation imposed in connection with the order is not in accordance with law and request a modification of the order or to be exempted therefrom. Such handler is afforded the opportunity for a hearing on the petition. After the hearing, USDA would rule on the petition. The Act provides that the district court of the United States in any district in which the handler is an inhabitant, or has his or her principal place of business, has jurisdiction to

review USDA’s ruling on the petition, provided an action is filed not later than 20 days after the date of the entry of the ruling.

Pursuant to the requirements in § 985.50 of the Order, the Committee meets each year to consider supply and demand of spearmint oil and to adopt a marketing policy for the ensuing marketing year. In determining such marketing policy, the Committee considers several factors, including, but not limited to, the current and projected supply of oil, estimated future demand, production costs, and producer prices for both Class 1 (Scotch) and Class 3 (Native) spearmint oil. Input from spearmint oil handlers and producers are considered as well.

Pursuant to the provisions in § 985.51, when the Committee’s marketing policy considerations indicate a need to establish or to maintain stable market conditions through volume regulation, the Committee subsequently recommends to AMS the establishment of a salable quantity and allotment percentage for such class or classes of oil for the upcoming marketing year. Recommendations for volume control are intended to ensure market requirements for Far West spearmint oil are satisfied and orderly marketing conditions are maintained.

Salable quantity represents the total quantity of each class of oil (Class 1, commonly referred to as “Scotch”, or Class 3, commonly referred to as “Native”) which handlers may purchase from, or handle on behalf of, producers during a given marketing year. The allotment percentage for each class of spearmint oil is the salable quantity for that class of oil divided by the total of all producers’ allotment base for the same class of oil. A producer’s allotment base is their calculated share of the spearmint oil market based on a statistical representation of their past spearmint production and sales. To account for changes in production and demand over time, the Committee periodically reviews and adjusts each producer’s allotment base in accordance with a formula prescribed by the Committee and approved by AMS. Each producer’s annual allotment of the salable quantity is calculated by multiplying their respective allotment base for each class of spearmint oil by the allotment percentage for that class of spearmint oil. The total allotment base

is revised each year on June 1 to account for producer allotment base being lost as a result of the “bona fide effort” production provision of § 985.53(e) and additional base made available pursuant to the provisions of § 985.153.

Salable quantities and allotment percentages are established at levels intended to maintain orderly marketing conditions while also ensuring that markets are adequately supplied. Further, the Committee’s recommendations for volume control are made in advance of the upcoming marketing year in which the regulations are to be effective, thereby allowing producers ample time to adjust their production decisions accordingly.

The Committee met on October 9, 2024, to consider its marketing policy for the 2025–2026 marketing year. At that meeting, the Committee determined that, based on the current market and supply conditions, volume regulation for both classes of oil would be necessary. The Committee unanimously recommended, with a vote of eight in favor and none opposed, a salable quantity and allotment percentage for Scotch spearmint oil of 808,656 pounds and 35 percent, respectively. In addition, the Committee also unanimously recommended a salable quantity and allotment percentage for Native spearmint oil of 1,028,670 pounds and 39 percent, respectively.

This final rule establishes the amount of Scotch and Native spearmint oil that handlers may purchase from, or handle on behalf of, producers during the 2025–2026 marketing year, which began on June 1, 2025. Salable quantities and allotment percentages have been in effect each season since the Order’s inception in 1980.

Scotch Spearmint Oil

The Committee recommended a Scotch spearmint oil salable quantity of 808,656 pounds and an allotment percentage of 35 percent for the 2025–2026 marketing year. The salable quantity of 808,656 pounds is 145,008 pounds greater than the salable quantity of 663,648 pounds established for the 2024–2025 marketing year. The recommended 35 percent allotment percentage for the 2025–2026 marketing year is six percent more than the 29 percent in effect the previous marketing year.

The total allotment base for the coming marketing year is estimated to be 2,310,445 pounds. This figure represents a one-percent increase over the revised 2024–2025 marketing year total allotment base of 2,287,569 pounds. The salable quantity (808,656 pounds) is the product of total allotment

base (2,310,445 pounds) times the allotment percentage (35 percent).

The Committee considered several factors in making its recommendation, including the current and projected future supply, estimated future demand, production costs, and producer prices. The Committee’s recommendation also accounts for the established acreage of Scotch spearmint, consumer demand, existing carry-in, reserve pool volume, and production in competing markets.

According to the Committee, as costs of production have increased and spearmint oil prices have lagged behind inflation, many producers have forgone new plantings of Scotch spearmint. This has resulted in a significant decline in production of Scotch spearmint oil in recent years. Production has decreased from 498,332 pounds produced in 2020 to an estimated 257,943 pounds of Scotch spearmint production in 2024.

Industry reports indicate that trade demand for Far West Scotch spearmint oil, which had been declining in recent years, has begun to stabilize. Sales of Far West Scotch spearmint oil declined from a high of 1,060,232 pounds during the 2014–2015 marketing year to a low of 488,484 pounds in the 2020–2021 marketing year. Sales of Far West Scotch spearmint oil totaled 549,323 pounds during the 2023–2024 marketing year, the last full year of available data. The Committee indicates that production of Scotch spearmint oil in competing markets, most notably by Canadian producers, continues to exert downward pressure on trade demand for Scotch spearmint oil from the Far West.

Given the anticipated market conditions for the coming year, the Committee estimates that Scotch spearmint oil trade demand for the 2025–2026 marketing year will be 645,000 pounds, which is 23,000 pounds greater than the Committee’s estimate for the prior year and 64,568 pounds greater than the 5-year moving sales average of 580,432 pounds. Should the volume regulation levels established herein prove to be insufficient to adequately supply the market, the Committee has the authority to recommend intra-seasonal increases of the salable quantity and allotment percentage, as it has in previous marketing years.

The Committee calculated the minimum salable quantity of Scotch spearmint oil that would be required during the 2025–2026 marketing year (619,120 pounds) by subtracting the estimated salable carry-in on June 1, 2025, (25,880 pounds) from the estimated trade demand (645,000 pounds). This minimum salable quantity represents the estimated

minimum amount of Scotch spearmint oil that would be needed to satisfy estimated trade demand for the coming year. To ensure that the market will be fully supplied, the Committee recommended a 2025–2026 marketing year salable quantity of 808,656 pounds. The recommended salable quantity, combined with an estimated 25,880 pounds of salable carry-in from the previous year, is expected to yield a total available supply of 834,536 pounds of Scotch spearmint oil for the 2025–2026 marketing year.

Salable carry-in is the primary measure of excess spearmint oil supply under the Order, as it represents overproduction in prior years that is currently available to the market without restriction. Under volume regulation, spearmint oil that is designated as salable continues to be available to the market until it is sold and may be marketed at any time at the discretion of the owner.

The Committee estimated that there will be 25,880 pounds of salable carry-in of Scotch spearmint oil on June 1, 2025. At the recommended salable quantity, the Committee projects that salable carry-in will increase to 189,536 pounds at the beginning of the 2026–2027 marketing year if current market conditions are maintained. This level is greater than the quantity that the Committee generally considers favorable (150,000 pounds). However, the Committee believes that, given the current economic conditions in the Scotch spearmint oil industry, some Scotch spearmint oil producers may not produce their full annual allotment for the 2025–2026 marketing year. Therefore, the Committee anticipates that the actual quantity of Scotch spearmint oil carried into the 2026–2027 marketing year will be less than the quantity calculated above (189,536 pounds).

Spearmint oil held in reserve is oil that has been produced in excess of a producer’s annual allotment, either in the current marketing year or in prior years, and is restricted from freely entering the market. After December 1 of each marketing year, reserve pool oil is not available to the market in the current marketing year without an increase in the salable quantity and allotment percentage. The Order does include a provision for reserve oil to be released for limited market development projects, with approval of the Secretary, but this provision is rarely utilized.

Oil held in the reserve pool is another indicator of excess supply. Scotch spearmint oil held in reserve was 30,487 pounds as of May 31, 2024, up from 14,095 pounds as of May 31, 2023. This

quantity of reserve pool oil should be an adequate buffer to supply the market, if necessary, should the industry experience an unexpected increase in demand.

The Committee recommended an allotment percentage of 35 percent for the 2025–2026 marketing year for Scotch spearmint oil. During its October 9, 2024, meeting, the Committee calculated an initial allotment percentage by dividing the minimum required salable quantity (619,120 pounds) by the total estimated allotment base (2,310,445 pounds), resulting in 26.8 percent. However, producers and handlers at the meeting indicated that the computed percentage (26.8 percent) might not adequately satisfy potential 2025–2026 marketing year Scotch spearmint oil market demand and may also result in a less than desirable carry-in for the subsequent marketing year. After deliberation, the Committee recommended an allotment percentage of 35 percent. The total estimated allotment base (2,310,445 pounds) for the 2025–2026 marketing year, multiplied by the recommended allotment percentage (35 percent), yields 808,656 pounds, which is the recommended salable quantity for the 2025–2026 marketing year.

The 2025–2026 marketing year computational data for the Committee's recommendation is detailed below.

(A) *Estimated carry-in of Scotch spearmint oil on June 1, 2025: 25,880 pounds.* This figure is the difference between the 2024–2025 marketing year total available supply of 647,880 pounds and the estimated carry-in. The Committee initially estimated the production year at 600,000 and then revised the 2024–2025 marketing year estimated trade demand to 622,000 pounds.

(B) *Estimated trade demand of Scotch spearmint oil for the 2025–2026 marketing year: 645,000 pounds.* This figure was established at the Committee meeting held on October 9, 2024.

(C) *Minimum salable quantity of Scotch spearmint oil required from the 2025–2026 marketing year production: 619,120 pounds.* This figure is the difference between the estimated 2025–2026 marketing year trade demand (645,000 pounds) and the estimated carry-in on June 1, 2025 (25,880 pounds). This salable quantity represents the minimum amount of Scotch spearmint oil that would be needed to satisfy estimated demand for the coming year.

(D) *Total estimated Scotch spearmint oil allotment base for the 2025–2026 marketing year: 2,310,445 pounds.* This figure represents a one-percent increase

over the 2024–2025 marketing year total actual allotment base of 2,287,569 pounds, as prescribed by § 985.53(d). The one percent increase equals 22,876 pounds. This total estimated allotment base is revised each year on June 1 in accordance with § 985.53(e).

(E) *Computed Scotch spearmint oil allotment percentage for the 2025–2026 marketing year: 26.8 percent.* This percentage is computed by dividing the minimum required salable quantity (619,120) by the total estimated allotment base (2,310,445 pounds).

(F) *Recommended Scotch spearmint oil allotment percentage for the 2025–2026 marketing year: 35 percent.* This is the Committee's recommendation and is based on the computed allotment percentage, (26.8 percent) and input from producers and handlers at the October 9, 2024, meeting. The recommended 35 percent allotment percentage reflects the Committee's belief that the computed percentage (26.8 percent) may not adequately supply the anticipated 2025–2026 marketing year Scotch spearmint oil market demand.

(G) *Recommended Scotch spearmint oil salable quantity for the 2025–2026 marketing year: 808,656 pounds.* This figure is the product of the recommended salable allotment percentage (35 percent) and the total estimated allotment base (2,310,445 pounds) for the 2025–2026 marketing year.

(H) *Estimated total available supply of Scotch spearmint oil for the 2025–2026 marketing year: 834,536 pounds.* This figure is the sum of the 2025–2026 marketing year recommended salable quantity (808,656 pounds) and the estimated carry-in on June 1, 2025 (25,880 pounds).

For the reasons stated above, the Committee believes that the recommended salable quantity and allotment percentage, as established herein, will adequately satisfy trade demand, will result in a reasonable carry-in for the following year, and will contribute to the orderly marketing of Scotch spearmint oil.

Native Spearmint Oil

The Committee recommended a Native spearmint oil salable quantity of 1,028,670 pounds and an allotment percentage of 39 percent for the 2025–2026 marketing year. These figures are, respectively, 349,690 pounds and 13 percentage points greater than the levels initially established for the 2024–2025 marketing year. The Committee utilized handlers' estimated trade demand of Native spearmint oil for the coming year, historical and current Native

spearmint oil production, inventory statistics, and international market data obtained from consultants for the spearmint oil industry to arrive at these recommendations.

The Committee anticipated that 2024 Native spearmint oil production would total 987,947 pounds, down from the Committee's previous year's production of 1,015,570 pounds. The Committee's records indicate that Native spearmint acreage in the Far West declined from a recent high of 9,013 acres in 2019 to 6,106 acres in 2024.

Sales of Native spearmint oil have been trending downward since the 2020–2021 marketing year, declining from 1,332,260 pounds during the 2020–2021 marketing year to 987,041 pounds for the 2023–2024 marketing year, the last full year for which data is available. The Committee expects demand to remain fairly stable, estimating trade demand for Native spearmint oil at 1,087,500 pounds for the 2025–2026 marketing year, an increase of 87,500 pounds from the Committee's estimated trade demand of 1,000,000 pounds for the 2024–2025 marketing year.

The Committee anticipated that 173,974 pounds of salable Native spearmint oil from prior years would be carried into the 2025–2026 marketing year. This amount is down from the 447,520 pounds of salable oil carried into the 2024–2025 marketing year and slightly above the level that the Committee generally considers favorable (150,000 pounds).

The Committee estimates that there will be 1,336,505 pounds of Native spearmint oil in the reserve pool at the beginning of the 2025–2026 marketing year. Native reserve pool oil has been fairly stable over the past several marketing years. The reserve pool declined from 1,219,122 pounds at the start of the 2021–2022 marketing year to a recent-low of 1,026,336 pounds to begin the 2023–2024 marketing year. However, the estimated 1,336,505 pounds that the Committee projected to be held in the reserve pool to begin the 2025–2026 marketing year represents a 20-year high and reflects the Committee's previous efforts to reduce year-over-year salable carry-in by establishing a relatively low salable quantity for Native spearmint oil for the 2024–2025 marketing year.

The Committee expects end users of Native spearmint oil to continue to rely on Far West production as their primary source of high-quality Native spearmint oil. However, increases in domestic production of Native spearmint from regions outside of the Far West production area has created additional

competition for market share. For example, there were fewer than 2,000 acres of Native spearmint production in the U.S. Midwest region in 2016, compared with over 10,000 acres of Native spearmint oil production in the Far West. However, the Committee's 2024 estimates indicate that Far West acreage has declined to approximately 6,106 acres, compared to Native spearmint producing acreage of around 3,000 acres in the Midwest. This situation has contributed to declining trade demand for Far West Native spearmint oil and led to downward pressure on producer prices.

Given the anticipated market conditions for the coming year, the Committee estimated the 2025–2026 marketing year Native spearmint oil trade demand to be 1,087,500 pounds. This figure is based on input provided by producers at six production area meetings held in September and October 2024, as well as estimates provided by handlers and other meeting participants at the October 9, 2024, Committee meeting. This figure represents an increase of 87,500 pounds from the previous year's estimated trade demand for the 2024–2025 marketing year. The average estimated trade demand for Native spearmint oil derived from the production area meetings was 1,072,917 pounds, whereas the handlers' estimates ranged from 1,000,000 to 1,200,000 pounds. The quantity marketed over the most recent full marketing year, 2023–2024, was 987,041 pounds.

The estimated June 1, 2025, carry-in of 173,974 pounds of Native spearmint oil, plus the 2025–2026 marketing year salable quantity of 1,028,670 pounds as established herein, will result in an estimated total available supply of 1,202,644 pounds of Native spearmint oil during the 2025–2026 marketing year. With the corresponding estimated trade demand of 1,087,500 pounds, the Committee projects that 115,144 pounds of salable oil will be carried into the 2026–2027 marketing year. The Committee estimated there will be 1,336,505 pounds of Native spearmint oil held in the reserve pool at the beginning of the 2025–2026 marketing year. Should the volume regulation levels established herein prove insufficient to adequately supply the market, the Committee has the authority to recommend an intra-seasonal increase to the salable quantity and allotment percentage to satisfy that demand.

The Committee recommended a Native spearmint oil allotment percentage of 39 percent for the 2025–2026 marketing year. During its October

9, 2024, meeting, the Committee calculated an initial allotment percentage of 34.6 percent by dividing the minimum required salable quantity to satisfy estimated trade demand (913,526 pounds) by the total allotment base (2,637,615 pounds). However, producers and handlers at the meeting expressed concern that the computed percentage of 34.6 percent may not adequately supply the potential 2025–2026 marketing year Native spearmint oil market demand. Further, it could result in a less than adequate carry-in for the subsequent marketing year. After deliberation, the Committee increased its allotment percentage recommendation to 39 percent. The total estimated Native spearmint oil allotment base (2,637,615 pounds) multiplied by the recommended salable allotment percentage (39 percent) yields 1,028,670 pounds, the recommended Native spearmint oil salable quantity for the 2025–2026 marketing year.

The 2025–2026 marketing year computational data for the Committee's recommendation is further outlined below.

(A) *Estimated carry-in of Native spearmint oil on June 1, 2025: 173,974 pounds.* This figure is the difference between the estimated 2024–2025 marketing year total available supply of 1,173,974 pounds and the revised 2024–2025 marketing year estimated trade demand of 1,000,000 pounds.

(B) *Estimated trade demand of Native spearmint oil for the 2025–2026 marketing year: 1,087,500 pounds.* This estimate was established by the Committee at its October 9, 2024, meeting.

(C) *Minimum salable quantity of Native spearmint oil required from the 2025–2026 marketing year production: 913,526 pounds.* This figure is the difference between the 2025–2026 marketing year's estimated trade demand (1,087,500 pounds) and the estimated carry-in on June 1, 2025 (173,974 pounds). This is the minimum amount of Native spearmint oil that the Committee believes would be required to meet the anticipated 2025–2026 marketing year trade demand.

(D) *Total estimated allotment base of Native spearmint oil for the 2025–2026 marketing year: 2,637,615 pounds.* This figure represents a one-percent increase over the 2024–2025 marketing year actual total allotment base of 2,611,500 pounds as prescribed in § 985.53(d). The one-percent increase equals 26,115 pounds of oil. This estimate is revised each year on June 1, to adjust for the bona fide effort production provisions of § 985.53(e).

(E) *Computed Native spearmint oil allotment percentage for the 2025–2026 marketing year: 34.6 percent.* This percentage is calculated by dividing the required minimum salable quantity (913,526 pounds) by the total estimated allotment base (2,637,615 pounds) for the 2025–2026 marketing year.

(F) *Recommended Native spearmint oil allotment percentage for the 2025–2026 marketing year: 39 percent.* This is the Committee's recommendation based on the computed allotment percentage (34.6 percent) and input from producers and handlers at the October 9, 2024, meeting. The recommended 39 percent allotment percentage is also based on the Committee's belief that the computed percentage (34.6 percent) may not adequately supply the potential market for Native spearmint oil in the 2025–2026 marketing year or allow for sufficient salable Native spearmint oil to be carried into the beginning of the 2025–2026 marketing year.

(G) *Recommended Native spearmint oil 2025–2026 marketing year salable quantity: 1,028,670 pounds.* This figure is the product of the recommended allotment percentage (39 percent) and the total estimated allotment base (2,637,615 pounds).

(H) *Estimated available supply of Native spearmint oil for the 2025–2026 marketing year: 1,202,644 pounds.* This figure is the sum of the 2025–2026 marketing year recommended salable quantity (1,028,670 pounds) and the estimated carry-in on June 1, 2025 (173,974 pounds). This amount could be increased, as needed, through an intra-seasonal increase in the salable quantity and allotment percentage.

The Scotch and Native spearmint oil salable quantities and allotment percentages of 808,656 pounds and 35 percent, and 1,028,670 pounds and 39 percent, respectively, are expected to match the available supply of each class of spearmint oil to the estimated demand of each, thus avoiding extreme fluctuations in inventories and prices. Further, this final rule is similar to regulations issued in prior seasons.

The salable quantities established in this final rule are not expected to cause a shortage of either class of spearmint oil. Any unanticipated or additional market demand for either class of spearmint oil which may develop during the marketing year could be satisfied by an intra-seasonal increase in the salable quantity and corresponding allotment percentage. The Order contains authority in § 985.51 for intra-seasonal increases to allow the Committee the flexibility to respond quickly to changing market conditions.

Under volume regulation, producers who produce more than their annual allotments during the marketing year may transfer such excess spearmint oil to producers who have produced less than their annual allotment. In addition, on December 1 of each year, producers who have not transferred their excess spearmint oil to other producers must place their excess spearmint oil production into the reserve pool to be released in future marketing years. Each producer controls the disposition of their respective reserve pool spearmint oil, in accordance with market needs and the Order's volume regulation provisions, and under the Committee's oversight.

In conjunction with the issuance of this final rule, AMS has reviewed the Committee's marketing policy statement for the 2025–2026 marketing year. The Committee's marketing policy statement, a requirement whenever the Committee recommends volume regulation, meets the requirements of §§ 985.50 and 985.51.

The establishment of the salable quantities and allotment percentages is expected to allow for anticipated market needs. In determining anticipated market needs, the Committee considered historical sales, as well as changes and trends in production and demand. This final rule also provides producers with information regarding the amount of spearmint oil that should be produced for the 2025–2026 and subsequent marketing years to meet anticipated market demand.

Final Regulatory Flexibility Analysis

Pursuant to requirements set forth in the Regulatory Flexibility Act (RFA) (5 U.S.C. 601–612), AMS has considered the economic impact of this final rule on small entities. Accordingly, AMS has prepared this final regulatory flexibility analysis.

The purpose of the RFA is to fit regulatory actions to the scale of businesses subject to such actions in order that small businesses will not be unduly or disproportionately burdened. Marketing orders issued pursuant to the Act are unique regulations in that they are brought about through group action of typically small entities acting on their own behalf.

There are approximately 39 producers of Scotch spearmint oil and 89 producers of Native spearmint oil operating within the regulated production area. In addition, there are approximately six spearmint oil handlers (both Scotch and Native spearmint) subject to regulation under the Order. At the time this analysis was prepared, the Small Business

Administration (SBA) defined small agricultural producers of spearmint oil as those having annual receipts equal to or less than \$2,500,000 (NAICS code 111998, All Other Miscellaneous Crop Farming). Small agricultural service firms are defined by SBA as those having annual receipts equal to or less than \$34,000,000 (NAICS code 11514, Postharvest Crop Activities) (13 CFR 121.201).

The National Agricultural Statistics Service (NASS) reported that the 2023 U.S. season average spearmint oil producer price per pound was \$18.40. Spearmint oil utilization for the 2023–2024 marketing year, as reported by the Committee, was 549,323 pounds and 987,041 pounds for Scotch and Native spearmint oil, respectively, for a total of 1,536,364 pounds. Multiplying \$18.40 per pound by 2023–2024 marketing year spearmint oil utilization of 1,536,364 pounds yields a crop value estimate of about \$28.3 million.

Given the accounting requirements for the volume regulation provisions of the Order, the Committee maintains accurate records of each producer's production and sales. Using the \$18.40 average spearmint oil price and Committee production data for each producer, the Committee estimates that 38 of the 39 Scotch spearmint oil producers and all of the 89 Native spearmint oil producers could be classified as small entities under the SBA definition.

There is no third-party or governmental entity that collects and reports spearmint oil prices received by spearmint oil handlers. However, the Committee estimates an average spearmint oil handling markup at approximately 20 percent of the price received by producers. Twenty percent of the 2023 producer price (\$18.40) is \$3.68, which results in a handler Free on Board (f.o.b.) price per pound estimate of \$22.08 (\$18.40 + \$3.68).

Multiplying this estimated handler f.o.b. price by the 2023–2024 marketing year total spearmint oil utilization of 1,536,364 pounds results in an estimated handler-level spearmint oil value of \$33.9 million. Dividing this figure by the number of handlers (6) yields estimated average annual handler receipts of about \$5.7 million, which is well below the \$34.0 million SBA threshold for small agricultural service firms.

Furthermore, using confidential data compiled by the Committee on the pounds of spearmint oil handled by each handler and the abovementioned estimated handler price per pound, the Committee reported that it is not likely that any of the six handlers had 2023–

2024 marketing year spearmint oil sales that exceeded SBA's threshold.

Therefore, in view of the foregoing, the majority of producers of spearmint oil may be classified as small entities, and all of the handlers of spearmint oil may be classified as small entities.

This final rule establishes the quantity of spearmint oil produced in the Far West, by class, which handlers may purchase from, or handle on behalf of, producers during the 2025–2026 marketing year. The Committee recommended this action to help maintain stability in the spearmint oil market by matching supply to estimated demand, thereby avoiding extreme fluctuations in supplies and prices. Establishing quantities that may be purchased from or handled on behalf of producers during the marketing year through volume regulation allows producers to coordinate their spearmint oil production with the expected market demand. Authority for this proposal is provided in §§ 985.50, 985.51, and 985.52 of the Order.

The Committee estimates the total trade demand for the 2025–2026 marketing year for both classes of oil at 1,732,500 pounds. In addition, the Committee expects that the combined salable carry-in for both classes of spearmint oil will be 199,854 pounds. As such, the combined required salable quantity for the 2025–2026 marketing year is estimated to be 1,532,646 pounds (1,732,500 pounds trade demand, less 199,854 pounds carry-in). Under volume regulation, total sales of spearmint oil by producers for the 2025–2026 marketing year would be held to 2,037,180 pounds (the recommended salable quantity for both classes of spearmint oil of 1,837,326 pounds plus 199,854 of carry-in).

This total available supply of 2,037,180 pounds should be more than adequate to supply the 1,732,500 pounds of anticipated total trade demand for spearmint oil. In addition, as of May 31, 2024, the total reserve pool for both classes of spearmint oil stood at 1,100,011 pounds. That quantity was expected to increase over the course of the 2024–2025 marketing year, with Committee reserve pool estimates totaling 1,366,992 pounds on May 31, 2025. Should trade demand increase unexpectedly during the 2025–2026 marketing year, reserve pool spearmint oil could be released into the market to supply that increase in demand.

The recommended allotment percentages, upon which 2025–2026 marketing year annual producer allotments are based, are 35 percent for Scotch spearmint oil and 39 percent for

Native spearmint oil. Without volume regulation, producers would not be held to these allotment levels and would be able to sell unrestricted quantities of spearmint oil.

The AMS econometric model used to evaluate the Far West spearmint oil market estimated that the season average producer price per pound (for both classes of spearmint oil) would decline about \$2.78 per pound without volume regulation. The surplus situation for the spearmint oil market that would exist without volume regulation in the 2025–2026 marketing year also would likely dampen prospects for improved producer prices in future years because of the excessive buildup in stocks.

In addition, spearmint oil prices would likely fluctuate with greater amplitude in the absence of volume regulation. The coefficient of variation, or CV (a standard measure of variability), of Far West spearmint oil producer prices for the period 1980–2022 (the years in which the Order has been in effect, and for which NASS data is available), is 24 percent, compared to 49 percent for the 20-year period (1960–1979) immediately prior to the establishment of the Order. Since higher CV values correspond to greater variability, this is an indicator of the price-stabilizing impact of the Order.

The use of volume regulation allows the industry to fully supply spearmint oil markets while avoiding the negative consequences of over-supplying these markets. The use of volume regulation is believed to have little or no effect on consumer prices of products containing spearmint oil and will not result in fewer retail sales of such products.

The Committee discussed alternatives to the recommendations contained in this final rule for both classes of spearmint oil. The Committee rejected the idea of not regulating volume for either class of spearmint oil because of the severe, price-depressing effects that are more likely to occur without volume regulation. The Committee also discussed and considered salable quantities and allotment percentages that were above and below the levels that were eventually recommended for both classes of spearmint oil. Ultimately, the action recommended by the Committee was to increase the allotment percentage and salable quantity for both Scotch spearmint oil and Native spearmint oil from the levels established for the 2024–2025 marketing year.

As noted earlier, the Committee's recommendation to establish salable quantities and allotment percentages for both classes of spearmint oil was made

after careful consideration of all available information including: (1) The estimated quantity of salable oil of each class held by producers and handlers; (2) the estimated demand for each class of oil; (3) the prospective production of each class of oil; (4) the total of allotment bases of each class of oil for the current marketing year and the estimated total of allotment bases of each class for the ensuing marketing year; (5) the quantity of reserve oil, by class, in storage; (6) producer prices of oil, including prices for each class of oil; and (7) general market conditions for each class of oil, including whether the estimated season average price to producers is likely to exceed parity.

Based on its review, the Committee believes that the salable quantities and allotment percentages recommended will achieve the objectives sought. The Committee also believes that, should there be no volume regulation in effect for the upcoming marketing year, the Far West spearmint oil industry will return to the pronounced cyclical price patterns that occurred prior to the promulgation of the Order. As previously stated, annual salable quantities and allotment percentages have been issued for both classes of spearmint oil since the Order's inception. The salable quantities and allotment percentages established herein are expected to facilitate the goal of maintaining orderly marketing conditions for Far West spearmint oil for the 2025–2026 and future marketing years.

This final rule establishes the salable quantities and allotment percentages for Scotch and Native spearmint oil produced in the Far West during the 2025–2026 marketing year. Costs to producers and handlers, large and small, resulting from this proposal are expected to be offset by the benefits derived from a more stable market and increased returns. The benefits of this action are expected to be equally available to all producers and handlers, regardless of their size.

The Committee's meetings are widely publicized throughout the spearmint oil industry and all interested persons are invited to attend the meeting and participate in the Committee deliberations on all issues. Like all Committee's meetings, the October 9, 2024 meeting was a public meeting and all entities, both large and small, were able to express views on this issue. Finally, interested persons were invited to submit comments on this rule, including the regulatory and informational impacts of this action on small businesses.

In accordance with the Paperwork Reduction Act of 1995, (44 U.S.C. Chapter 35), the Order's information collection requirements have been previously approved by OMB and assigned OMB No. 0581–0178, Vegetable and Specialty Crops. No changes in those requirements would be necessary as a result of this final rule. Should any changes become necessary, they would be submitted to OMB for approval.

This final rule will not impose any additional reporting or recordkeeping requirements on either small or large Far West spearmint oil handlers. As with all Federal marketing order programs, reports and forms are periodically reviewed to reduce information requirements and duplication by industry and public sector agencies.

AMS is committed to complying with the E-Government Act, to promote the use of the internet and other information technologies to provide increased opportunities for citizen access to Government information and services, and for other purposes.

AMS has not identified any relevant Federal rules that duplicate, overlap, or conflict with this final rule.

A proposed rule concerning this action published in the **Federal Register** on September 25, 2025 (90 FR 46092). Copies of the proposed rule were provided to all members of the Committee and industry handlers. In addition, the proposal was made available through the internet by AMS and the Office of the Federal Register via <https://www.regulations.gov>. A 30-day comment period ending October 27, 2025, was provided for interested persons to respond to the proposal. AMS received one comment during the comment period which challenged the procedural sufficiency of the rulemaking, asserting that AMS did not adhere to the requirements of the Administrative Procedure Act, the Regulatory Flexibility Act, and Executive Order 12866.

Specifically, the commenter claimed that AMS procedurally bypassed notice and comment or waived the 30-day delayed effective date without adequate good cause, failed to present an analysis of the impacts on small businesses, and deprived interested parties a meaningful opportunity to comment. After reviewing the comment, AMS determined that all of the statutory and procedural requirements for rulemaking have been met regarding this action.

Contrary to the comment's assertions, AMS did not bypass notice and comment or invoke good cause. Interested persons had numerous

opportunities to review pertinent information, present their views, and participate in the rulemaking process. AMS notes that in conducting all meetings publicly, the Committee provided, rather than deprived, interested persons a meaningful opportunity to comment. In addition, AMS published a notice of proposed rulemaking to the **Federal Register** on September 25, 2025, that included the basis for and relevant information underlying the Committee's proposal and a 30-day comment period for interested persons, ending October 27, 2025.

In addition, contrary to the comment's assertion, the proposed rulemaking also included an Initial Regulatory Flexibility Analysis, pursuant to requirements set forth in the Regulatory Flexibility Act, that considered and detailed for the public's review and the economic impact of this rule on small entities. AMS has provided adequate opportunity for interested persons to consider the proposal and provide comments.

Lastly, to address the comment's statements concerning Executive Order 12866, AMS reiterates that this rule is exempt from the OMB review process required by Executive Order 12866. Accordingly, AMS made no changes to the rule as proposed. After consideration of all relevant material presented, including the information and recommendations submitted by the Committee and other available information, AMS has determined that this final rule is consistent with and will effectuate the purposes of the Act.

List of Subjects in 7 CFR Part 985

Marketing agreements, Oils and fats, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, the Agricultural Marketing Service amends 7 CFR part 985 as follows:

PART 985—MARKETING ORDER REGULATING THE HANDLING OF SPEARMINT OIL PRODUCED IN THE FAR WEST

■ 1. The authority citation for 7 CFR part 985 continues to read as follows:

Authority: 7 U.S.C. 601–674.

■ 2. Add § 985.235 to read as follows:

§ 985.235 Salable quantities and allotment percentages—2025–2026 marketing year.

The salable quantity and allotment percentage for each class of spearmint oil during the marketing year beginning on June 1, 2025, shall be as follows:

(a) Class 1 (Scotch) oil—a salable quantity of 808,656 pounds and an allotment percentage of 35 percent.

(b) Class 3 (Native) oil—a salable quantity of 1,028,670 pounds and an allotment percentage of 39 percent.

Erin Morris,

Administrator, Agricultural Marketing Service.

[FR Doc. 2026–09058 Filed 5–6–26; 8:45 am]

BILLING CODE 3410–02–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 71

[Docket No. FAA–2025–2244; Airspace Docket No. 24–AWP–113]

RIN 2120–AA66

Establishment, Modification, and Revocation of Class E Airspace; Jacqueline Cochran Regional Airport, Palm Springs, CA

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This action establishes a Class E airspace area designated as an extension to a Class E surface area (Class E4 airspace area), modifies a Class E airspace area designated as a surface area (Class E2 airspace area), and revokes Class E airspace areas extending upward from 700 feet or more above the surface (Class E5 airspace area) at Jacqueline Cochran Regional Airport (TRM), Palm Springs, CA. Additionally, this action makes several administrative revisions to TRM's legal descriptions reflecting information from the FAA's aeronautical database.

DATES: Effective date 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, Policy Directorate, Federal Aviation Administration, 600 Independence Avenue SW, Washington, DC 20597; telephone: (202) 267–8783.

FOR FURTHER INFORMATION CONTACT:

Keith T. Adams, Federal Aviation Administration, Western Service Center, Operations Support Group, 2200 S 216th Street, Des Moines, WA 98198; telephone: (206) 231–2428.

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 the 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 establishes a Class E4 airspace area, modifies a Class E2 airspace area, and revokes a Class E5 airspace area at TRM.

History

The FAA published an NPRM for Docket No. FAA 2025–2244 in the **Federal Register** (91 FR 6807; February 13, 2026), proposing to establish a Class E4 airspace area, modify the Class E2 airspace area, and revoke the Class E5 airspace area at TRM. 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 E2, E4, and E5 airspace areas are published in paragraphs 6002, 6004, and 6005, respectively, 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 action amends 14 CFR part 71 by establishing a Class E4 airspace area, modifying the Class E2 airspace area, and removing the Class E5 airspace area associated with TRM.

This action establishes a Class E4 airspace area at TRM to better contain arriving instrument flight procedures descending from 1,000 feet above the surface. The Class E4 airspace area serves as a transitional airspace area, assisting in maintaining the integrity of controlled airspace for arriving instrument flight operations descending from an en route to a terminal environment. The TRM Class E4 airspace area extends upward from the surface within 2.5 miles either side of TRM's 140° bearing, from the airport's 4.4-mile arc extending 7.1 miles southeast.

TRM's Class E2 airspace area is modified and expanded to a 4.4-mile radius to support aircraft conducting a circling maneuver.

Additionally, this action revokes the Class E5 airspace at TRM. The FAA is clarifying the reasons for its removal from the statements in the TRM NPRM. The TRM Class E5 airspace area is being revoked as unnecessary due to a significantly larger Class E5 airspace area servicing the Palm Springs International Airport (PSP), Palm Springs, CA. PSP's Class E5 airspace area sufficiently provides controlled airspace containment to instrument flight procedures serving TRM. Additionally, the Los Angeles En Route Domestic airspace area provides the necessary transitional Class E airspace area extending upward from 1,200 feet above the surface, IFR flight operations transitioning between a terminal and an en route air traffic environment. Accordingly, this action removes unwarranted controlled airspace areas within the National Airspace System.

Lastly, the airport reference point is updated to reflect the following geographical coordinates: lat. 33°37'36" N, long. 116°09'35" W (formerly lat. 33°37'35" N, long. 116°09'39" W). The airport name is updated from Thermal Airport, CA, to Jacqueline Cochran Regional Airport, CA.

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 Order 2100.6B, "Rulemaking and Guidance Procedure" (March 10, 2025); 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 (42 U.S.C. 4321, *et seq.*) and in accordance with FAA Order 1050.1G, "FAA National Environmental Policy Act Implementing Procedures," paragraph B-2.5.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.

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 6002 Class E Airspace Area Designated as a Surface Area.

* * * * *

AWP CA E2 Palm Springs, CA [Amended]

Jacqueline Cochran Regional Airport, CA (Lat. 33°37'36" N, long. 116°09'35" W)

That airspace extending upward from the surface within a 4.4-mile radius from the airport.

* * * * *

Paragraph 6004 Class E Airspace Designated as an Extension to a Class D or Class E Surface Area.

* * * * *

AWP CA E4 Palm Springs, CA [New]

Jacqueline Cochran Regional Airport, CA (Lat. 33°37'36" N, long. 116°09'35" W)

That airspace extending upward from the surface within 2.5 miles either side of the airport's 140° bearing from the airport's 4.4-mile arc extending 7.1 miles southeast.

* * * * *

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

* * * * *

AWP CA E5 Thermal, CA [Removed]

Thermal VORTAC (Lat. 33°37'41" N, long. 116°09'37" W)

* * * * *

Issued in Des Moines, Washington, on May 4, 2026.

B.G. Chew,

Group Manager, Operations Support Group, Western Service Center.

[FR Doc. 2026–09052 Filed 5–6–26; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 71

[Docket No. FAA–2026–0027; Airspace Docket No. 24–AWP–106]

RIN 2120–AA66

Modification of Class D and Class E Airspace; Palm Springs International Airport, Palm Springs, CA

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This action modifies the Class D airspace area and the Class E airspace area designated as an extension to a Class D airspace area (Class E4 airspace area) at Palm Springs International Airport (PSP), Palm Springs, CA. Additionally, this action makes several administrative revisions to the airport's airspace legal descriptions. These actions support the safety and management of instrument flight rules (IFR) and visual flight rules (VFR) operations at the airport.

DATES: Effective date 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, 600 Independence Avenue SW, Washington, DC 20591; telephone: (202) 267–8783.

FOR FURTHER INFORMATION CONTACT: Keith T. Adams, Federal Aviation Administration, Western Service Center, Operations Support Group, 2200 S 216th Street, Des Moines, WA 98198; telephone: (206) 231–2428. You may also contact the Rules and Regulations Group, Policy Directorate, Federal Aviation Administration, 600 Independence Avenue SW, Washington, DC 20597; telephone: (202) 267–8783.

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 the 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 modifies the Class D and Class E4 airspace areas at PSP.

History

The FAA published an NPRM for Docket No. FAA 2026–0027 in the **Federal Register** (91 FR 6808; February 13, 2026), proposing to modify the Class D and Class E4 airspace areas for PSP. Interested parties were invited to participate in this rulemaking effort by submitting written comments on the proposal to the FAA. One comment was received in favor of the airspace proposal.

Incorporation by Reference

Class D and Class E4 airspace areas are published in paragraphs 5000 and 6004, respectively, 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 action amends 14 CFR part 71 by modifying the Class D and Class E4 airspace areas at PSP. Additionally, this action administratively amends the airport's airspace legal descriptions.

The airport's Class D airspace area's lateral boundaries are modified to within a 4.3-mile radius of the airport, and within 1.9 miles either side of the airport's 142° bearing extending 6.6 miles southeast, and within 1.9 miles either side of the airport's 324° bearing extending 4.4 miles northwest. This airspace action improves the airport's ability to support IFR and VFR operations.

The airport's Class E4 airspace area is modified to within 1.8 miles either side of the airport's 142° bearing from 6.6 mile extending to 9.5 miles southeast, and with 1.9 miles either side of the airport's 324° bearing from 4.4 miles extending 6 miles northwest. This airspace action supports instrument arrivals to PSP descending from 1,000 feet above the surface of the earth.

Lastly, several administrative corrections are made to the airport's airspace legal descriptions to reflect updated information within the FAA's database. The PSP airport reference point has been modified to lat. 33°49'47" N, long. 116°30'24" W. Additionally, the Class D and Class E4 airspace areas' part-time designations are revised to appropriately reflect the FAA's literature within the airspace's legal descriptions.

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 Order 2100.6B, “Rulemaking and Guidance Procedure” (March 10, 2025); 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 (42 U.S.C. 4321, *et seq.*) and in accordance with FAA Order 1050.1G, “FAA National Environmental Policy Act Implementing Procedures,” paragraph B–2.5.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.

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 5000 Class D Airspace.

* * * * *

AWP CA D Palm Springs, CA [Amended]

Palm Springs Airport, CA
(Lat. 33°49'47" N, long. 116°30'24" W)

That airspace extending upward from the surface up to and including 3,000 feet MSL within a 4.3-mile radius of the airport, within 1.8 miles either side of the airport's 142° bearing extending 6.6 miles southeast, and within 1.9 miles either side of the airport's 324° bearing extending 4.4 miles northwest.

This Class D airspace area is effective during the specific dates and times established in advance by a Notice to Airmen. The effective date and time will thereafter be continuously published in the Chart Supplement.

* * * * *

Paragraph 6004 Class E Airspace Areas Designated as an Extension to a Class D or Class E Surface Area.

* * * * *

AWP CA E4 Palm Springs, CA [Amended]

Palm Springs Airport, CA

(Lat. 33°49'47" N, long. 116°30'24" W)

That airspace extending upward from the surface within 1.8 miles either side of the airport's 142° bearing from 6.6 miles extending 9.5 miles southeast, and within 1.9 miles either side of the airport's 324° bearing from 4.4 miles extending 6 miles northwest. This Class E airspace area is effective during the specific dates and times established in advance by a Notice to Airmen. The effective date and time will thereafter be continuously published in the Chart Supplement.

* * * * *

Issued in Des Moines, Washington, on April 28, 2026.

B.G. Chew,

Group Manager, Operations Support Group, Western Service Center.

[FR Doc. 2026-09047 Filed 5-6-26; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF THE TREASURY

Office of Foreign Assets Control

31 CFR Part 547

Publication of a Democratic Republic of the Congo Sanctions Regulations Web General License

AGENCY: Office of Foreign Assets Control, Treasury.

ACTION: Publication of a web general license.

SUMMARY: The Department of the Treasury's Office of Foreign Assets Control (OFAC) is publishing a general license (GL) issued pursuant to the Democratic Republic of the Congo Sanctions Regulations: GL 1. This GL was previously made available on OFAC's website.

DATES: GL 1 was issued on March 2, 2026. See **SUPPLEMENTARY INFORMATION** for additional relevant dates.

FOR FURTHER INFORMATION CONTACT: OFAC: Assistant Director for Regulatory Affairs, 202-622-4855; or <https://ofac.treasury.gov/contact-ofac>.

SUPPLEMENTARY INFORMATION:

Electronic Availability

This document and additional information concerning OFAC are

available on OFAC's website: <https://ofac.treasury.gov/>.

Background

On March 2, 2026, OFAC issued GL 1 to authorize certain transactions otherwise prohibited by the Democratic Republic of the Congo Sanctions Regulations, 31 CFR part 547. GL 1 was made available on OFAC's website (<https://ofac.treasury.gov>) when it was issued. The text of this GL is provided below.

OFFICE OF FOREIGN ASSETS CONTROL

Democratic Republic of the Congo Sanctions Regulations

31 CFR Part 547

GENERAL LICENSE NO. 1

Authorizing the Wind Down of Transactions Involving the Rwanda Defence Force

(a) Except as provided in paragraph (b) of this general license, all transactions prohibited by the Democratic Republic of the Congo Sanctions Regulations (DRCSR), 31 CFR part 547, that are ordinarily incident and necessary to the wind down of any transaction involving the Rwanda Defence Force (RDF), or any entity in which the RDF owns, directly or indirectly, a 50 percent or greater interest, are authorized through 12:01 a.m. eastern daylight time, April 1, 2026 provided that any payment to a blocked person is made into a blocked account in accordance with the DRCSR.

(b) This general license does not authorize any transactions otherwise prohibited by the DRCSR, including transactions involving any person blocked pursuant to the DRCSR other than the blocked persons described in paragraph (a) of this general license, unless separately authorized.

Bradley T. Smith,
Director, Office of Foreign Assets Control.
Dated: March 2, 2026.

Bradley T. Smith,
Director, Office of Foreign Assets Control.

[FR Doc. 2026-09086 Filed 5-6-26; 8:45 am]

BILLING CODE P

DEPARTMENT OF THE TREASURY

Office of Foreign Assets Control

31 CFR Part 548

Publication of a Belarus Sanctions Regulations Web General License

AGENCY: Office of Foreign Assets Control, Treasury.

ACTION: Publication of a web general license.

SUMMARY: The Department of the Treasury's Office of Foreign Assets Control (OFAC) is publishing a general license (GL) issued pursuant to the Belarus Sanctions Regulations: GL 14. This GL was previously made available on OFAC's website.

DATES: GL 14 was issued on March 26, 2026. See **SUPPLEMENTARY INFORMATION** for additional relevant dates.

FOR FURTHER INFORMATION CONTACT: OFAC: Assistant Director for Regulatory Affairs, 202-622-4855; or <https://ofac.treasury.gov/contact-ofac>.

SUPPLEMENTARY INFORMATION:

Electronic Availability

This document and additional information concerning OFAC are available on OFAC's website: <https://ofac.treasury.gov/>.

Background

On March 26, 2026, OFAC issued GL 14 to authorize certain transactions otherwise prohibited by the Belarus Sanctions Regulations, 31 CFR part 548. GL 14 was made available on OFAC's website (<https://ofac.treasury.gov>) when it was issued. The text of this GL is provided below.

Office of Foreign Assets Control

Belarus Sanctions Regulations

31 CFR Part 548

General License No. 14

Authorizing Transactions Involving Belarussian Bank of Development and Reconstruction Belinvestbank Joint Stock Company and Certain Additional Entities

(a) Except as provided in paragraph (b) of this general license, all transactions prohibited by the Belarus Sanctions Regulations, 31 CFR part 548 (BSR), involving the following entities are authorized:

(1) Belarussian Bank of Development and Reconstruction Belinvestbank Joint Stock Company;

(2) Limited Liability Company

Belinvest-Engineering;

(3) CJSC Belbizneslizing; or

(4) Any entity in which one or more of the above persons own, directly or indirectly, individually or in the aggregate, a 50 percent or greater interest.

(b) This general license does not authorize:

(1) The unblocking of any property blocked pursuant to any part of 31 CFR chapter V; or

(2) Any transactions otherwise prohibited by the BSR, including

transactions involving the property or interests in property of any person blocked pursuant to the BSR other than the blocked persons described in paragraph (a) of this general license, unless separately authorized.

Dated: March 26, 2026.

Bradley T. Smith,

Director, Office of Foreign Assets Control.

[FR Doc. 2026-09084 Filed 5-6-26; 8:45 am]

BILLING CODE P

DEPARTMENT OF THE TREASURY

Office of Foreign Assets Control

31 CFR Part 587

Publication of Russian Harmful Foreign Activities Sanctions Regulations Web General Licenses 55E, 115C, 13P, and 131C

AGENCY: Office of Foreign Assets Control, Treasury.

ACTION: Publication of web general licenses.

SUMMARY: The Department of the Treasury's Office of Foreign Assets Control (OFAC) is publishing four general licenses (GL) issued pursuant to the Russian Harmful Foreign Activities Sanctions Regulations: GLs 55E, 115C, 13P, and 131C, which were previously made available on OFAC's website.

DATES: GL 55E was issued on December 17, 2025. See **SUPPLEMENTARY INFORMATION** for additional relevant dates.

FOR FURTHER INFORMATION CONTACT: OFAC: Assistant Director for Regulatory Affairs, 202-622-4855; or <https://ofac.treasury.gov/contact-ofac>.

SUPPLEMENTARY INFORMATION:

Electronic Availability

This document and additional information concerning OFAC are available on OFAC's website: <https://ofac.treasury.gov/>.

Background

On December 17, 2025, OFAC issued GLs 55E and 115C to authorize certain transactions otherwise prohibited by the Russian Harmful Foreign Activities Sanctions Regulations, 31 CFR part 587 (RuHSR). On January 6, 2026, OFAC issued GL 13P and on February 26, 2026, OFAC issued GL 131C, both also authorizing certain transactions otherwise prohibited by the RuHSR. These GLs were made available on OFAC's website (<https://ofac.treasury.gov>) when they were issued. GLs 55E and 115C, which expire

on June 18, 2026, replaced and superseded GLs 55D and 115B, respectively. GL 13P, which expires on April 9, 2026, replaced and superseded GL 13O. GL 131C, which expired on April 1, 2026, replaced and superseded GL 131B. The text of these GLs is provided below.

OFFICE OF FOREIGN ASSETS CONTROL

Russian Harmful Foreign Activities Sanctions Regulations

31 CFR Part 587

GENERAL LICENSE NO. 55E

Authorizing Certain Services Related to Sakhalin-2

(a) Except as provided in paragraph (d) of this general license, all transactions prohibited by the determination of November 21, 2022 made pursuant to section 1(a)(ii) of Executive Order (E.O.) 14071 ("Prohibitions on Certain Services as They Relate to the Maritime Transport of Crude Oil of Russian Federation Origin") related to the maritime transport of crude oil originating from the Sakhalin-2 project ("Sakhalin-2 byproduct") are authorized through 12:01 a.m. eastern daylight time, June 18, 2026, provided that the Sakhalin-2 byproduct is solely for importation into Japan.

(b) Except as provided in paragraph (d) of this general license, all transactions prohibited by E.O. 14024 involving Gazprombank Joint Stock Company (Gazprombank) or any entity in which Gazprombank owns, directly or indirectly, a 50 percent or greater interest, that are related to the Sakhalin-2 project, including such transactions involving Sakhalin Energy LLC, are authorized through 12:01 a.m. eastern daylight time, June 18, 2026.

(c) Except as provided in paragraph (d) of this general license, all transactions prohibited by the determination of January 10, 2025 made pursuant to section 1(a)(ii) of E.O. 14071 ("Prohibition on Petroleum Services") that are related to the Sakhalin-2 project are authorized through 12:01 a.m. eastern daylight time, June 18, 2026.

(d) This general license does not authorize:

(1) Any transactions prohibited by Directive 2 under E.O. 14024, *Prohibitions Related to Correspondent or Payable-Through Accounts and Processing of Transactions Involving Certain Foreign Financial Institutions*;

(2) Any transactions prohibited by Directive 4 under E.O. 14024, *Prohibitions Related to Transactions Involving the Central Bank of the*

Russian Federation, the National Wealth Fund of the Russian Federation, and the Ministry of Finance of the Russian Federation; or

(3) Any transactions otherwise prohibited by the Russian Harmful Foreign Activities Sanctions Regulations, 31 CFR part 587 (RuHSR), including transactions involving any person blocked pursuant to the RuHSR, other than the blocked persons described in paragraph (b), unless separately authorized.

(e) Effective December 17, 2025, General License No. 55D, dated June 18, 2025, is replaced and superseded in its entirety by this General License No. 55E.

Bradley T. Smith,

Director, Office of Foreign Assets Control.

Dated: December 17, 2025.

OFFICE OF FOREIGN ASSETS CONTROL

Russian Harmful Foreign Activities Sanctions Regulations

31 CFR Part 587

GENERAL LICENSE NO. 115C

Authorizing Certain Transactions Related to Civil Nuclear Energy

(a) Except as provided in paragraph (c) of this general license, all transactions prohibited by Executive Order (E.O.) 14024 involving one or more of the following entities that are related to civil nuclear energy are authorized through 12:01 a.m. eastern daylight time, June 18, 2026:

- (1) Gazprombank Joint Stock Company;
- (2) State Corporation Bank for Development and Foreign Economic Affairs Vnesheconombank;
- (3) Public Joint Stock Company Bank Financial Corporation Otkritie;
- (4) Sovcombank Open Joint Stock Company;
- (5) Public Joint Stock Company Sberbank of Russia;
- (6) VTB Bank Public Joint Stock Company;
- (7) Joint Stock Company Alfa-Bank;
- (8) Public Joint Stock Company Rosbank;

- (9) Bank Zenit Public Joint Stock Company;
- (10) Bank Saint-Petersburg Public Joint Stock Company;
- (11) National Clearing Center (NCC);
- (12) Any entity in which one or more of the above persons own, directly or indirectly, individually or in the aggregate, a 50 percent or greater interest; or

(13) the Central Bank of the Russian Federation.

(b) For the purposes of this general license, the term "related to civil

nuclear energy” means transactions undertaken solely to maintain or support civil nuclear projects initiated before November 21, 2024.

(c) This general license does not authorize:

(1) The opening or maintaining of a correspondent account or payable-through account for or on behalf of any entity subject to Directive 2 under E.O. 14024, *Prohibitions Related to Correspondent or Payable-Through Accounts and Processing of Transactions Involving Certain Foreign Financial Institutions*;

(2) Any debit to an account on the books of a U.S. financial institution of the Central Bank of the Russian Federation, the National Wealth Fund of the Russian Federation, or the Ministry of Finance; or

(3) Any transactions otherwise prohibited by the Russian Harmful Foreign Activities Sanctions Regulations, 31 CFR part 587 (RuHSR), including transactions involving any person blocked pursuant to the RuHSR other than the blocked persons described in paragraph (a) of this general license, unless separately authorized.

(d) Effective December 17, 2025, General License No. 115B, dated June 27, 2025, is replaced and superseded in its entirety by this General License No. 115C.

Bradley T. Smith,
Director, Office of Foreign Assets Control.
Dated: December 17, 2025.

OFFICE OF FOREIGN ASSETS CONTROL

Russian Harmful Foreign Activities Sanctions Regulations

31 CFR Part 587

GENERAL LICENSE NO. 13P

Authorizing Certain Administrative Transactions Prohibited by Directive 4 Under Executive Order 14024

(a) Except as provided in paragraph (b) of this general license, U.S. persons, or entities owned or controlled, directly or indirectly, by a U.S. person, are authorized to pay taxes, fees, or import duties, and purchase or receive permits, licenses, registrations, certifications, or tax refunds to the extent such transactions are prohibited by Directive 4 under Executive Order 14024, *Prohibitions Related to Transactions Involving the Central Bank of the Russian Federation, the National Wealth Fund of the Russian Federation, and the Ministry of Finance of the Russian Federation*, provided such transactions are ordinarily incident and necessary to the day-to-day operations

in the Russian Federation of such U.S. persons or entities, through 12:01 a.m. eastern daylight time, April 9, 2026.

(b) This general license does not authorize:

(1) Any debit to an account on the books of a U.S. financial institution of the Central Bank of the Russian Federation, the National Wealth Fund of the Russian Federation, or the Ministry of Finance of the Russian Federation; or

(2) Any transactions otherwise prohibited by the Russian Harmful Foreign Activities Sanctions Regulations, 31 CFR part 587 (RuHSR), including transactions involving any person blocked pursuant to the RuHSR, unless separately authorized.

(c) Effective January 6, 2026, General License No. 13O, dated September 29, 2025, is replaced and superseded in its entirety by this General License No. 13P.

Bradley T. Smith,
Director, Office of Foreign Assets Control.
Dated: January 6, 2026.

OFFICE OF FOREIGN ASSETS CONTROL

Russian Harmful Foreign Activities Sanctions Regulations

31 CFR Part 587

GENERAL LICENSE NO. 131C

Authorizing Certain Transactions for the Negotiation of and Entry Into Contingent Contracts for the Sale of Lukoil International GmbH and Related Maintenance Activities

(a) Except as provided in paragraph (d) of this general license, all transactions prohibited by Executive Order (E.O.) 14024 that are ordinarily incident and necessary to the negotiation of and entry into contracts with Public Joint-Stock Company Oil Company Lukoil or any of its affiliates for the sale, disposition, or transfer of Lukoil International GmbH (“LIG”) or any entity in which LIG owns, directly or indirectly, individually or in the aggregate, a 50 percent or greater interest (collectively, “LIG Entities”) are authorized through 12:01 a.m. eastern daylight time, April 1, 2026, provided that the performance of any such contract is made expressly contingent upon the receipt of separate authorization from the Office of Foreign Assets Control (“contingent contracts”).

Note to Paragraph (a). For purposes of this general license, the term “contingent contracts” includes executory contracts, executory pro forma invoices, agreements in principle, executory offers capable of acceptance such as bids or proposals in response to public tenders, binding memoranda of understanding, or any other similar agreement.

(b) Except as provided in paragraph (d) of this general license, all transactions prohibited by E.O. 14024 that are ordinarily incident and necessary to the maintenance or wind down of operations, contracts, or other agreements of LIG Entities are authorized through 12:01 a.m. eastern daylight time, April 1, 2026.

(c) All blocked accounts of LIG Entities may be used, debited, or credited for the transactions authorized in paragraph (b).

(d) This general license does not authorize:

(1) The unblocking of any property blocked pursuant to any part of 31 CFR chapter V, except as authorized in paragraph (c);

(2) Any transactions otherwise prohibited by the Russian Harmful Foreign Activities Sanctions Regulations, 31 CFR part 587 (RuHSR), including transactions involving any person blocked pursuant to the RuHSR, other than blocked persons described in paragraph (a) of this general license, unless separately authorized; or

(3) The transfer of funds to any person or account located in the Russian Federation.

(e) Effective February 26, 2026, General License No. 131B, dated January 14, 2026, is replaced and superseded in its entirety by this General License No. 131C.

Bradley T. Smith,
Director, Office of Foreign Assets Control.
Dated: February 26, 2026.

Bradley T. Smith,
Director, Office of Foreign Assets Control.
[FR Doc. 2026–09088 Filed 5–6–26; 8:45 am]

BILLING CODE P

DEPARTMENT OF THE TREASURY

Office of Foreign Assets Control

31 CFR Part 591

Publication of Venezuela Sanctions Regulations Web General Licenses 47, 48, 49, and 50

AGENCY: Office of Foreign Assets Control, Treasury.

ACTION: Publication of web general licenses.

SUMMARY: The Department of the Treasury’s Office of Foreign Assets Control (OFAC) is publishing four general licenses (GLs) issued pursuant to the Venezuela Sanctions Regulations: GLs 47, 48, 49, and 50, which were previously made available on OFAC’s website.

DATES: GL 47 was issued on February 3, 2026. See **SUPPLEMENTARY INFORMATION** for additional relevant dates.

FOR FURTHER INFORMATION CONTACT: OFAC: Assistant Director for Regulatory Affairs, 202–622–4855; or <https://ofac.treasury.gov/contact-ofac>.

SUPPLEMENTARY INFORMATION:

Electronic Availability

This document and additional information concerning OFAC are available on OFAC's website: <https://ofac.treasury.gov/>.

Background

On February 3, 2026, OFAC issued GL 47 to authorize certain transactions otherwise prohibited by the Venezuela Sanctions Regulations, 31 CFR part 591 (VSR). On February 10, 2026, OFAC issued GL 48, to authorize certain transactions otherwise prohibited by the VSR. On February 13, 2026, OFAC issued GLs 49 and 50 to authorize certain transactions otherwise prohibited by the VSR. GLs 48, 49 and 50 have been superseded. These GLs were made available on OFAC's website (<https://ofac.treasury.gov>) when they were issued. The text of these GLs is provided below.

OFFICE OF FOREIGN ASSETS CONTROL

Venezuela Sanctions Regulations

31 CFR Part 591

GENERAL LICENSE NO. 47

Authorizing the Sale of U.S.-Origin Diluents to Venezuela

(a) Except as provided in paragraph (b) of this general license, all transactions prohibited by the Venezuela Sanctions Regulations, 31 CFR part 591 (the VSR), including those involving the Government of Venezuela, Petróleos de Venezuela, S.A. (PdVSA), or any entity in which PdVSA owns, directly or indirectly, a 50 percent or greater interest (collectively, “PdVSA Entities”), that are ordinarily incident and necessary to the exportation, reexportation, sale, resale, supply, storage, marketing, delivery, or transportation of U.S.-origin diluents to Venezuela are authorized, provided that any contract for such transactions with the Government of Venezuela, PdVSA, or PdVSA Entities specify that the laws of the United States or any jurisdiction within the United States govern the contract and that any dispute resolution under the contract occur in the United States.

Note 1 to Paragraph (a). Transactions authorized by paragraph (a) include processing of payments, arranging shipping

and logistics services, including chartering vessels, obtaining marine insurance and protection and indemnity (P&I) coverage, and arranging port and terminal services, including with port authorities or terminal operators that are part of the Government of Venezuela.

(b) This general license does not authorize:

(1) Payment terms that are not commercially reasonable, involve debt swaps or payments in gold, or are denominated in digital currency, digital coin, or digital tokens issued by, for, or on behalf of the Government of Venezuela, including the petro;

(2) Any transaction involving a person located in or organized under the laws of the Islamic Republic of Iran, the Democratic People's Republic of Korea, the Republic of Cuba, or any entity that is owned or controlled, directly or indirectly, by or in a joint venture with such persons;

(3) The unblocking of any property blocked pursuant to the VSR, except as provided in paragraph (a); or

(4) Any transaction involving a blocked vessel.

(c) Any person that exports, reexports, sells, resells, or supplies U.S.-origin diluents to Venezuela pursuant to this general license must provide a detailed report to Sanctions_inbox@state.gov and VZReporting@doe.gov that identifies, for each of these transactions:

(1) The parties involved;

(2) The quantities and values; and

(3) The dates the transactions

occurred.

(d) Reports described in paragraph (c) are due ten days after the execution of the first of such transactions and every 90 days thereafter while such transactions are ongoing.

Note to General License No. 47. Nothing in this general license relieves any person from compliance with the requirements of other Federal agencies, including the Department of Commerce's Bureau of Industry and Security.

Bradley T. Smith,
Director, Office of Foreign Assets Control.
Dated: February 3, 2026.

OFFICE OF FOREIGN ASSETS CONTROL

Venezuela Sanctions Regulations

31 CFR Part 591

GENERAL LICENSE NO. 48

Authorizing the Supply of Certain Items and Services to Venezuela

(a) Except as provided in paragraph (b) of this general license, all transactions prohibited by the Venezuela Sanctions Regulations, 31 CFR part 591 (the VSR), including those

involving the Government of Venezuela, Petróleos de Venezuela, S.A. (PdVSA), or any entity in which PdVSA owns, directly or indirectly, a 50 percent or greater interest (collectively, “PdVSA Entities”), that are ordinarily incident and necessary to the provision from the United States or by a U.S. person of goods, technology, software, or services for the exploration, development, or production of oil or gas in Venezuela are authorized, provided that:

(1) Any contract for such transactions with the Government of Venezuela, PdVSA, or PdVSA Entities specify that the laws of the United States or any jurisdiction within the United States govern the contract and that any dispute resolution under the contract occur in the United States; and

(2) Any monetary payment to a blocked person, excluding payments for local taxes, permits, or fees, is made into the Foreign Government Deposit Funds, as specified in Executive Order 14373 of January 9, 2026, or any other account as instructed by the U.S. Department of the Treasury.

Note 1 to Paragraph (a). Transactions authorized by paragraph (a) include processing of payments, arranging shipping and logistics services, including chartering vessels, obtaining marine insurance and protection and indemnity (P&I) coverage, and arranging port and terminal services, including with port authorities or terminal operators that are part of the Government of Venezuela. Paragraph (a) also authorizes transactions for the maintenance of oil or gas operations in Venezuela, including the refurbishment or repair of items used for oil or gas exploration, development, or production activities.

Note 2 to Paragraph (a). See Venezuela General License No. 30B for an authorization for transactions ordinarily incident and necessary to operations or use of ports and airports in Venezuela.

(b) This general license does not authorize:

(1) Payment terms that are not commercially reasonable, involve debt swaps or payments in gold, or are denominated in digital currency, digital coin, or digital tokens issued by, for, or on behalf of the Government of Venezuela, including the petro;

(2) Any transaction involving a person located in or organized under the laws of the Russian Federation, the Islamic Republic of Iran, the Democratic People's Republic of Korea, the Republic of Cuba, the People's Republic of China, or any entity that is owned or controlled, directly or indirectly, by or in a joint venture with such persons;

(3) The unblocking of any property blocked pursuant to the VSR;

(4) Any transaction involving a blocked vessel;

(5) The formation of new joint ventures or other entities in Venezuela to explore or produce oil or gas; or

(6) Any transactions or dealings related to the exportation or reexportation of diluents, directly or indirectly, to Venezuela.

(c) Any person that exports, reexports, sells, resells, or supplies goods, technology, software, or services pursuant to this general license must provide a detailed report to *Sanctions_inbox@state.gov* and *VZReporting@doe.gov* that identifies, for each of these transactions:

(1) The parties involved;

(2) The goods, technology, software, or services involved, including quantities and values;

(3) The dates the transactions occurred; and

(4) Any taxes, fees, or other payments provided to the Government of Venezuela.

(d) Reports described in paragraph (c) are due ten days after the execution of the first of such transactions and every 90 days thereafter while such transactions are ongoing.

Note to General License No. 48. Nothing in this general license relieves any person from compliance with the requirements of other Federal agencies, including the Department of Commerce's Bureau of Industry and Security.

Bradley T. Smith,
Director, Office of Foreign Assets Control.
Dated: February 10, 2026.

OFFICE OF FOREIGN ASSETS CONTROL

Venezuela Sanctions Regulations

31 CFR Part 591

GENERAL LICENSE NO. 49

Authorizing Negotiations of and Entry Into Contingent Contracts for Certain Investment in Venezuela

(a) Except as provided in paragraph (b) of this general license, all transactions prohibited by the Venezuela Sanctions Regulations, 31 CFR part 591 (the VSR), including those involving the Government of Venezuela, *Petróleos de Venezuela, S.A. (PdVSA)*, or any entity in which PdVSA owns, directly or indirectly, a 50 percent or greater interest, that are related to the negotiation of and entry into contingent contracts for new investment in oil or gas sector operations in Venezuela are authorized, provided that the performance of any such contract is made expressly contingent upon separate authorization from the Office of

Foreign Assets Control ("contingent contracts").

Note 1 to Paragraph (a). For purposes of this general license, the term "contingent contracts" includes executory contracts, executory pro forma invoices, agreements in principle, executory offers capable of acceptance such as bids or proposals in response to public tenders, binding memoranda of understanding, or any other similar agreement.

Note 2 to Paragraph (a). Paragraph (a) authorizes negotiating and entering into contingent contracts to engage in new oil or gas exploration, development, or production activities in Venezuela, expand existing operations in Venezuela, and to form new joint ventures or other entities in Venezuela related to the foregoing activities. Transactions authorized by paragraph (a) also include prefatory steps for such activities, such as conducting commercial, legal, technical, safety, and environmental due diligence and assessments.

(b) This general license does not authorize:

(1) Any transaction involving a person located in the Russian Federation, the Islamic Republic of Iran, the Democratic People's Republic of Korea, the Republic of Cuba, the People's Republic of China, or any entity that is owned or controlled by or in a joint venture with such persons;

(2) The unblocking of any property blocked pursuant to the VSR; or

(3) Any transaction involving a blocked vessel.

Note to General License No. 49. Nothing in this general license relieves any person from compliance with the requirements of other Federal agencies, including the Department of Commerce's Bureau of Industry and Security.

Bradley T. Smith,
Director, Office of Foreign Assets Control.
Dated: February 13, 2026.

OFFICE OF FOREIGN ASSETS CONTROL

Venezuela Sanctions Regulations

31 CFR Part 591

GENERAL LICENSE NO. 50

Authorizing Transactions Related to Oil or Gas Sector Operations in Venezuela of Certain Entities

(a) Except as provided in paragraph (b) of this general license, all transactions prohibited by the Venezuela Sanctions Regulations, 31 CFR part 591 (the VSR), including those involving the Government of Venezuela, *Petróleos de Venezuela, S.A. (PdVSA)*, or any entity in which PdVSA owns, directly or indirectly, a 50 percent or greater interest (collectively, "PdVSA Entities"), that are related to oil or gas

sector operations in Venezuela of the entities listed in the Annex to this general license and their subsidiaries are authorized, provided that:

(1) Any contract for such transactions with the Government of Venezuela, PdVSA, or PdVSA Entities specify that the laws of the United States or any jurisdiction within the United States govern the contract and that any dispute resolution under the contract occur in the United States; and

(2) Any monetary payment to a blocked person, excluding payments for local taxes, permits, or fees, is made into the Foreign Government Deposit Funds, as specified in Executive Order 14373 of January 9, 2026, or any other account as instructed by the U.S. Department of the Treasury.

Note 1 to Paragraph (a)(2). Any payments of oil or gas taxes or royalties to the Government of Venezuela, PdVSA, or any PdVSA Entity must be paid into the Foreign Government Deposit Funds or any other account as instructed by the U.S. Department of the Treasury.

(b) This general license does not authorize:

(1) Payment terms that are not commercially reasonable, involve debt swaps or payments in gold, or are denominated in digital currency, digital coin, or digital tokens issued by, for, or on behalf of the Government of Venezuela, including the petro;

(2) Any transaction involving a person located in the Russian Federation, the Islamic Republic of Iran, the Democratic People's Republic of Korea, the Republic of Cuba, the People's Republic of China, or any entity that is owned or controlled by or in a joint venture with such persons;

(3) The unblocking of any property blocked pursuant to the VSR; or

(4) Any transaction involving a blocked vessel.

(c) Any person that engages in transactions pursuant to this general license must provide a detailed report to *Sanctions_inbox@state.gov* and *VZReporting@doe.gov* that identifies:

(1) The parties involved;

(2) A description of the transactions, including, as relevant, the quantities, values, and dates of the transactions; and

(3) Any taxes, fees, or other payments provided to the Government of Venezuela.

(d) Reports described in paragraph (c) are due ten days after the execution of the first of such transactions and every 90 days thereafter while such transactions are ongoing.

Note to General License No. 50. Nothing in this general license relieves any person from

compliance with the requirements of other Federal agencies, including the Department of Commerce's Bureau of Industry and Security.

Bradley T. Smith,
Director, Office of Foreign Assets Control.
Dated: February 13, 2026.

Annex—Entities Described in Paragraph (a) of General License 50

List of Entities Described in Paragraph (a) of General License 50 as of February 13, 2026:

Entity
BP PLC Chevron Corporation Eni S.p.A. Repsol S.A. Shell PLC

Bradley T. Smith,
Director, Office of Foreign Assets Control.
[FR Doc. 2026–09090 Filed 5–6–26; 8:45 am]
BILLING CODE 4810–AL–P

DEPARTMENT OF THE TREASURY

Office of Foreign Assets Control

31 CFR Part 591

Publication of Venezuela Sanctions Regulations Web General Licenses 46, 46A, and 46B

AGENCY: Office of Foreign Assets Control, Treasury.

ACTION: Publication of web general licenses.

SUMMARY: The Department of the Treasury's Office of Foreign Assets Control (OFAC) is publishing three general licenses (GLs) issued pursuant to the Venezuela Sanctions Regulations: GLs 46, 46A, and 46B, each of which was previously made available on OFAC's website.

DATES: GL 46 was issued on January 29, 2026. See **SUPPLEMENTARY INFORMATION** for additional relevant dates.

FOR FURTHER INFORMATION CONTACT: OFAC: Assistant Director for Regulatory Affairs, 202–622–4855; or <https://ofac.treasury.gov/contact-ofac>.

SUPPLEMENTARY INFORMATION:

Electronic Availability

This document and additional information concerning OFAC are available on OFAC's website: <https://ofac.treasury.gov/>.

Background

On January 29, 2026, OFAC issued GL 46 to authorize certain transactions otherwise prohibited by the Venezuela Sanctions Regulations (VSR), 31 CFR part 591. On February 10, 2026, OFAC issued GL 46A, which replaced and superseded GL 46. On March 13, 2026, OFAC issued GL 46B, which replaced and superseded GL 46A. These GLs were made available on OFAC's website (<https://ofac.treasury.gov>) when they were issued. The text of these GLs is provided below.

OFFICE OF FOREIGN ASSETS CONTROL

Venezuela Sanctions Regulations

31 CFR Part 591

GENERAL LICENSE NO. 46

Authorizing Certain Activities Involving Venezuelan-Origin Oil

(a) Except as provided in paragraph (b) of this general license, all transactions prohibited by the Venezuela Sanctions Regulations, 31 CFR part 591 (the VSR), including those involving the Government of Venezuela, Petróleos de Venezuela, S.A. (PdVSA), or any entity in which PdVSA owns, directly or indirectly, a 50 percent or greater interest (collectively, “PdVSA Entities”), that are ordinarily incident and necessary to the lifting, exportation, reexportation, sale, resale, supply, storage, marketing, purchase, delivery, or transportation of Venezuelan-origin oil, including the refining of such oil, by an established U.S. entity are authorized, provided that:

(1) Any contract for such transactions with the Government of Venezuela, PdVSA, or PdVSA Entities specify that the laws of the United States or any jurisdiction within the United States govern the contract and that any dispute resolution under the contract occur in the United States; and

(2) Any monetary payment to a blocked person is made into the Foreign Government Deposit Funds, as specified in Executive Order 14373 of January 9, 2026, or any other account as instructed by the U.S. Department of the Treasury.

Note 1 to Paragraph (a). For purposes of this general license, the term “established U.S. entity” means any entity organized under the laws of the United States or any jurisdiction within the United States on or before January 29, 2025.

Note 2 to Paragraph (a). Transactions authorized by paragraph (a) include arranging shipping and logistics services, including chartering vessels, obtaining marine insurance and protection and indemnity (P&I) coverage, and arranging port

and terminal services, including with port authorities or terminal operators that are part of the Government of Venezuela. Paragraph (a) also authorizes commercially reasonable payments in the form of swaps of crude oil, diluents, or refined petroleum products.

(b) This general license does not authorize:

(1) Payment terms that are not commercially reasonable, involve debt swaps or payments in gold, or are denominated in digital currency, digital coin, or digital tokens issued by, for, or on behalf of the Government of Venezuela, including the petro;

(2) Any transaction involving a person located in or organized under the laws of the Russian Federation, the Islamic Republic of Iran, the Democratic People's Republic of Korea, the Republic of Cuba, or any entity that is owned or controlled, directly or indirectly, by or in a joint venture with such persons;

(3) Any transaction involving an entity located in or organized under the laws of Venezuela or the United States that is owned or controlled, directly or indirectly, by or in a joint venture with a person located in or organized under the laws of the People's Republic of China;

(4) The unblocking of any property blocked pursuant to the VSR; or

(5) Any transaction involving a blocked vessel.

(c) Any person that exports, reexports, sells, resells, or supplies Venezuelan-origin oil to countries other than the United States pursuant to this general license must provide a detailed report to Sanctions_inbox@state.gov and VZReporting@doe.gov that identifies, for each of these transactions:

(1) The parties involved;

(2) The quantities, values, and countries of ultimate destination;

(3) The dates the transactions occurred; and

(4) Any taxes, fees, or other payments provided to the Government of Venezuela.

(d) Reports described in paragraph (c) are due ten days after the execution of the first of such transactions and every 90 days thereafter while such transactions are ongoing.

Note to General License No. 46. Nothing in this general license relieves any person from compliance with the requirements of other Federal agencies, including the Department of Commerce's Bureau of Industry and Security.

Bradley T. Smith,
Director, Office of Foreign Assets Control.
Dated: January 29, 2026.

**OFFICE OF FOREIGN ASSETS
CONTROL**
Venezuela Sanctions Regulations
31 CFR Part 591
GENERAL LICENSE NO. 46A
**Authorizing Certain Activities
Involving Venezuelan-Origin Oil**

(a) Except as provided in paragraph (b) of this general license, all transactions prohibited by the Venezuela Sanctions Regulations, 31 CFR part 591 (the VSR), including those involving the Government of Venezuela, Petróleos de Venezuela, S.A. (PdVSA), or any entity in which PdVSA owns, directly or indirectly, a 50 percent or greater interest (collectively, “PdVSA Entities”), that are ordinarily incident and necessary to the lifting, exportation, reexportation, sale, resale, supply, storage, marketing, purchase, delivery, or transportation of Venezuelan-origin oil, including the refining of such oil, by an established U.S. entity are authorized, provided that:

(1) Any contract for such transactions with the Government of Venezuela, PdVSA, or PdVSA Entities specify that the laws of the United States or any jurisdiction within the United States govern the contract and that any dispute resolution under the contract occur in the United States; and

(2) Any monetary payment to a blocked person, excluding payments for local taxes, permits, or fees, is made into the Foreign Government Deposit Funds, as specified in Executive Order 14373 of January 9, 2026, or any other account as instructed by the U.S. Department of the Treasury.

Note 1 to Paragraph (a). For purposes of this general license, the term “established U.S. entity” means any entity organized under the laws of the United States or any jurisdiction within the United States on or before January 29, 2025.

Note 2 to Paragraph (a). Transactions authorized by paragraph (a) include arranging shipping and logistics services, including chartering vessels, obtaining marine insurance and protection and indemnity (P&I) coverage, and arranging port and terminal services, including with port authorities or terminal operators that are part of the Government of Venezuela. Paragraph (a) also authorizes commercially reasonable payments in the form of swaps of crude oil, diluents, or refined petroleum products.

(b) This general license does not authorize:

(1) Payment terms that are not commercially reasonable, involve debt swaps or payments in gold, or are denominated in digital currency, digital coin, or digital tokens issued by, for, or

on behalf of the Government of Venezuela, including the petro;

(2) Any transaction involving a person located in or organized under the laws of the Russian Federation, the Islamic Republic of Iran, the Democratic People’s Republic of Korea, the Republic of Cuba, or any entity that is owned or controlled, directly or indirectly, by or in a joint venture with such persons;

(3) Any transaction involving an entity located in or organized under the laws of Venezuela or the United States that is owned or controlled, directly or indirectly, by or in a joint venture with a person located in or organized under the laws of the People’s Republic of China;

(4) The unblocking of any property blocked pursuant to the VSR; or

(5) Any transaction involving a blocked vessel.

(c) Any person that exports, reexports, sells, resells, or supplies Venezuelan-origin oil to countries other than the United States pursuant to this general license must provide a detailed report to *Sanctions_inbox@state.gov* and *VZReporting@doe.gov* that identifies, for each of these transactions:

(1) The parties involved;

(2) The quantities, values, and countries of ultimate destination;

(3) The dates the transactions occurred; and

(4) Any taxes, fees, or other payments provided to the Government of Venezuela.

(d) Reports described in paragraph (c) are due ten days after the execution of the first of such transactions and every 90 days thereafter while such transactions are ongoing.

(e) Effective February 10, 2026, General License No. 46, dated January 29, 2026, is replaced and superseded in its entirety by this General License No. 46A.

Note to General License No. 46A. Nothing in this general license relieves any person from compliance with the requirements of other Federal agencies, including the Department of Commerce’s Bureau of Industry and Security.

Bradley T. Smith,
Director, Office of Foreign Assets Control.
Dated: February 10, 2026.

**OFFICE OF FOREIGN ASSETS
CONTROL**
Venezuela Sanctions Regulations
31 CFR Part 591
GENERAL LICENSE NO. 46B
**Authorizing Certain Activities
Involving Venezuelan-Origin Oil or
Petrochemical Products**

(a) Except as provided in paragraph (b) of this general license, all transactions prohibited by the Venezuela Sanctions Regulations, 31 CFR part 591 (the VSR), including those involving the Government of Venezuela, Petróleos de Venezuela, S.A. (PdVSA), or any entity in which PdVSA owns, directly or indirectly, a 50 percent or greater interest (collectively, “PdVSA Entities”), that are ordinarily incident and necessary to the lifting, exportation, reexportation, sale, resale, supply, storage, marketing, purchase, delivery, or transportation of Venezuelan-origin oil, including the refining of such oil, or of Venezuelan-origin petrochemical products for importation into the United States, by an established U.S. entity are authorized, provided that:

(1) Any contract for such transactions with the Government of Venezuela, PdVSA, or PdVSA Entities specify that the laws of the United States or any jurisdiction within the United States govern the contract and that any dispute resolution under the contract occur in the United States; and

(2) Any monetary payment to a blocked person, excluding payments for local taxes, permits, or fees, is made into the Foreign Government Deposit Funds, as specified in Executive Order 14373 of January 9, 2026, or any other account as instructed by the U.S. Department of the Treasury.

Note 1 to Paragraph (a). For purposes of this general license, the term “established U.S. entity” means any entity organized under the laws of the United States or any jurisdiction within the United States on or before January 29, 2025.

Note 2 to Paragraph (a). Transactions authorized by paragraph (a) include arranging shipping and logistics services, including chartering vessels, obtaining marine insurance and protection and indemnity (P&I) coverage, and arranging port and terminal services, including with port authorities or terminal operators that are part of the Government of Venezuela. Paragraph (a) also authorizes commercially reasonable payments in the form of swaps of crude oil, diluents, or refined petroleum products.

Note 3 to Paragraph (a). For purposes of this general license, the term “petrochemical products” includes fertilizer products and fertilizer precursor chemicals, including the

chemicals listed in the Annex of this general license.

(b) This general license does not authorize:

(1) Payment terms that are not commercially reasonable, involve debt swaps or payments in gold, or are denominated in digital currency, digital coin, or digital tokens issued by, for, or on behalf of the Government of Venezuela, including the petro;

(2) Any transaction involving a person located in or organized under the laws of the Russian Federation, the Islamic Republic of Iran, the Democratic People's Republic of Korea, the Republic of Cuba, or any entity that is owned or controlled, directly or indirectly, by or in a joint venture with such persons;

(3) Any transaction involving an entity located in or organized under the laws of Venezuela or the United States that is owned or controlled, directly or

indirectly, by or in a joint venture with a person located in or organized under the laws of the People's Republic of China;

(4) The unblocking of any property blocked pursuant to the VSR; or

(5) Any transaction involving a blocked vessel.

(c) Any person that exports, reexports, sells, resells, or supplies Venezuelan-origin oil to countries other than the United States pursuant to this general license must provide a detailed report to *Sanctions_inbox@state.gov* and *VZReporting@doe.gov* that identifies, for each of these transactions:

(1) The parties involved;

(2) The quantities, values, and countries of ultimate destination;

(3) The dates the transactions occurred; and

(4) Any taxes, fees, or other payments provided to the Government of Venezuela. (d) Reports described in paragraph (c) are due ten days after the

execution of the first of such transactions and every 90 days thereafter while such transactions are ongoing.

(e) Effective March 13, 2026, General License No. 46A, dated February 10, 2026, is replaced and superseded in its entirety by this General License No. 46B.

Note to General License No. 46B. Nothing in this general license relieves any person from compliance with the requirements of other Federal agencies, including the Department of Commerce's Bureau of Industry and Security.

Bradley T. Smith,
Director, Office of Foreign Assets Control.
Dated: March 13, 2026.

Annex to General License 46B

Chemicals that fall within the scope of the term "petrochemical products" include the following:

Chemical name	HS code
Sulfur	2503000010
Sulfur	2503000090
Phosphate Rock	2510100000
Phosphate Rock	2510200000
Sulfuric Acid	2807000000
Phosphoric Acid, fertilizer-grade, containing less than 65 percent available	2809200010
Phosphoric Acid, other	2809200020
Anhydrous Ammonia	2814100000
Aqua Ammonia	2814200000
Potassium Nitrate	2834210000
Calcium Nitrate	2834291000
Potassium Phosphate	2835240000
Dicalcium Phosphates	2835250000
Other Phosphates of Calcium	2835260000
Urea (Solid)	3102100000
Urea (Solid)	3102100010
Diesel Exhaust Fluid	3102100030
Other Urea	3102100050
Ammonium Sulfate	3102210000
Other Nitrogen Fert	3102290000
Ammonium Nitrate	3102300000
Ammonia Nitrate	3102400000
Sodium Nitrate	3102500000
Other Nitrogen Fert	3102600000
Mixtures of urea and ammonium nitrate in aqueous or ammoniacal solution	3102800000
Other Nitrogen Fert	3102900100
Concentrated Super	3103110000
Normal Super	3103190000
Other Phosphate Fert	3103900100
Potassium Muriate	3104200000
Potassium Muriate <=62% Oxide	3104200010
Potassium Muriate >62% Oxide	3104200050
Potassium Sulfate	3104300000
Other Potassium Fert	3104900100
Chemical Mixtures	3105100000
Chemical Mixtures	3105200000
Diammonium Phosphate	3105300000
Monoammonium Phosphate & Other	3105400000
Monoammonium Phosphate & Other	3105400010
Monoammonium Phosphate & Other	3105400050
Chemical Mixtures	3105510000
Chemical Mixtures	3105590000
Chemical Mixtures	3105600000
Potassium Sodium Nitrate	3105900010
Other Mixtures	3105900050

Bradley T. Smith,
Director, Office of Foreign Assets Control.
[FR Doc. 2026–09092 Filed 5–6–26; 8:45 am]
BILLING CODE 4810–AL–P

DEPARTMENT OF THE TREASURY

Office of Foreign Assets Control

31 CFR Parts 594 and 599

Publication of a Global Terrorism Sanctions Regulations and Illicit Drug Trade Sanctions Regulations Web General License

AGENCY: Office of Foreign Assets Control, Treasury.

ACTION: Publication of a web general license.

SUMMARY: The Department of the Treasury's Office of Foreign Assets Control (OFAC) is publishing a general license (GL) issued pursuant to the Global Terrorism Sanctions Regulations and the Illicit Drug Trade Sanctions Regulations: GL 34. This GL was previously made available on OFAC's website.

DATES: GL 34 was issued on February 19, 2026. See **SUPPLEMENTARY INFORMATION** for additional relevant dates.

FOR FURTHER INFORMATION CONTACT: OFAC: Assistant Director for Regulatory Affairs, 202–622–4855; or <https://ofac.treasury.gov/contact-ofac>.

SUPPLEMENTARY INFORMATION:

Electronic Availability

This document and additional information concerning OFAC are available on OFAC's website: <https://ofac.treasury.gov/>.

Background

On February 19, 2026, OFAC issued GL 34 to authorize certain transactions otherwise prohibited by the Global Terrorism Sanctions Regulations, 31 CFR part 594, and the Illicit Drug Trade Sanctions Regulations, 31 CFR part 599. GL 34 was made available on OFAC's website (<https://ofac.treasury.gov>) when it was issued. The text of this GL is provided below.

OFFICE OF FOREIGN ASSETS CONTROL

Global Terrorism Sanctions Regulations

31 CFR Part 594

Illicit Drug Trade Sanctions Regulations

31 CFR Part 599

GENERAL LICENSE NO. 34

Authorizing the Wind Down of Transactions Involving Kovay Gardens

(a) Except as provided in paragraph (b) of this general license, all transactions prohibited by the Global Terrorism Sanctions Regulations, 31 CFR part 594 (GTSR) or the Illicit Drug Trade Sanctions Regulations, 31 CFR part 599 (IDTSR), that are ordinarily incident and necessary to the wind down of any transaction involving Kovay Gardens, or any entity in which Kovay Gardens owns, directly or indirectly, a 50 percent or greater interest, are authorized through 12:01 a.m. eastern daylight time, March 21, 2026, provided that any payment to a blocked person is made into a blocked account in accordance with the IDTSR and GTSR.

(b) This general license does not authorize any transactions otherwise prohibited by the GTSR or IDTSR, including transactions involving any person blocked pursuant to the GTSR or IDTSR other than the blocked persons described in paragraph (a) of this general license, unless separately authorized.

Bradley T. Smith,
Director, Office of Foreign Assets Control.
Dated: February 19, 2026.

Bradley T. Smith,
Director, Office of Foreign Assets Control.
[FR Doc. 2026–09085 Filed 5–6–26; 8:45 am]
BILLING CODE 4810–AL–P

DEPARTMENT OF THE TREASURY

Office of Foreign Assets Control

31 CFR Chapter V

Publication of Iranian Transactions and Sanctions Regulations Web General Licenses

AGENCY: Office of Foreign Assets Control, Treasury.

ACTION: Publication of web general licenses.

SUMMARY: The Department of the Treasury's Office of Foreign Assets Control (OFAC) is publishing two general licenses (GLs) issued in the

Iranian sanctions program: GLs S and T. These GLs were previously made available on OFAC's website.

DATES: GL S was issued on December 18, 2025. See **SUPPLEMENTARY INFORMATION** for additional relevant dates.

FOR FURTHER INFORMATION CONTACT: OFAC: Assistant Director for Regulatory Affairs, 202–622–4855; or <https://ofac.treasury.gov/contact-ofac>.

SUPPLEMENTARY INFORMATION:

Electronic Availability

This document and additional information concerning OFAC are available on OFAC's website: <https://ofac.treasury.gov/>.

Background

On December 18, 2025, OFAC issued GL S to authorize certain transactions otherwise prohibited by Executive Order (E.O.) 13902 of January 10, 2020, "Imposing Sanctions With Respect to Additional Sectors of Iran" (85 FR 2003, January 14, 2020). On January 23, 2026, OFAC issued GL T to authorize certain transactions otherwise prohibited by E.O. 13902. GLs S and T, which are both expired, were made available on OFAC's website (<https://ofac.treasury.gov>) when they were issued. The text of these GLs is provided below.

OFFICE OF FOREIGN ASSETS CONTROL

Executive Order 13902 of January 10, 2020

Imposing Sanctions With Respect to Additional Sectors of Iran

GENERAL LICENSES

Authorizing Limited Safety and Environmental Transactions and the Offloading of Cargo Involving Certain Persons or Vessels Blocked on December 18, 2025

(a) Except as provided in paragraph (b) of this general license, all transactions prohibited by Executive Order (E.O.) 13902 that are ordinarily incident and necessary to one or more of the following activities involving the blocked vessels or blocked persons listed in the Annex to this general license, and any entity in which the listed blocked persons own, directly or indirectly, individually or in the aggregate, a 50 percent or greater interest, are authorized through 12:01 a.m. eastern standard time, January 18, 2026, provided that any payment to a blocked person must be made into a blocked interest-bearing account located in the United States:

(1) The safe docking and anchoring in any port, excluding ports located in Iran or the Russian Federation or Venezuela, or under the control of the Government of Iran or the Government of the Russian Federation or the Government of Venezuela, of the blocked vessels listed in the Annex to this general license (the “Blocked Vessels”);

(2) The preservation of the health or safety of the crew of any of the Blocked Vessels;

(3) Emergency repairs of any of the Blocked Vessels or environmental mitigation or protection activities relating to any of the Blocked Vessels; or

(4) The delivery and offloading of cargo involving the Blocked Vessels, provided that the cargo is not of Iranian-origin and was loaded on or before December 18, 2025, and that the delivery and offloading of cargo does

not occur at any port located in Iran or the Russian Federation or Venezuela, or under the control of the Government of Iran or the Government of the Russian Federation or the Government of Venezuela.

Note 1 to paragraph (a). The authorization in paragraph (a) of this general license includes services such as vessel management, crewing, bunkering, piloting, registration, flagging, insurance, classification, and salvage.

(b) This general license does not authorize:

(1) The entry into any new commercial contracts involving the property or interests in property of any blocked persons, including the blocked persons described in paragraph (a) of this general license, except as authorized by paragraph (a); or

(2) Any transactions or activities prohibited by E.O. 13902, except as

authorized by paragraph (a) of this general license, or any transaction or activity prohibited by any other E.O. or any part of 31 CFR chapter V, including any transaction or activity involving Iran, the Government of Iran, or Iranian-origin goods or services that is prohibited by the Iranian Transactions and Sanctions Regulations (31 CFR part 560).

Bradley T. Smith,
Director, Office of Foreign Assets Control.
Dated: December 18, 2025.

Annex—Blocked Persons and Vessels Described in Paragraph (a) of General License S

List of Blocked Persons and Blocked Vessels Described in Paragraph (a) of General License S as of December 18, 2025:

Blocked person	Blocked vessel name	IMO No.
Phoenix Ship Management FZE	NEBULA DRIFT	9233973
Phoenix Ship Management FZE	AETHER SAIL	9277371
Phoenix Ship Management FZE	TIDAL RHYTHM	9297101
Phoenix Ship Management FZE	VOYAGER HAVEN	9271896
Arihant Shipping Inc	ARIHANT	9464156
Kurdos Shipping Inc	KURDOS	9236731
Kurdos Shipping Inc	KURDOS II	9453729
Kurdos Shipping Inc	KURDOS III	9380570
Adonis Shipping Inc	KASSIA	9409986
Concord Shipping Inc	MAJESTY	9430715
Rukbat Marine Services Co	FLORA DOLCE	9258595
Aleah Shipping Inc	DIANA	9255945
J M A Shipping Inc	J M A	9246487
S M A Shipping Inc	S M A	9273002
M K A Shipping Inc	M K A	9269403
Golden Gate Ship Management	AUOURA	9262912
Darya Shipping Private Limited	RAMYA	9363182
Sinostar Marine Group Limited	FOSHAN	9404572
Hemera Lines Inc	HEMERA	9263954
Agape Shipping Inc	NOMIKI	9242443
Maruti Shipping Inc	MARUTI	9546710
Everest Sea Navigation SA	GOLDEN EAGLE	9255684
Red Sea Ship Management LLC	SKYLIGHT	9330020
Red Sea Ship Management LLC	KHADIGA	9321469
Red Sea Ship Management LLC	INTAN PREMIER	9358802
High Seas Petroleum LLC.		
Qatrat Alnada Almasi Ship Management	SEA WISE	9224570
Qatrat Alnada Almasi Ship Management	SEAMULL	9204776
Qatrat Alnada Almasi Ship Management	SEA ROCK	9140451
Qatrat Alnada Almasi Ship Management	SEA CITRINE VI	9207273

OFFICE OF FOREIGN ASSETS CONTROL
Executive Order 13902 of January 10, 2020
Imposing Sanctions With Respect to Additional Sectors of Iran
GENERAL LICENSE T
Authorizing Limited Safety and Environmental Transactions and the Offloading of Cargo Involving Certain Persons or Vessels Blocked on January 23, 2026

(a) Except as provided in paragraph (b) of this general license, all transactions prohibited by Executive Order (E.O.) 13902 that are ordinarily incident and necessary to one or more of the following activities involving the blocked vessels or blocked persons listed in the Annex to this general license, and any entity in which the listed blocked persons own, directly or indirectly, individually or in the aggregate, a 50 percent or greater interest, are authorized through 12:01 a.m. eastern standard time, February 22, 2026, provided that any payment to a blocked person must be made into a blocked interest-bearing account located in the United States:

(1) The safe docking and anchoring in any port, excluding ports located in Iran

or the Russian Federation or Venezuela, or under the control of the Government of Iran or the Government of the Russian Federation or the Government of Venezuela, of the blocked vessels listed in the Annex to this general license (the “Blocked Vessels”);

(2) The preservation of the health or safety of the crew of any of the Blocked Vessels;

(3) Emergency repairs of any of the Blocked Vessels or environmental mitigation or protection activities relating to any of the Blocked Vessels; or

(4) The delivery and offloading of cargo involving the Blocked Vessels, provided that the cargo is not of Iranian-origin and was loaded on or before January 23, 2026, and that the delivery and offloading of cargo does not occur at any port located in Iran or the Russian Federation or Venezuela, or under the control of the Government of Iran or the Government of the Russian Federation or the Government of Venezuela.

Note 1 to paragraph (a). The authorization in paragraph (a) of this general license includes services such as vessel management, crewing, bunkering, piloting, registration, flagging, insurance, classification, and salvage.

(b) This general license does not authorize:

(1) The entry into any new commercial contracts involving the property or interests in property of any blocked persons, including the blocked persons described in paragraph (a) of this general license, except as authorized by paragraph (a); or

(2) Any transactions or activities prohibited by E.O. 13902, except as authorized by paragraph (a) of this general license, or any transaction or activity prohibited by any other E.O. or any part of 31 CFR chapter V, including any transaction or activity involving Iran, the Government of Iran, or Iranian-origin goods or services that is prohibited by the Iranian Transactions and Sanctions Regulations (31 CFR part 560).

Bradley T. Smith,
Director, Office of Foreign Assets Control.
Dated: January 23, 2026.

Annex—Blocked Persons and Vessels Described in Paragraph (a) of General License T

List of Blocked Persons and Blocked Vessels Described in Paragraph (a) of General License T as of January 23, 2026:

Blocked person	Blocked vessel name	IMO No.
Horizon Harvest Shipping LLC	SEA BIRD	IMO 9088536
Aayat Ship Management Private Limited	AVON	IMO 9034705
Black Stone Oil and Gas	AL DIAB II	IMO 9053816
Galeran Service Corp	CESARIA	IMO 9251602
Longevity Shipping Limited	LONGEVITY 7	IMO 9240885
Odyssey Marine Inc	EASTERN HERO	IMO 9353905
Benoil Shipping Inc	AQUA SPIRIT	IMO 9197727
Trade Bridge Global Inc	CHIRON 5	IMO 9306665
Trade Bridge Global Inc	KEEL	IMO 9176929

Bradley T. Smith,
Director, Office of Foreign Assets Control.
[FR Doc. 2026–09094 Filed 5–6–26; 8:45 am]
BILLING CODE 4810–AL–P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 100

[Docket Number USCG–2026–0419]

RIN 1625–AA08

Special Local Regulation; Lake Erie, Cleveland, OH

AGENCY: Coast Guard, Department of Homeland Security.

ACTION: Temporary final rule.

SUMMARY: The Coast Guard is establishing a temporary special local regulation (SLR) for certain navigable waters of Lake Erie approximately one-half to one mile offshore between Vermilion, Ohio and the Main Entrance Channel in Cleveland, Ohio.

This action is necessary to provide for the safety of life on these navigable waters for the underway civilian vessels “Welcome Flotilla” (Regatta) accompanying the transit of the USS CLEVELAND (LCS 31) from Vermilion, Ohio to Cleveland, Ohio on May 9, 2026. This regulation prohibits persons and vessels from entering the regulated area unless specifically authorized by the Captain of the Port Eastern Great Lakes or their designated representative.

DATES: This rule is effective from 7:30 a.m. through 2:30 p.m. on May 9, 2026.

ADDRESSES: To view available documents go to <https://www.regulations.gov> and search for USCG–2026–0419.

FOR FURTHER INFORMATION CONTACT: If you have questions about this rule, contact MST1 Andrew Nevenner, Marine Safety Unit Cleveland Waterways Management Division, U.S. Coast Guard; telephone 216–701–5989, or email Andrew.J.Nevenner@uscg.mil.

SUPPLEMENTARY INFORMATION:

I. Table of Abbreviations

CFR Code of Federal Regulations
COTP Captain of the Port
DHS Department of Homeland Security
FR Federal Register
NPRM Notice of proposed rulemaking
§ Section

SLR Special Local Regulation
U.S.C. United States Code

II. Background and Authority

An organization notified the Coast Guard that from 7:30 a.m. through 2:30 p.m. on May 9, 2026, a civilian vessel “Welcome Flotilla” will accompany the USS CLEVELAND (LCS 31) during its transit from Vermilion, Ohio to Cleveland, Ohio. The Coast Guard received a request under 33 CFR 100.15 from the USS CLEVELAND Legacy Foundation for a Marine Event Permit to host an underway/moving civilian vessel “Welcome Flotilla” (Regatta). The Regatta will take place from 7:30 a.m. through 2:30 p.m. on May 9, 2026. The Regatta will include approximately 90 participating vessels, as well as accompanying safety boats. The underway/moving Regatta will transit parallel on the North side of the USS CLEVELAND no closer than 500 yards to the vessel, starting at approximate position 41°26′6.5″ N 82°21′49.9″ W, and ending at approximate position 41°30′30.0″ N 81°43′21.9″ W near the Cleveland Harbor Main Entrance. The Regatta will maintain a distance offshore of between one-half to one mile while running parallel to the USS Cleveland. This SLR establishes a safety zone of 100 yards around the transiting Regatta vessels.

The Captain of the Port Sector Eastern Great Lakes (COTP) is issuing this Special Local Regulation (SLR) under the authority in 46 U.S.C. 70041. The COTP has determined that potential hazards associated with the Regatta include the possibility of non-participating vessels attempting to join the Regatta, interfere with its transit, as well as the possibility of vessel collisions with non-participating vessels. The purpose of this rulemaking is to protect event participants, non-participants, and transiting vessels before, during, and after the scheduled event.

Because of these potential hazards, the Coast Guard is issuing this rule without prior notice and comment. As is authorized by 5 U.S.C. 553(b)(B), the Coast Guard finds that good cause exists for not publishing a notice of proposed rulemaking (NPRM) with respect to this rule because it is impracticable and contrary to the public interest. The Coast Guard must establish this SLR by May 9, 2026, to protect personnel, vessels, and the marine environment. Therefore, there will not be enough time to solicit and respond to comments.

For the same reasons, the Coast Guard finds that under 5 U.S.C. 553(d)(3), good cause exists for making this rule

effective less than 30 days after publication in the **Federal Register**.

III. Discussion of the Rule

This rule establishes a temporary SLR from 7:30 a.m. until 2:30 p.m. on May 9, 2026. The special local regulation covers all navigable waters within 100 yards of the Regatta. No vessel or person will be permitted to enter the regulated area without obtaining permission from the COTP or their designated representative.

IV. Regulatory Analyses

We developed this rule after considering numerous statutes and Executive orders related to rulemaking. Below we summarize our analyses based on a number of these statutes and Executive orders.

A. Impact on Small Entities

The regulatory flexibility analysis provisions of the Regulatory Flexibility Act of 1980, 5 U.S.C. 601–612, do not apply to rules that are not subject to notice and comment. Because the Coast Guard has, for good cause, waived the notice and comment requirement that would otherwise apply to this rulemaking, the Regulatory Flexibility Act’s flexibility analysis provisions do not apply here.

Under section 213(a) of the Small Business Regulatory Enforcement Fairness Act of 1996 (Pub. L. 104–121), if this rule will affect your small business, organization, or governmental jurisdiction and you have questions, contact the person listed in the **FOR FURTHER INFORMATION CONTACT** section. Small businesses may send comments to the Small Business and Agriculture Regulatory Enforcement Ombudsman and the Regional Small Business Regulatory Fairness Boards by calling 1–888–REG–FAIR (1–888–734–3247). The Coast Guard will not retaliate against small entities that question or complain about this rule or any policy or action of the Coast Guard.

B. Collection of Information

This rule will not call for a new collection of information under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520).

C. Federalism and Indian Tribal Governments

We have analyzed this rule under Executive Order 13132, Federalism, and have determined that it is consistent with the fundamental federalism principles and preemption requirements described in that Order.

Also, 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.

D. Unfunded Mandates Reform Act

As required by The Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1531–1538), the Coast Guard certifies that this rule will not result in an annual expenditure of \$100,000,000 or more (adjusted for inflation) by a State, local, or tribal government, in the aggregate, or by the private sector.

E. Environment

We have analyzed this rule under Department of Homeland Security Directive 023–01, Rev. 1, associated implementing instructions, and Environmental Planning COMDTINST 5090.1 (series), which guide the Coast Guard in complying with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 *et seq.*), and have determined that this action is one of a category of actions that do not individually or cumulatively have a significant effect on the human environment.

This rule is a special local regulation. It is categorically excluded from further review under paragraph L61 of Appendix A, Table 1 of DHS Instruction Manual 023–01–001–01, Rev. 1. A Memorandum for Record (MFR) supporting this determination is available in the docket.

List of Subjects in 33 CFR Part 100

Marine safety, Harbors, Navigation (water), Reporting and recordkeeping requirements, Security measures, Waterways.

For the reasons discussed in the preamble, the Coast Guard amends 33 CFR part 100 as follows:

PART 100—SAFETY OF LIFE ON NAVIGABLE WATERS

■ 1. The authority citation for part 100 continues to read as follows:

Authority: 46 U.S.C. 70041; 33 CFR 1.05–1.

■ 2. Add § 100.T999–0419 to read as follows:

§ 100.T999–0419 Special Local Regulation; Lake Erie, Cleveland, OH.

(a) *Location*. This special local regulation applies to the following regulated area: All navigable waters of Lake Erie, from surface to bottom,

approximately one-half to one mile offshore, within a 100-yard radius of a regatta transiting parallel on the North side of the USS CLEVELAND, starting at approximate position 41°26'6.5" N 82°21'49.9" W in Vermillion, OH, and ending at approximate position 41°30'30.0" N 81°43'21.9" W near the Cleveland Harbor Main Entrance.

(b) *Definitions.* As used in this section, *designated representative* means a Coast Guard Patrol Commander, including a Coast Guard coxswain, petty officer, or other officer operating a Coast Guard vessel and a Federal, State, and local officer designated by or assisting the Captain of the Port Sector Eastern Great Lakes (COTP) in the enforcement of the regulated area. *Participant* means all persons and vessels registered with the event sponsor as a participant in the race.

(c) *Regulations.* (1) All non-participants are prohibited from entering, transiting through, anchoring in, or remaining within the regulated area described in paragraph (a) of this section unless authorized by the COTP or their designated representative.

(2) To seek permission to enter, contact the COTP or the COTP's representative on VHF-FM channel 16 or by telephone at (888) 230-4703. Those in the regulated area must comply with all lawful orders or directions given to them by the COTP or the COTP's designated representative.

(d) *Enforcement period.* This section will be enforced from 7:30 a.m. to 2:30 p.m. on May 9, 2026.

Matthew J. Walter,

Captain U.S. Coast Guard, Captain of the Port Sector Eastern Great Lakes.

[FR Doc. 2026-09073 Filed 5-6-26; 8:45 am]

BILLING CODE 9110-04-P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 165

[Docket No. USCG-2026-0359]

Safety Zone, Brandon Road Lock and Dam to Lake Michigan Including Des Plaines River, Chicago Sanitary and Ship Canal, Chicago River, and Calumet-Saganashkee Channel, Chicago, IL

AGENCY: Coast Guard, DHS.

ACTION: Notification of enforcement of regulation.

SUMMARY: The Coast Guard will enforce a segment of the Safety Zone, Brandon

Road Lock and Dam to Lake Michigan including Des Plaines River, Chicago Sanitary and Ship Canal, Chicago River, and Calumet-Saganashkee Channel, Chicago, IL on all waters of the Chicago Sanitary and Ship Canal within a 200 foot radius of a point located at 41°50'31.38" N, 87°40'26.78" W for a barge-based fireworks display on June 13, 2026. This action is intended to protect personnel, vessels, and the marine environment from potential hazards created by a fireworks display. During the enforcement period listed below, entry into, transiting, or anchoring within the safety zone is prohibited unless authorized by the Captain of the Port Lake Michigan or a designated representative.

DATES: The regulations in 33 CFR 165.930 will be enforced for a segment of the Chicago Sanitary and Ship Canal regulated area in § 165.930(a)(2) from 8:45 p.m. through 9:25 p.m. on June 13, 2026.

FOR FURTHER INFORMATION CONTACT: If you have questions about this notice of enforcement, call or email LT Kyle Goetz, Waterways Management Division, Marine Safety Unit Chicago, U.S. Coast Guard; telephone: (630) 986-2155, email: D09-SMB-MSUChicago-WWM@uscg.mil.

SUPPLEMENTARY INFORMATION: The Coast Guard will enforce a safety zone regulation in 33 CFR 165.930 for the Banner Warehouse Fireworks Display from 8:45 p.m. through 9:25 p.m. on June 13, 2026. The regulated area for this event is a segment of the Chicago Sanitary and Ship Canal specified in 33 CFR 165.930(a)(2), specifically all waters of the Chicago Sanitary and Ship Canal within a 200 foot radius of a fireworks barge located at 41°50'31.38" N, 87°40'26.78" W. All vessels must obtain permission from the Captain of the Port (COTP) Lake Michigan, or designated on-scene representative to enter, move within, or exit this safety zone during the enforcement time listed in this notice of enforcement. Vessels and persons granted permission to enter the safety zone must obey all lawful orders or directions of the COTP Lake Michigan or designated representative. Upon being hailed by siren, radio, flashing light or other means, the operator of a vessel must proceed as directed.

In addition to this notification of enforcement in the **Federal Register**, the Coast Guard will provide the maritime community with notification of this enforcement period via Broadcast Notice to Mariners. The COTP Lake Michigan may be reached by contacting the Coast Guard Sector Lake Michigan

Command Center at (833) 900-2247. An on-scene designated representative may be reached via VHF-FM Channel 16.

Rhianna N. Macon,

Captain, U.S. Coast Guard, Captain of the Port, Lake Michigan.

[FR Doc. 2026-09039 Filed 5-6-26; 8:45 am]

BILLING CODE 9110-04-P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 165

[Docket Number USCG-2025-1105]

RIN 1625-AA00

Safety Zone; West of Cyril E. King Airport, St. Thomas, VI

AGENCY: Coast Guard, Department of Homeland Security.

ACTION: Final rule.

SUMMARY: The Coast Guard is establishing a safety zone for certain navigable waters west of Cyril E. King Airport in St. Thomas, U.S. Virgin Islands (USVI). The safety zone is needed protect personnel, vessels, and the marine environment from potential hazards created by the proximity of the low flying aircrafts to vessels in the vicinity of the waters off the Cyril E. King Airport in St. Thomas, USVI. This rulemaking prohibits entry of vessels or persons into this safety zone unless specifically authorized by the Captain of the Port, Sector San Juan or their designated representative.

DATES: This rule is effective June 8, 2026.

ADDRESSES: To view available documents go to <https://www.regulations.gov> and search for USCG-2025-1105.

FOR FURTHER INFORMATION CONTACT: If you have questions about this rule, contact Lieutenant Commander Rachel E. Thomas, Sector San Juan, Waterways Management Division Chief, Coast Guard; telephone (571) 613-1417, email Rachel.E.Thomas@uscg.mil.

SUPPLEMENTARY INFORMATION:

I. Table of Abbreviations

CFR Code of Federal Regulations
COTP Captain of the Port
DHS Department of Homeland Security
FR Federal Register
NPRM Notice of proposed rulemaking
§ Section
U.S.C. United States Code

II. Background and Authority

On January 7, 2026, the Coast Guard published a notice of proposed rulemaking (NPRM) titled, Safety Zone; West of Cyril E. King Airport, St. Thomas, VI.¹ In that NPRM, we stated why we issued the NPRM and invited comments on our proposed regulatory action related to this safety zone, the comment period ended on February 6, 2026. We received one comment.

Under the authority in 46 U.S.C. 70034, the Captain of the Port (COTP) has determined that this rule is necessary to protect personnel, vessels, and the marine environment from potential hazards associated with the safety zone. No vessel or person will be permitted to enter the safety zone without obtaining permission from the COTP or their designated representative.

III. Discussion of Comments, Changes, and the Rule

During the comment period that ended on February 6, 2026, we received one comment. The commenter noted the proposed regulatory text only included two GPS coordinates and recommended that the safety zone be defined as a closed polygon with four coordinates. The Coast Guard agrees. In response to this comment, and a desire for better accuracy of the expanse of the zone, we have changed the regulatory text from only having 2 coordinate points to 4 coordinate points completely enclosing the area that will be a safety zone. We have not extended or altered the safety zone but are only marking its bounds more clearly for the public. No other changes were made.

This rule establishes a safety zone because there is an immediate need to mitigate the risk of vessels transiting between private port authority managed yellow buoys and the end of the St. Thomas Cyril E. King runway because of their proximity to the low flying aircrafts. The safety zone would cover all navigable waters directly west of the airport's runway end. No vessel or person would be permitted to enter the safety zone without obtaining permission from the COTP or their designated representative. The regulatory text we are proposing appears at the end of this document.

IV. Regulatory Analyses

We developed this rule after considering numerous statutes and Executive orders related to rulemaking. Below we summarize our analyses based on a number of these statutes and Executive orders.

A. Impact on Small Entities

The Regulatory Flexibility Act of 1980 (RFA), 5 U.S.C. 601–612, as amended, requires Federal agencies to consider the potential impact of regulations on small entities during rulemaking. The term “small entities” comprises small businesses, not-for-profit organizations that are independently owned and operated and are not dominant in their fields, and governmental jurisdictions with populations of less than 50,000. Section 605 of the RFA allows an agency to certify a rule, in lieu of preparing an analysis, if the rulemaking is not expected to have a significant economic impact on a substantial number of small entities.

The Coast Guard certifies that, although some small entities may intend to transit the safety zone above, this rule will not have a significant economic impact on a substantial number of small entities. Vessel traffic will be able to safely transit around this safety zone. This regulation will only impact navigable waters within 400 yards from shore directly west of the airport's runway within the two private port authority managed yellow buoys. In addition, the Coast Guard will issue a Broadcast Notice to Mariners via VHF FM marine channel 16, which will allow small entities to adjust their transit plans, and the rule allows vessels to request permission to enter the zone from the COTP.

Under section 213(a) of the Small Business Regulatory Enforcement Fairness Act of 1996 (Pub. L. 104–121), if this rule will affect your small business, organization, or governmental jurisdiction and you have questions, contact the person listed in the **FOR FURTHER INFORMATION CONTACT** section.

Small businesses may send comments to the Small Business and Agriculture Regulatory Enforcement Ombudsman and the Regional Small Business Regulatory Fairness Boards by calling 1–888–REG–FAIR (1–888–734–3247).

B. Collection of Information

This rule will not call for a new collection of information under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520).

C. Federalism and Indian Tribal Governments

We have analyzed this rule under Executive Order 13132, Federalism, and have determined that it is consistent with the fundamental federalism principles and preemption requirements described in that Order.

Also, 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.

D. Unfunded Mandates Reform Act

As required by The Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1531–1538), the Coast Guard certifies that this rule will not result in an annual expenditure of \$100,000,000 or more (adjusted for inflation) by a State, local, or tribal government, in the aggregate, or by the private sector.

E. Environment

We have analyzed this rule under Department of Homeland Security Directive 023–01, Rev. 1, associated implementing instructions, and Environmental Planning COMDTINST 5090.1 (series), which guide the Coast Guard in complying with the National Environmental Policy Act of 1969 (42 U.S.C. 4321–4370f), and have determined that this action is one of a category of actions that do not individually or cumulatively have a significant effect on the human environment.

This rule is a safety zone. It is categorically excluded from further review under paragraph L60(a) of Appendix A, Table 1 of DHS Instruction Manual 023–01–001–01, Rev. 1. A Record of Environmental Consideration supporting this determination is available in the docket.

List of Subjects in 33 CFR Part 165

Harbors, Marine safety, Navigation (water), Reporting and recordkeeping requirements, Security measures, Waterways.

For the reasons discussed in the preamble, the Coast Guard amends 33 CFR part 165 as follows:

PART 165—REGULATED NAVIGATION AREAS AND LIMITED ACCESS AREAS

■ 1. The authority citation for part 165 continues to read as follows:

Authority: 46 U.S.C. 70034, 70051, 70124; 33 CFR 1.05–1, 6.04–1, 6.04–6, and 160.5; DHS Delegation No. 00170.1, Revision No. 01.4.

■ 2. Under the undesignated center heading “USCG Southeast District”, add § 165.793 to read as follows:

¹ (91 FR 490).

§ 165.793 Safety Zone; West of Cyril E. King Airport, St. Thomas, VI.

(a) *Location.* The following area is a safety zone: All navigable waters directly west of the end of the airport's runway from the following coordinates located at 18° 20.286' N, – 64° 59.0214' W; and 18° 20.1156' N, – 64° 59.0238' W through the two private port authority managed yellow buoys located at 18°20.288' N – 64°59.343' W; 18°20.116' N – 64°59.343' W.

(b) *Definitions.* As used in this section, *designated representative* means a Coast Guard Patrol Commander, including a Coast Guard coxswain, petty officer, or other officer operating a Coast Guard vessel and a Federal, State, and local officer designated by or assisting the Captain of the Port San Juan (COTP) in the enforcement of the safety zone.

(c) *Regulations.* (1) Under the general safety zone regulations in subpart C of this part, you may not enter the safety zone described in paragraph (a) of this section unless authorized by the COTP or the COTP's designated representative.

(2) To seek permission to enter, contact the COTP or the COTP's representative by telephone at (787) 289–2041, or a designated representative via VHF–FM radio on channel 16 to request authorization. Those in the safety zone must comply with all lawful orders or directions given to them by the COTP or the COTP's designated representative.

(d) *Enforcement.* The regulation described in paragraph (a) will be enforced at all times.

(2) The COTP may be assisted in the patrol and enforcement of the zone by Federal, State, and local agencies.

Robert E. Stiles,

Captain, U.S. Coast Guard, Acting Captain of the Port Sector San Juan.

[FR Doc. 2026–09040 Filed 5–6–26; 8:45 am]

BILLING CODE 9110–04–P

ENVIRONMENTAL PROTECTION AGENCY**40 CFR Part 62**

[EPA–R03–OAR–2025–0487; FRL–12943–02–R3]

Approval and Promulgation of Delegation of Authority for Designated Facilities and Pollutants; Allegheny County; Delegation of Authority of the Federal Plan for Existing Sewage Sludge Incineration Units

AGENCY: Environmental Protection Agency (EPA).

ACTION: Final rule.

SUMMARY: The Environmental Protection Agency (EPA) is codifying the approval of a request submitted by the Allegheny County Health Department (ACHD) for delegation of authority to implement and enforce the Federal plan for existing affected Sewage Sludge Incineration (SSI) units within Allegheny County in the Commonwealth of Pennsylvania. The Federal plan addresses the implementation and enforcement of the emission guidelines applicable to existing SSI units located in areas not covered by an approved and currently effective state plan. The Federal plan imposes emission limits and other control requirements for existing affected SSI facilities which will reduce designated pollutants.

DATES: This final rule is effective on June 8, 2026.

ADDRESSES: The EPA has established a docket for this action under Docket ID Number EPA–R03–OAR–2025–0487. All documents in the docket are listed on the *Regulations.gov* website. 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 through *Regulations.gov*, or please contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section for additionally available information.

FOR FURTHER INFORMATION CONTACT: Krystal Stankunas, Permits Branch (3AP10), Air & Radiation Division, U.S. Environmental Protection Agency, Region III, 1600 John F Kennedy Boulevard, Philadelphia, Pennsylvania 19103. The telephone number is (215) 814–5271. Ms. Stankunas can also be reached via electronic mail at *Stankunas.krystal@epa.gov*.

SUPPLEMENTARY INFORMATION:**I. Background**

On April 29, 2016, in accordance with sections 111 and 129 of the Clean Air Act (CAA), the EPA codified at 40 Code of Federal Regulations (CFR) part 62, subpart LLL, a Federal plan for existing SSI units (“Federal plan”) that implements the emission guidelines (EG) in States that do not have an approved State plan. See 81 FR 26040 (April 29, 2016). The EPA implementation and enforcement of the Federal plan is viewed as an interim measure until States assume their role as the preferred implementers of the EG requirements stipulated in the Federal

plan. Accordingly, the EPA encourages States to either develop their own plan or to request delegation of the Federal plan, as the ACHD has done. State plans and requests for delegations of authority that have been approved by the EPA are reflected in the Code of Federal Regulations at 40 CFR part 62, subparts B through DDD.

On November 20, 2025 (90 FR 52313), the EPA published a notice of proposed rulemaking (NPRM) in accordance with the EPA's Delegation Manual, item 7–139. In the NPRM, the EPA proposed approval of the ACHD request dated November 13, 2017 for delegation of authority to implement and enforce the Federal plan for existing SSI units. The EPA is now taking final action to delegate authority to the ACHD to implement and enforce the Federal plan. The purpose of this delegation is to acknowledge the ACHD's ability to implement the Federal plan and to transfer primary implementation and enforcement responsibility from the EPA to the ACHD for existing applicable sources of SSI units.

II. Summary of Action and EPA Analysis

On November 13, 2017, the ACHD requested delegation of authority from the EPA to implement and enforce the Federal plan for existing SSI units, codified at 40 CFR part 62 subpart LLL. The scope of the request from the ACHD included all affected facilities within Allegheny County. Evaluation of the ACHD's requested delegation authority from the EPA to implement and enforce the Federal plan for existing SSI units is discussed in the NPRM for this action. November 20, 2025 (90 FR 52313).

The EPA prepared the Memorandum of Agreement (MOA) that defined the policies, responsibilities, and procedures by which the SSI Federal Plan would be administered by both the ACHD and the EPA, pursuant to 40 CFR part 62, subpart LLL for SSI units. The MOA serves as the transfer mechanism for the implementation and enforcement authority to the ACHD.

The MOA became effective upon signature by Regional Administrator, Amy Van Blarcom-Lackey, on June 17, 2025. The EPA continues to retain enforcement authority along with the ACHD. The delegation of authority is effective on June 8, 2026.

III. EPA's Response to Comments Received

The EPA received one set of comments on the November 20, 2025 NPRM. A summary of the comments and the EPA's responses are included in

this section. A copy of the set of comments can be found in the docket for the rulemaking action.

Comment 1: The comment states that to the extent that the action relies on Administrative Procedure Act (APA) provisions at 5 U.S.C. 553(b)(B), (b)(A), or (d)(3), the EPA should provide a detailed justification. The comment requests that the EPA otherwise provide the standard prior notice-and-comment and a 30-day delayed effective date.

Response 1: The EPA is not relying on any of the APA provisions at 5 U.S.C. 553 specified in the comment. The EPA published the proposed rule on November 20, 2025, with a comment period ending December 22, 2025. That proposed rule was not a final action for the commenter to petition the EPA for a stay or delay of a yet-to-be-established effective date. The EPA is now finalizing that proposed rule with an effective date 30 days after the date of publication in the **Federal Register**.

Comment 2: The comment claims that the EPA did not provide a factual basis for the certification under the Regulatory Flexibility Act (RFA) and states that the EPA should consult with the Small Business Administration's Office of Advocacy under the Small Business Regulatory Enforcement Fairness Act (SBREFA) consistent with SBREFA best practices.

Response 2: The EPA disagrees. The EPA certified this rule will not have a significant economic impact because it delegates to the ACHD authority to implement the Federal plan. Per the source inventory which is included in the docket, the ACHD will only regulate a single entity in implementing the delegated Federal plan. The Federal Plan, which applies to the existing SSI units in Allegheny County and all other SSI units nationwide for which there is no State plan, was certified not to have a significant impact on a substantial number of small entities. See 81 FR 26050 at 26062 (April 29, 2016). This final rule delegates authority to the ACHD to implement and enforce the Federal Plan for existing SSI units in Allegheny County and does not regulate a greater number of SSI units than those regulated under the Federal Plan. The facility with the SSI unit is not a small entity. Consultation with the SBA is not necessary.

Comment 3: The comment states that the rulemaking asserts that it imposes no new information collection burden under the Paperwork Reduction Act (PRA) but should support that statement by providing Office of Management and Budget (OMB) control numbers covering reporting and recordkeeping for each facility/pollutant affected by this

delegation and explain how the local delegatee's collection role is addressed under those information collection requests. The comment claims that information collections conducted by a non-Federal entity "for or on behalf of" a Federal agency are subject to the PRA under 5 CFR 1320.3(d).

Response 3: The EPA disagrees. The PRA does not apply because the action does not involve an information collection burden as defined by the Act. The delegated Federal plan only applies to a single facility. Therefore, this action is not conducting or sponsoring the collection of information from ten or more persons such that Office of Management and Budget approval is required. See 44 U.S.C. 3502(3) and (10), 3507; 5 CFR 1320.3(c).

Comment 4: The comment states that the EPA should provide in the docket the basis for the E.O. 12866 determination that the action is not a significant regulatory action. Without providing specifics, the comment speculates that this action could be a significant regulatory action because delegation of Federal plan/emission guideline implementation across multiple designated facilities and pollutants may raise novel legal or policy issues, especially where it allocates site-specific discretionary approval authorities from EPA to a State/local agency. Finally, the comment states that if the EPA consulted the Office of Information and Regulatory Affairs (OIRA) informally, the EPA should add a memorandum to the file to reflect OIRA consultation.

Response 4: The EPA disagrees. The Agency has complied with E.O. 12866 by determining that the rulemaking is not a significant regulatory action as defined in E.O. 12866. This action authorizes the ACHD to implement and enforce the Federal plan for existing SSI units, and the agency certified that the Federal plan was not a significant regulatory action. See 81 FR 26040 at 26062 (April 29, 2016). Consultation with the OIRA was not required. This action does not raise novel legal or policy issues as it relates to implementation of the Federal plan. Furthermore, per paragraph VI.B. of the MOA, the EPA retains authorities such as site-specific operating limits and alternatives to the emission limits and standards in Tables 2 and 3 of the Federal Plan, approval of major alternatives to test methods, monitoring, and recordkeeping and reporting, and performance test and data reduction waivers.

Comment 5: The comment states that the following items ought to be included in the docket to allow for "the public to

evaluate the impacts and legality of this delegation," provide a meaningful opportunity to comment, and to reopen the comment period if such documents were not provided: (1) a delegation request letter from the State/local agency, (2) the delegation agreement or memorandum of agreement, (3) a subpart-by-subpart matrix identifying the specific authorities being delegated and those retained by EPA, (4) evidence of the delegatee's legal authority and adequate resources, and (4) guidance or implementation procedures that will govern permit writers and regulated sources under the delegation.

Response 5: The EPA provided a meaningful opportunity to comment by including in the docket all documents that are most critical to the EPA's decision to delegate implementation of the Federal Plan to the ACHD. See *Chamber of Commerce of the United States v. SEC*, 443 F.3d 890, 900 (D.C. Cir. 2006) ("In essence, the question is whether at least the most critical factual material that is used to support the agency's position on review . . . has been made public in the proceeding and exposed to refutation.") (internal quotation marks and citations omitted). The EPA included in the docket the memorandum of agreement (MOA), the delegation request letter from the State/local agency, and the delegation request submission which provides the ACHD's legal authority and an explanation of its resources.

The suggested subpart-by-subpart matrix is inapplicable, as the EPA is only delegating authority to implement a single subpart in this action. Moreover, paragraph VI of the MOA identifies which authorities the EPA retains as the Federal plan requires at 40 CFR part 62, subpart LLL.

While the MOA mentions enforcement and permitting documents,¹ these documents are not critical to the EPA's decision to delegate implementation of the Federal plan to the ACHD. Nor are they specific to the sewage sludge incinerator MOA between the EPA and the ACHD. Rather they are the general policies and procedures that the ACHD already

¹ Public enforcement and permitting documents are available at, www.epa.gov/compliance/clean-air-act-stationary-source-compliance-monitoring-strategy, www.epa.gov/enforcement/revised-timely-and-appropriate-t-and-enforcement-response-high-priority-violations-hpvs, www.epa.gov/compliance/guidance-federally-reportable-violations-stationary-air-sources, and www.epa.gov/caa-permitting/caa-permitting-tools-related-resources. For approval of ACHD's permitting program. See 66 FR 55112 (November 11, 2001), 78 FR 13493 (February 28, 2013), and 85 FR 36164 (June 15, 2020).

follows in enforcing and administering its air program.

IV. Final Action

In this action, the EPA is delegating to the ACHD the authority to implement and enforce the Federal plan for SSI units within Allegheny County. The Code of Federal Regulations is being amended at 40 CFR part 62, subpart NN to reflect this delegation, thus satisfying the procedural requirements outlined in EPA's Delegation Manual.²

V. Statutory and Executive Order Reviews

1. General Requirements

Under the CAA, the EPA has the authority to delegate to a state or local agency the authority to implement a 111(d)/129 Federal Plan so long as the delegation complies with the provisions of the CAA and applicable Federal regulations. 42 U.S.C. 7411(d) and 7429(b)(3); 40 CFR 60.5045; 40 CFR 62.15865. In reviewing 111(d)/129 Federal Plan delegation requests, the EPA's role is to approve State choices, provided that they meet the criteria of the CAA and the EPA's implementing regulations. Accordingly, this action codifies in the Code of Federal Regulations the EPA's delegation of authority to the ACHD to administer the Federal Plan and does not impose additional requirements beyond those imposed by the already applicable SSI Federal Plan.

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 was therefore not submitted to the Office of Management and Budget (OMB) for review.

B. Executive Order 14192: Unleashing Prosperity Through Deregulation

This action is not expected to be 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 an information collection burden under the PRA (44 U.S.C. 3501 *et seq.*) because it does not contain any information collection activities.

D. Regulatory Flexibility Act (RFA)

This action is certified as not having a significant economic impact on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*). This action merely delegates to the local agency the authority to implement the already applicable requirements of the Federal Plan.

E. Unfunded Mandates Reform Act (UMRA)

This action does not contain any unfunded mandate, as described in the Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1531–1538) and does not significantly or uniquely affect small governments.

F. Executive Order 13132: Federalism

This action does not have federalism implications as specified in Executive Order 13132 (64 FR 43255, August 10, 1999) because 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 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 explain 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. This action merely delegates to a local agency the authority to administer the already applicable SSI Federal Plan.

H. 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.

I. National Technology Transfer and Advancement Act (NTTAA)

This final rule does not involve technical standards. This action merely delegates to a local agency the authority

to administer the already applicable SSI Federal Plan.

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

This action does not have tribal implications as specified in Executive Order 13175. Thus, Executive Order 13175 does not apply to this action.

2. Submission to Congress and the Comptroller General

The Congressional Review Act, 5 U.S.C. 801 *et seq.*, as added by the Small Business Regulatory Enforcement Fairness Act of 1996, generally provides that before a rule may take effect, the agency promulgating the rule must submit a rule report, which includes a copy of the rule, to each House of the Congress and to the Comptroller General of the United States. The EPA will submit a report containing this action and other required information to the U.S. Senate, the U.S. House of Representatives, and the Comptroller General of the United States prior to publication of the rule in the **Federal Register**. A major rule cannot take effect until 60 days after it is published in the **Federal Register**. This action is not a "major rule" as defined by 5 U.S.C. 804(2).

3. Petitions for Judicial Review

Under section 307(b)(1) of the CAA, petitions for judicial review of this action must be filed in the United States Court of Appeals for the appropriate circuit by July 6, 2026. Filing a petition for reconsideration by the Administrator of this final rule does not affect the finality of this action for the purposes of judicial review nor does it extend the time within which a petition for judicial review may be filed and shall not postpone the effectiveness of such rule or action. This action, codifying approval of a request submitted by the ACHD for delegation of authority to implement and enforce the Federal plan for existing affected SSI units, may not be challenged later in proceedings to enforce its requirements. (See CAA section 307(b)(2)).

List of Subjects in 40 CFR Part 62

Environmental protection, Administrative practice and procedure, Air pollution control, Intergovernmental relations, Reporting and recordkeeping requirements, Waste treatment and disposal.

Amy Van Blarcom-Lackey,
Regional Administrator, Region III.

For the reasons stated in the preamble, the Environmental Protection

² Section 7–139 of the EPA's Delegation Manual is entitled "Implementation and Enforcement of 111(d)(2) and 111(d)/129(b)(3) Federal Plans" and the reader may refer to it in the docket for this rule at *Regulations.gov* (see Docket ID Number EPA–R03–OAR–2025–0487).

Agency amends part 62, chapter I, title 40 of the Code of Federal Regulations as follows:

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

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

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

Subpart NN—Pennsylvania

■ 2. Add an undesignated center heading and § 62.9695 to subpart NN to read as follows:

Air Emissions From Existing Sewage Sludge Incinerators (Ssi)—Section 111(D)/129 Federal Plan Delegations

§ 62.9695 Identification of plan—delegation of authority.

(a) *Identification of plan—delegation of authority.* On June 17, 2025, the EPA signed a Memorandum of Agreement (MOA) that defines policies, responsibilities, and procedures pursuant to 40 CFR part 62, subpart LLL (the “Federal plan”) by which the Federal plan will be administered by the Allegheny County Health Department (ACHD).

(b) *Identification of sources.* The MOA and related Federal plan apply to all affected SSI units within Allegheny County, Pennsylvania that meet all the following criteria under § 62.15855:

(1) The SSI unit(s) commenced construction on or before October 14, 2010, or physical or operational changes to the SSI unit(s) commenced construction on or before September 21, 2011 primarily to comply with 40 CFR part 62, subpart LLL.

(2) The SSI unit(s) meets the definition of an SSI unit as defined in § 62.16045; and

(3) The SSI unit(s) is not exempt under § 62.15860.

(c) *Effective date of delegation.* The delegation became fully effective on June 8, 2026.

[FR Doc. 2026-09043 Filed 5-6-26; 8:45 am]

BILLING CODE 6560-50-P

FEDERAL COMMUNICATIONS COMMISSION

47 CFR Part 1

[WC Docket No. 17–84; FCC 25–38; FR ID 343685]

Accelerating Wireline Broadband Deployment by Removing Barriers to Infrastructure Investment

AGENCY: Federal Communications Commission.

ACTION: Final rule; announcement of effective date.

SUMMARY: In this document, the Wireline Competition Bureau (Bureau) announces that the Office of Management and Budget (OMB) has approved the information collection associated with the Commission’s revised pole attachment rules in *Accelerating Wireline Broadband Deployment by Removing Barriers to Infrastructure Investment, Fifth Report and Order, Fourth Further Notice of Proposed Rulemaking, and Orders on Reconsideration*, FCC 25–38, which stated that the revised rules would not become effective until OMB completed its review of any information collection requirements under the Paperwork Reduction Act and that the Bureau would announce the effective date for the revised rules by subsequent Public Notice.

DATES: The amendments to §§ 1.1403(b), 1.1411(c) through (k), and 1.1412(a) and (b), (e), published at 90 FR 41726, August 26, 2025, are effective on May 7, 2026.

FOR FURTHER INFORMATION CONTACT:

Michael Ray, Attorney Advisor, Wireline Competition Bureau, at (202) 418–0357, or by email at Michael.Ray@fcc.gov. For additional information concerning the Paperwork Reduction Act information collection requirements, contact Nicole Ongele at (202) 418–2991 or nicole.ongele@fcc.gov.

SUPPLEMENTARY INFORMATION: On July 24, 2025, the Commission adopted *Accelerating Wireline Broadband Deployment by Removing Barriers to Infrastructure Investment, Fifth Report and Order, Fourth Further Notice of Proposed Rulemaking, and Orders on Reconsideration*, FCC 25–38, published at 90 FR 41726, August 26, 2025. In the *Fifth Report and Order*, the Commission established rules (1) ensuring greater collaboration and cooperation between utilities and attachers, (2) establishing a timeline for large pole attachment requests, (3) improving the pole attachment timeline, and (4) speeding

up the contractor approval process. The Commission stated that these rule changes may contain new or modified information collection requirements and would not become effective until OMB completes its review of any information collection requirements that the Bureau determined is required under the Paperwork Reduction Act. The Commission also directed the Bureau to announce the effective date for the revisions to §§ 1.1403(b), 1.1411(c)–(k), and 1.1412(a)–(b), (e) by subsequent public notice.

On April 17, 2026, OMB approved the information collection requirements related to the pole attachment rules contained in the *Fifth Report and Order*. The OMB Control Number is 3060–1151. The Bureau publishes this document as an announcement of the effective date of the pole attachment rules adopted in the *Fifth Report and Order*. If you have any comments on the burden estimates listed below, or how the Commission can improve the collections and reduce any burdens caused thereby, please contact Nicole Ongele, Federal Communications Commission, 45 L Street NE, Washington, DC 20554. Please include the OMB Control Number 3060–1151 in your correspondence. The Commission also will accept your comments via email at PRA@fcc.gov. To request materials in accessible formats for people with disabilities (Braille, large print, electronic files, audio format), send an email to fcc504@fcc.gov or call the Consumer and Governmental Affairs Bureau at (202) 418–0530 (voice), (202) 418–0432 (TTY).

Synopsis

As required by the Paperwork Reduction Act of 1995 (44 U.S.C. 3507), the Bureau is notifying the public that it received final OMB approval on April 17, 2026 for the information collection requirements contained in the changes to the Commission’s pole attachment rules in 47 CFR part 1.

Under 5 CFR part 1320, an agency may not conduct or sponsor a collection of information unless it displays a current, valid OMB Control Number.

No person shall be subject to any penalty for failing to comply with a collection of information subject to the Paperwork Reduction Act that does not display a current, valid OMB Control Number.

The foregoing notification is required by the Paperwork Reduction Act of 1995, Public Law 104–13, October 1, 1995, and 44 U.S.C. 3507.

The total annual reporting burdens and costs for the affected respondents are as follows:

OMB Control Number: 3060–1151.

OMB Approval Date: April 17, 2026.

OMB Expiration Date: April 30, 2029.

Title: Sections 1.1411, 1.1412, 1.1415, and 1.1416 Pole Attachment Access and Dispute Resolution Requirements. Form Number: FCC Form 5653.

Type of Review: Revision of a currently-approved collection.

Respondents: Business or other for-profit entities.

Number of Respondents and Responses: 1,359 respondents; 185,584 responses.

Estimated Time per Response: 0.25–5 hours.

Frequency of Response: On occasion reporting requirement, recordkeeping requirement, and third-party disclosure requirements.

Obligation to Respond: Mandatory or required to obtain benefits. Statutory authority for this information collection is contained in 47 U.S.C. 224.

Total Annual Burden: 146,264 hours.

Total Annual Cost: \$1,800.

Needs and Uses: The Commission received OMB approval for revisions to an existing information collection, OMB Collection No. 3060–1151. In *Accelerating Wireline Broadband Deployment by Removing Barriers to Infrastructure Investment*, WC Docket No. 17–84, Fifth Report and Order, FCC 25–38 (rel. July 25, 2025) (Order), the Commission adopted rules that implement the pole attachment requirements in section 224 of the Communications Act of 1934, as amended. The Order substantially revised 47 CFR 1.1411 and 47 CFR 1.1412.

Section 1.1411. In the Order, the Commission adopted regulations requiring (1) greater collaboration and cooperation between utilities and attachers, (2) a timeline for large pole attachment requests, (3) improvements to the pole attachment timeline, and (4) improvements to the contractor approval process. The Commission adopted these requirements to help improve the attachment process and potentially reduce disputes, thus facilitating broadband deployment. Specifically, the Order requires (1) attachers to provide written notice to utilities of forthcoming pole attachment orders for orders exceeding 300 poles or 0.5 percent of the utility's poles in a state up to the lesser of 3,000 poles or 5 percent of a utility's poles in the state associated with a single network deployment and for orders exceeding the lesser of 3,000 poles or 5 percent of a utility's poles in the state up to the lesser of 6,000 poles or ten percent of a utility's poles in a state; (2) that an attacher that fails to provide timely

advance notice of such orders must, upon prompt notice from the utility, still wait the relevant advance notice period before the applicable timeline begins; (3) a meet-and-confer following the requisite advance notice for orders exceeding the lesser of 3,000 poles or five percent of a utility's poles in a state up to the lesser of 6,000 poles or ten percent of a utility's poles in a state; and (4) a new set of timelines for utilities to complete each pole access phase for large orders.

The Commission further revised its pole attachment timeline as follows: (1) require utilities to notify attachers within 15 days of receiving a complete application if they know or reasonably should know that they cannot meet the survey deadline, and require utilities to notify attachers within 15 days of payment of the estimate, and existing attachers to notify utilities and new attachers within 15 days of receiving notice from the utility, if they know or reasonably should know that they cannot meet the make-ready deadline; (2) add a self-help remedy for make-ready estimates, provided certain safeguards are met; and (3) prohibit utility-imposed limits on application size and frequency that have the effect of restricting the number of pole attachments attachers may seek in a given timeframe.

Section 1.1412. In the Order, the Commission adopted improvements to the contractor approval process by requiring utilities to respond to a request to add contractors to a utility-approved list within 30 days of receiving the request.

List of Subjects in 47 CFR Part 1

Telecommunications, cable, utility, procedures, filing requirements.

Federal Communications Commission.

Marlene Dortch,

Secretary, Office of the Secretary.

Final Rules

The Federal Communications Commission amends part 1 of Title 47 of the CFR to read as follows:

PART 1—PRACTICE AND PROCEDURE

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

Authority: 47 U.S.C. chs. 2, 5, 9, 13; 28 U.S.C. 2461 note; 47 U.S.C. 1754, unless otherwise noted.

■ 2. Amend § 1.1403 by revising the second sentence of paragraph (b) and paragraph (c)(3) to read as follows:

§ 1.1403 Duty to provide access; modifications; notice of removal, increase or modification; petition for temporary stay; and cable operator notice.

* * * * *

(b) * * * If access is not granted within the time periods specified in §§ 1.1411(d)(1) through (2) and (h), the utility must confirm the denial in writing by the applicable deadline.

* * *

(c) * * * * *

(3) Any modification of facilities by the utility other than make-ready noticed pursuant to § 1.1411(f), routine maintenance, or modification in response to emergencies.

* * * * *

■ 3. Amend § 1.1411 by

■ a. Revising paragraphs (a)(4) and (5);

■ b. Redesignating paragraphs (c) through paragraph (k), and adding new paragraph (c);

■ c. Revising redesignated paragraphs (d)(2), (d)(3)(i) and (iii), (d)(4)(iv)(A) and (B), first sentence of paragraph (e), introductory text of paragraph (f)(1), paragraph (f)(1)(ii) and (iv), (f)(2)(ii) and (v), (f)(3);

■ d. Adding paragraph (f)(4);

■ e. Revising paragraphs (g), (h)(1) through (h)(4) and second sentence of paragraph (h)(5), second sentence of paragraph (i)(3), introductory text of paragraph (j)(1) and paragraph (j)(2);

■ f. Redesignating paragraph (j)(3) as paragraph (j)(4) and adding new paragraph (j)(3),

■ g. Revising introductory text of paragraphs (k) and (k)(2), paragraph (k)(2)(ii) and the second sentence of paragraph (k)(4)(iii).

The revisions and additions read as follows:

§ 1.1411 Timeline for access to utility poles.

(a) * * *

(4) The term “Mid-Sized Order” means pole attachment orders greater than the lesser of 300 poles or 0.5 percent of the utility's poles in a state and up to the lesser of 3,000 poles or 5 percent of the utility's poles in a state.

(5) The term “Large Order” means pole attachment orders greater than the lesser of 3,000 poles or 5 percent of the utility's poles in a state up to the lesser of 6,000 poles or 10 percent of the utility's poles in a state.

* * * * *

(c) *Advance notice for Mid-Sized and Large Orders; meet and confer for Large Orders.*

(1) New attachers shall give written advance notice to utilities as soon as practicable, but in no event less than 15 days before submitting a Mid-Sized Order and 60 days before submitting a

Large Order. For Mid-Sized Orders only, the advance notice requirement is limited to instances where the order threshold would be exceeded by pole attachment application(s) that are part of a single network deployment project being undertaken by the new attacher. The notice shall set forth detailed information that will allow the utility to properly assess the potential resource needs for the order, including but not limited to: (1) the new attacher's contact information; (2) a description of the proposed deployment area(s) and anticipated route(s); (3) an anticipated build-out schedule; and (4) for a Large Order a request to meet and confer with the utility within 30 days of the date of the notice.

(2) If an application is filed without the required written advance notice, including the required minimum information, then the utility may, upon prompt notice to the new attacher, treat such application as the 15-day advance notice for Mid-Sized Orders associated with a single network deployment or the 60-day advance notice for Large Orders. Such notice from the utility to the attacher shall state that the application will commence the advance notice period and that the applicable timelines do not begin to run until after expiration of the relevant advance notice period. If it is a Large Order, the notice shall also state that the attacher must request the meet-and-confer required by our rules. At the end of the advance notice period, the new attacher can submit a new application or notify the utility that it is continuing with its original submission as its application, and the utility may not impose any additional or increased fees. Failure by the utility to give prompt notice that it is treating the attacher's application as the advance notice will result in the application proceeding to be processed under the applicable timelines without an advance notice period or meet-and-confer requirement. If the attacher fails to request the meet-and-confer described in paragraph (c)(3) of this section, then the advance notice period will not begin to run until such request is made.

(3) New attachers and utilities shall meet and confer within 30 days after an advance notice is given to negotiate in good faith the mechanics and the timing of processing Large Orders. The parties shall find a mutually agreeable day and time for a meeting (which can be in person, virtual, or by phone) within the 30-day period after the advance notice is given.

(d) * * *

(2) *Application review on the merits.*

A utility shall respond to the new attacher either by granting access or,

consistent with § 1.1403(b), denying access within 45 days of receipt of a complete application to attach facilities to its utility poles (or within 60 days in the case of Mid-Sized Orders or within 90 days in the case of Large Orders as described in paragraph (h) of this section). * * *

(3) * * *

(i) A utility shall complete a survey of poles for which access has been requested within 45 days of receipt of a complete application to attach facilities to its utility poles (or within 60 days in the case of Mid-Size Orders or within 90 days in the case of Large Orders as described in paragraph (h) of this section). A utility shall notify a new attacher within 15 days of receipt of a complete application if the utility knows or reasonably should know that it cannot meet the survey deadline. A new attacher can elect self-help for the survey work pursuant to § 1.1411(j)(1) any time after it receives the utility's notice.

* * * * *

(iii) Where a new attacher has conducted a survey pursuant to paragraph (k)(3) of this section, a utility can elect to satisfy its survey obligations in this paragraph by notifying affected attachers of its intent to use the survey conducted by the new attacher pursuant to paragraph (k)(3) of this section and by providing a copy of the survey to the affected attachers within the time period set forth in paragraph (d)(3)(i) of this section. A utility relying on a survey conducted pursuant to paragraph (k)(3) of this section to satisfy all of its obligations under paragraph (d)(3)(i) of this section shall have 15 days to make such a notification to affected attachers rather than the applicable survey period.

(4) * * *

(iv) * * *

(A) A utility that receives such an amended attachment application may, at its option, restart the 45-day period (or 60-day period for Mid-Sized Orders or 90-day period for Large Orders) for responding to the application and conducting the survey.

(B) A utility electing to restart the 45-day period (or 60-day period for Mid-Sized Orders or 90-day period for Large Orders) shall notify the attacher of its intent to do so within five (5) business days of receipt of the amended application or by the 45th day (or 60th or 90th day, if applicable) after the original application is considered complete, whichever is earlier.

(e) *Estimate.* Where a new attacher's request for access is not denied, a utility shall present to a new attacher a

detailed, itemized estimate, on a pole-by-pole basis where requested, of charges to perform all necessary make-ready within 14 days of completing the survey required by paragraph (d)(3) of this section (or within 29 days in the case of Large Orders as described in paragraph (h)(3) of this section), or in the case where a new attacher has performed a survey, within 14 days of receipt by the utility of such survey (or within 29 days in the case of Large Orders as described in paragraph (h)(3) of this section). * * *

* * * * *

(f) *Make-ready.* Upon receipt of payment specified in paragraph (e)(2) of this section, a utility shall notify immediately and in writing all known entities with existing attachments that may be affected by the make-ready.

(1) * * *

(ii) Set a date for completion of make-ready in the communications space that is no later than 30 days after notification is sent (or up to 75 days in the case of Mid-Sized Orders or up to 120 days in the case of Large Orders as described in paragraph (h) of this section).

* * * * *

(iv) State that if make-ready is not completed by the completion date set by the utility in paragraph (f)(1)(ii) in this section, the new attacher may complete the make-ready specified pursuant to paragraph (f)(1)(i) in this section.

* * * * *

(2) * * *

(ii) Set a date for completion of make-ready that is no later than 90 days after notification is sent (or 135 days in the case of Mid-Sized Orders or 180 days in the case of Large Orders, as described in paragraph (h) of this section).

* * * * *

(v) State that if make-ready is not completed by the completion date set by the utility in paragraph (f)(2)(ii) in this section (or, if the utility has asserted its 15-day right of control, 15 days later), the new attacher may complete the make-ready specified pursuant to paragraph (f)(2)(i) of this section.

* * * * *

(3) Once a utility provides the notices described in this section, it then must provide the new attacher with a copy of the notices and the existing attachers' contact information and address where the utility sent the notices. The new attacher shall be responsible for coordinating with existing attachers to encourage their completion of make-ready by the dates set forth by the utility in paragraph (f)(1)(ii) of this section for communications space attachments or paragraph (f)(2)(ii) of this section for

attachments above the communications space.

(4) Utilities shall notify a new attacher as soon as practicable but no later than 15 days after receipt of payment specified in paragraph (e)(2) of this section if the utility knows or reasonably should know that it cannot meet the make-ready deadline. Existing attachers shall notify the utility and a new attacher as soon as practicable but no later than 15 days after receiving notice from the utility pursuant to the requirements of paragraph (e) of this section that the existing attacher knows or reasonably should know that it cannot meet the make-ready deadline. Pursuant to paragraph (j)(3) of this section, a new attacher can elect self-help for the make-ready work that the notifying party cannot do any time after it receives the notice.

(g) A utility shall complete its make-ready in the communications space by the same dates set for existing attachers in paragraph (f)(1)(ii) of this section or its make-ready above the communications space by the same dates for existing attachers in paragraph (f)(2)(ii) of this section (or if the utility has asserted its 15-day right of control, 15 days later).

(h) * * *

(1) A utility shall apply the timeline described in paragraphs (d) through (g) of this section to all requests for attachment up to the lesser of 300 poles or 0.5 percent of the utility's poles in a state.

(2) A utility may add 15 days to the survey period described in paragraph (d) of this section and 45 days to the make-ready periods described in paragraph (f) of this section, for orders greater than the lesser of 300 poles or 0.5 percent of the utility's poles in a state and up to the lesser of 3,000 poles or 5 percent of the utility's poles in a state (Mid-Sized Orders).

(3) A utility may add 45 days to the survey period described in paragraph (d) of this section, 15 days to the estimate period described in paragraph (e) of this section, and 90 days to the make-ready periods described in paragraph (f) of this section to orders greater than the lesser of 3,000 poles or 5 percent of the utility's poles in a state up to the lesser of 6,000 poles or 10 percent of the utility's poles in a state (Large Orders).

(4) A utility shall negotiate in good faith the timing of all requests for attachment larger than the lesser of 6,000 poles or 10 percent of the utility's poles in a state.

(5) * * * However, a utility shall not impose application size limits in combination with application frequency

limits that have the effect of restricting the number of pole attachments new attachers may seek in a given timeframe.

(i) * * *

(3) * * * An existing attacher that so deviates shall immediately notify, in writing, the new attacher and other affected existing attachers and shall identify the affected poles and include a detailed explanation of the basis for the deviation and a new completion date, which in no event shall extend beyond 60 days from the date the notice described in paragraph (f)(1) of this section is sent by the utility (or up to 105 days in the case of Mid-Sized Orders or up to 150 days in the case of Large Orders). * * *

(j) * * *

(1) *Surveys.* If a utility fails to complete a survey as specified in paragraph (d)(3)(i) of this section, then a new attacher may conduct the survey in place of the utility and, as specified in § 1.1412, hire a contractor to complete a survey.

* * * * *

(2) *Estimates.* If the utility fails to present an estimate to the new attacher by the date specified in paragraph (e) of this section, then a new attacher may prepare the estimate in accordance with the requirements applicable to utility-prepared estimates set forth in paragraph (e) of this section. If a new attacher exercises its self-help option to prepare an estimate for utility review, the new attacher shall (1) wait until the utility's 14-day deadline (or 29 days in the case of Large Orders) has expired before exercising the self-help remedy; (2) provide notice to the utility that it is exercising its self-help remedy for an estimate; (3) use an approved contractor to prepare the estimate in accordance with § 1.1412(a)–(b); and (4) allow utilities the ability to review and approve the self-help estimate at the attacher's expense, but expenses must be reasonable and based only on the actual costs incurred by the utility in reviewing the estimate. The new attacher cannot use self-help for estimates of pole replacements. The utility must provide the new attacher with a written decision on the self-help estimate within 14 days of receiving the estimate from the new attacher or before it is withdrawn by the attacher, whichever is later. If the estimate is accepted by the utility, then it is subject to the reconciliation process set forth in § 1.1411(e)(3). If the estimate is not accepted by the utility, then the utility must detail in writing the reasons for non-acceptance. The attacher then has the ability to submit a revised estimate to the utility without starting the pole attachment timeline from the beginning.

(3) *Make-ready.* If make-ready is not complete by the date specified in paragraph (f) of this section, then a new attacher may conduct the make-ready in place of the utility and existing attachers, and, as specified in § 1.1412, hire a contractor to complete the make-ready.

* * * * *

(k) *One-touch make-ready option.* For attachments involving simple make-ready, new attachers may elect to proceed with the process described in this paragraph in lieu of the attachment process described in paragraphs (d) through (g) and (j) of this section.

* * * * *

(2) *Application review on the merits.* The utility shall review on the merits a complete application requesting one-touch make-ready and respond to the new attacher either granting or denying an application within 15 days of the utility's receipt of a complete application (or within 30 days in the case of Mid-Sized Orders or within 45 days in the case of Large Orders as described in paragraph (h) of this section).

* * * * *

(ii) Within the 15-day application review period (or within 30 days in the case of Mid-Sized Orders or within 45 days in the case of Large Orders as described in paragraph (h) of this section), a utility may object to the designation by the new attacher's contractor that certain make-ready is simple. * * *

* * * * *

(4) * * *
(iii) * * * The affected make-ready shall then be governed by paragraphs (e) through (j) of this section and the utility shall provide the notice required by paragraph (f) of this section as soon as reasonably practicable.

* * * * *

■ 4. Amend § 1.1412 by revising the introductory text of paragraphs (b)(1) and (2) and add paragraph (e) to read as follows:

§ 1.1412 Contractors for survey, estimates, and make-ready.

* * * * *

(b) *Contractors for simple work.* A utility may, but is not required to, keep up-to-date a reasonably sufficient list of contractors it authorizes to perform surveys, estimates, and simple make-ready. * * *

(1) If the utility does not provide a list of approved contractors for surveys, estimates, or simple make-ready or no utility-approved contractor is available within a reasonable time period, then the new attacher may choose its own

qualified contractor that meets the requirements in paragraph (c) of this section. When choosing a contractor that is not on a utility-provided list, the new attacker must certify to the utility that its contractor meets the minimum qualifications described in paragraph (c) of this section when providing notices required by § 1.1411(j)(1)(ii), (j)(2)(i), (k)(3)(i), and (k)(4).

(2) The utility may disqualify any contractor chosen by the new attacker that is not on a utility-provided list, but such disqualification must be based on reasonable safety or reliability concerns related to the contractor's failure to meet any of the minimum qualifications described in paragraph (c) of this section or to meet the utility's publicly available and commercially reasonable safety or reliability standards. The utility must provide notice of its contractor objection within the notice periods provided by the new attacker in § 1.1411(j)(1)(ii), (j)(2)(i), (k)(3)(i), and (k)(4) and in its objection must identify at least one available qualified contractor.

* * * * *

(e) Utilities must respond to an attacker's request to add contractors to their lists of contractors authorized to perform self-help surveys, estimates, and make-ready, as provided by paragraphs (a) and (b) of this section, within 30 days of receipt.

(1) The response must state whether the contractor meets the requirements of paragraph (c) of this section and will be added to the utility's list of approved contractors for survey, estimate, and make-ready work pursuant to paragraph (a) or (b) of this section following the successful completion of any reasonable steps to begin work established by the utility. For contractors proposed to perform work above the communications space, such reasonable steps may include any evaluation, approval, orientation, or other requirements that the utility would ordinarily apply to contractors that perform work on its electric power system. If the contractor has been denied, the response must describe the bases for rejection, be nondiscriminatory, and based on a fair application of commercially reasonable requirements for contractors related to issues of safety or reliability.

(2) If a utility fails to provide the response required by paragraph (e)(1) of this section within 30 days of receipt of an attacker's request, the contractor proposed by the attacker will be deemed approved to perform self-help surveys, estimates, and make-ready work on the utility's poles consistent with

paragraphs (a) or (b) of this section, and must be added to the utility's approved list of contractors following the successful completion of any reasonable steps to begin work established by the utility.

(3) A utility may disqualify a contractor that has been approved pursuant to paragraph (e)(1) or deemed approved pursuant to paragraph (e)(2) based on reasonable safety or reliability concerns related to the contractor's failure to meet any of the minimum qualifications described in paragraph (c) of this section or to meet the utility's uniformly applied and reasonable safety or reliability standards. Written notice must be provided to the attacker stating the specific safety and reliability bases for the disqualification.

[FR Doc. 2026-09083 Filed 5-6-26; 8:45 am]

BILLING CODE 6712-01-P

DEPARTMENT OF DEFENSE

Defense Acquisition Regulations System

48 CFR Part 223

[Docket DARS-2026-0067]

RIN 0750-AM18

Defense Federal Acquisition Regulation Supplement: Disclosure of Greenhouse Gas Emissions (DFARS Case 2024-D021)

AGENCY: Defense Acquisition Regulations System, Department of Defense (DoD).

ACTION: Final rule.

SUMMARY: DoD is issuing a final rule amending the Defense Federal Acquisition Regulation Supplement (DFARS) to implement a section of the National Defense Authorization Act for Fiscal Year 2024.

DATES: Effective May 7, 2026.

FOR FURTHER INFORMATION CONTACT: David Johnson, telephone 202-913-5764.

SUPPLEMENTARY INFORMATION:

I. Background

This final rule revises the DFARS to implement section 318 of the National Defense Authorization Act for Fiscal Year 2024 (Pub. L. 118-31). Section 318 prohibits DoD contracting officers from requiring, as a condition of contract award, nontraditional defense contractors to disclose a greenhouse gas inventory or any other report on

greenhouse gas emissions, unless DoD determines that requiring such disclosure is necessary to verify a voluntary disclosure relating to greenhouse gas emissions. A waiver is permitted on a contract-by-contract basis, provided that the information relating to greenhouse gas emissions is directly related to the performance of the contract. Section 318 defines the terms "greenhouse gas" and "greenhouse gas inventory."

To implement section 318, this rule adds subpart 223.5, Greenhouse Gas Emissions, to DFARS part 223. In addition to prohibiting required disclosure of greenhouse gas emissions from nontraditional defense contractors as a condition of contract award, this rule also prohibits DoD contracting officers' consideration, as a condition of contract award, of greenhouse gas emission information that offerors might otherwise provide in annual representations and certifications in response to certain Federal Acquisition Regulation (FAR) solicitation provisions. Additionally, in accordance with section 318, this rule allows a waiver from the disclosure prohibition where the disclosure directly relates to contract performance.

II. Publication of This Final Rule for Public Comment Is Not Required by Statute

The statute that applies to the publication of the FAR is 41 U.S.C. 1707, Publication of Proposed Regulations. Subsection (a)(1) of the statute requires that a procurement policy, regulation, procedure, or form (including an amendment or modification thereof) must be published for public comment if it relates to the expenditure of appropriated funds, and has either a significant effect beyond the internal operating procedures of the agency issuing the policy, regulation, procedure, or form, or has a significant cost or administrative impact on contractors or offerors. This final rule is not required to be published for public comment, because the rule merely limits the ability of DoD contracting officers to require and to consider greenhouse gas disclosures from certain offerors or contractors as a condition of contract award. The rule does not contain any requirements for offerors or contractors. Therefore, this limitation affects only the internal operating procedures of DoD.

III. Applicability to Contracts at or Below the Simplified Acquisition Threshold (SAT), for Commercial Products (Including Commercially Available Off-the-Shelf (COTS) Items), and for Commercial Services

This final rule does not create any new solicitation provisions or contract clauses. It does not impact any existing solicitation provisions or contract clauses or their applicability to contracts valued at or below the simplified acquisition threshold, for commercial products including COTS items, or for commercial services.

IV. Expected Impact of the Rule

This rule is not expected to have an impact on offerors or contractors, because the rule merely prohibits DoD contracting officers from requiring, as a condition of contract award, nontraditional defense contractors to disclose a greenhouse gas inventory or any other report on greenhouse gas emissions. The statute allows for an exception and the possibility of a waiver. In other words, this rule places a particular limit on the source selection scheme contracting officers might select for a given procurement. This limitation affects only the internal operating procedures of the Government.

In addition, this rule also prohibits DoD contracting officers' consideration, as a condition of contract award, of greenhouse gas emission information that offerors might otherwise provide in annual representations and certifications in response to the solicitation provision at FAR 52.223–22, Public Disclosure of Greenhouse Gas Emissions and Reduction Goals—Representation. The representations under this provision allow the Government greater insight into the greenhouse gas management practices of the Federal supplier base. However, the representations under the FAR provision require only that offerors indicate whether and where, *i.e.*, a publicly accessible website, they publicly disclose greenhouse gas emissions and greenhouse gas reduction goals. The provision neither requests nor requires specific greenhouse gas emission information.

V. Executive Orders 12866 and 13563

Executive Orders (E.O.s) 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and

equity). E.O. 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This is a significant regulatory action and, therefore, was subject to review under section 6(b) of E.O. 12866, Regulatory Planning and Review, as amended.

VI. Executive Order 14192

This rule is not subject to E.O. 14192, because this rule has a de minimis impact on the public. See discussion in section IV, Expected Impact of the Rule, of this preamble.

VII. Congressional Review Act

As required by the Congressional Review Act (5 U.S.C. 801–808) before an interim or final rule takes effect, DoD will submit a copy of the interim or final rule with the form, Submission of Federal Rules Under the Congressional Review Act, to the U.S. Senate, the U.S. House of Representatives, and the Comptroller General of the United States. A major rule under the Congressional Review Act cannot take effect until 60 days after it is published in the **Federal Register**. The Office of Information and Regulatory Affairs has determined that this rule is not a major rule as defined by 5 U.S.C. 804.

VIII. Regulatory Flexibility Act

The Regulatory Flexibility Act does not apply to this rule because this final rule does not constitute a significant DFARS revision within the meaning of FAR 1.501–1, and 41 U.S.C. 1707 does not require publication for public comment.

IX. Paperwork Reduction Act

This final rule does not contain any information collection requirements that require the approval of the Office of Management and Budget under the Paperwork Reduction Act (44 U.S.C. chapter 35).

List of Subjects in 48 CFR Part 223

Government procurement.

Kimberly R. Ziegler,

Editor/Publisher, Defense Acquisition Regulations System.

Therefore, the Defense Acquisition Regulations System amends 48 CFR part 223 as follows:

PART 223—ENVIRONMENT, SUSTAINABLE ACQUISITION, AND MATERIAL SAFETY

■ 1. The authority citation for 48 CFR part 223 continues to read as follows:

Authority: 41 U.S.C. 1303 and 48 CFR chapter 1.

■ 2. Add subpart 223.5 to read as follows:

Subpart 223.5—Greenhouse Gas Emissions

Sec.

223.501 Policy.

223.501–70 Disclosure of greenhouse gas emissions.

Subpart 223.5—Greenhouse Gas Emissions

223.501 Policy.

223.501–70 Disclosure of greenhouse gas emissions.

(a) *Scope.* This section implements section 318 of the National Defense Authorization Act for Fiscal Year 2024 (Pub. L. 118–31).

(b) *Definitions.* As used in this section—

Greenhouse gas means carbon dioxide, methane, nitrous oxide, nitrogen trifluoride, hydrofluorocarbons, perfluorocarbons, or sulfur hexafluoride.

Greenhouse gas inventory means, with respect to an entity or individual, a quantified list of the annual greenhouse gas emissions of the entity or individual.

(c) *Prohibition.* (1) Contracting officers must not require, as a condition of contract award, nontraditional defense contractors to disclose a greenhouse gas inventory or any other report on greenhouse gas emissions, unless an exception is made or a waiver is granted in accordance with paragraph (d) or (e) of this section, respectively.

(2) Contracting officers must not consider, as a condition of contract award to nontraditional defense contractors, greenhouse gas emission information that may otherwise be provided in annual representations and certifications in response to the following provisions:

(i) FAR 52.204–7, System for Award Management.

(ii) FAR 52.204–8, Annual Representations and Certifications, paragraph (c)(1)(ix), Public Disclosure of Greenhouse Gas Emissions and Reduction Goals—Representation.

(iii) FAR 52.212–3, Offeror Representations and Certifications—Commercial Products and Commercial Services, paragraph (t), Public Disclosure of Greenhouse Gas Emissions and Reduction Goals.

(iv) FAR 52.223–22, Public Disclosure of Greenhouse Gas Emissions and Reduction Goals—Representation.

(d) *Exception.* The prohibition at paragraph (c) of this section will not apply if a contracting official at least one level above the contracting officer determines that such disclosure is

necessary to verify a voluntary disclosure of a greenhouse gas inventory or other report.

(e) *Waiver*. The head of the contracting activity may issue, on a contract-by-contract basis, a waiver to the prohibition at paragraph (c) of this section, provided that the information relating to greenhouse gas emissions is directly related to the performance of the contract. In issuing such a waiver, the head of the contracting activity must ensure that any such required information is clearly delineated in the contract.

[FR Doc. 2026-09038 Filed 5-6-26; 8:45 am]

BILLING CODE 6001-FR-P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 648

[Docket No. 260304-0064; RTID 0648-XF634]

Fisheries of the Northeastern United States; Northeast Multispecies Fishery; Common Pool, Accountability Measures, and Regular B Days at Sea Measures Under Regional Administrator Authority for Fishing Year 2026

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

ACTION: Temporary rule.

SUMMARY: This action implements measures for the Northeast multispecies fishery under Regional Administrator authority for the 2026 fishing year. This action is necessary to ensure that the Northeast multispecies fishery may achieve the optimum yield for the relevant stocks, while controlling catch to help prevent in-season closures or quota overages. These measures are the allocation of zero trips into the Closed Area II Yellowtail Flounder/Haddock Special Access Program (SAP) for common pool vessels to target yellowtail flounder and the closure of the Regular B Days-at-Sea (DAS) Program.

DATES: Effective May 5, 2026, through April 30, 2027.

FOR FURTHER INFORMATION CONTACT: Spencer Talmage, Fishery Policy Analyst, 978-281-9232.

SUPPLEMENTARY INFORMATION: Section 305(d) of the Magnuson-Stevens Fishery Conservation and Management Act authorizes the Regional Administrator to implement measures that are necessary to carry out a fishery management plan (FMP). Consistent with this authority, Northeast multispecies regulations provide the means by which the Regional Administrator may implement the measures included in this action for the 2026 fishing year that began on May 1, 2026, consistent with the Northeast Multispecies FMP's goals and objectives. These measures are the allocation of trips for common pool vessels into the Closed Area II Yellowtail Flounder/Haddock Special Access Program (SAP) and the closure of the Regular B DAS Program.

Closed Area II Yellowtail Flounder/Haddock Special Access Program

The regulations at § 648.85(b)(3)(vii) allow common pool trips that may be declared into the Closed Area II Yellowtail Flounder/Haddock SAP to target yellowtail flounder only if the Regional Administrator authorizes such trips for the fishing year, after consultation with the New England Fishery Management Council. This action allocates zero trips for common pool vessels to target yellowtail flounder within the Closed Area II Yellowtail Flounder/Haddock SAP for fishing year 2026. As a result, this SAP is only open to target haddock, from August 1, 2026, through January 31, 2027. Northeast multispecies vessels fishing in the SAP must fish with a haddock separator trawl, a Ruhle trawl, or hook gear.

The Regional Administrator determines the allocation of the total number of trips into the Closed Area II Yellowtail Flounder/Haddock SAP based on: the available yellowtail flounder total allowable catch (TAC) under the U.S./Canada Resource Sharing Understanding; the potential catch of Georges Bank (GB) yellowtail flounder by all vessels fishing outside of the SAP; recent discard estimates in all

fisheries that catch yellowtail flounder; the expected number of SAP participants; and any other available information. Allocating trips to target yellowtail flounder in the Closed Area II Yellowtail Flounder/Haddock SAP is discretionary if the available GB yellowtail flounder catch is insufficient to support at least 150 trips with a 15,000-lb (6,804-kg) trip limit, for a total catch of 2,250,000 lb (1,020,600 kg). The commercial groundfish sub-ACL for yellowtail flounder for the 2026 fishing year is 167,551 lb (76,000 kg), which equals 11 trips landing a 15,000-lb (6,804-kg) limit. Given the low GB yellowtail flounder catch limit, catch rates outside of this SAP are more than adequate to fully harvest the 2026 GB yellowtail flounder allocation. Because the available GB yellowtail flounder catch cannot support at least 150 trips into the SAP with a 15,000-lb trip limit and catch rates outside the SAP are adequate to harvest available GB yellowtail flounder, there is insufficient GB yellowtail flounder to allocate any trips to the SAP.

If approved, Framework Adjustment 72 would reduce the 2026 GB yellowtail flounder sub-ACL. As a result, NMFS does not expect the final rule implementing Framework 72, if approved, would change the determination to allocate no trips to the SAP to target yellowtail flounder.

Regular B DAS Program

The regulations at § 648.85(b)(6)(vi) authorize the Regional Administrator to close the Regular B DAS program by prohibiting the use of Regular B DAS when the Regional Administrator determines that the continuation of the program would undermine the achievement of the objectives of the FMP or the Regular B DAS Program. One reason for terminating the program is an inability to constrain common pool catches to the Incidental Catch TACs.

On March 9, 2026, Framework Adjustment 69 (91 FR 11141) implemented Common Pool Incidental Catch TACs for the Regular B DAS Program for the 2026 fishing year (table 1). These TACs are further divided into Quarterly Incidental Catch TACs to be monitored and managed during each quarter of the fishing year.

TABLE 1—FISHING YEAR TOTAL AND QUARTERLY INCIDENTAL CATCH TACS FOR THE REGULAR B DAS PROGRAM (MT, LIVE WEIGHT)

Stock	Total incidental catch TAC (mt)	Quarterly incidental catch TAC (mt)			
		1st Quarter (13 percent)	2nd Quarter (29 percent)	3rd Quarter (29 percent)	4th Quarter (29 percent)
	2026				
GB Cod *	0.04	0.005	0.01	0.01	0.01
GOM Cod *	0.05	0.01	0.02	0.02	0.02
GB Yellowtail Flounder †	0.05	0.01	0.01	0.01	0.01
CC/GOM Yellowtail Flounder *	0.36	0.05	0.10	0.10	0.10
American Plaice †	10.22	1.33	2.96	2.96	2.96
Witch Flounder †	2.69	0.35	0.78	0.78	0.78
SNE/MA Winter Flounder #	0.49	0.06	0.14	0.14	0.14

* These catch limits are based on default specifications and would be replaced when the final rule for Amendment 25 becomes effective, if approved.

† These catch limits are based on Framework 69.

These catch limits are based on default specifications and would be replaced when the final rule for Framework 72 becomes effective, if approved.

With the exception of American plaice, the Incidental Catch TACs allocated to the Regular B DAS Program are very small, and in-season management of the Regular B DAS Program would be extremely difficult and impractical. Even if vessels target American plaice, bycatch of other stocks with an Incidental Catch TAC is likely. Implementation of an in-season action to close the Regular B DAS Program when a Quarterly Incidental Catch TAC has been reached would not be possible to prevent further catch of that stock.

As a result, it is unlikely that catch can be effectively limited to the Incidental Catch TACs during fishing year 2026, and NMFS projects that continuation of the program would undermine the achievement of the objectives of the Northeast Multispecies FMP and the Regular B DAS Program. The Regular B DAS Program will be closed and use of Regular B DAS is prohibited for the 2026 fishing year, through April 30, 2027. This applies to all vessels issued a limited access Northeast multispecies permit. The Regular B DAS Program has been closed in this manner annually since fishing year 2019.

Classification

This action is authorized by 50 CFR part 648 and is exempt from review under Executive Order 12866.

The Assistant Administrator for Fisheries, NOAA, finds good cause

pursuant to 5 U.S.C. 553(b)(B) and 5 U.S.C. 553(d)(3) to waive prior notice and the opportunity for public comment and the 30-day delayed effectiveness period because it would be contrary to the public interest and is unnecessary.

The Regional Administrator is authorized by the regulations implementing the Northeast Multispecies FMP to prevent overfishing and achieve the management objectives of the FMP. The regulations at § 648.85(b)(3)(vii) for the Closed Area II Yellowtail Flounder/Haddock SAP require that the Regional Administrator implement the measures within this action for the upcoming fishing year. There is no alternative action that could be taken with respect to these measures, nor could public comment provide new information that would change these requirements.

The closure of the Regular B DAS Program and prohibition of Regular B DAS is the result of determination that continuation of the program would undermine the achievement of the objectives of the Northeast Multispecies FMP or the Regular B DAS program. The Regular B DAS program closure implemented through this action will prevent an overage of the Incidental Catch TACs. Delay of this action would provide vessel owners an opportunity to participate in the Regular B DAS Program, but participation and catch in the program may likely exceed the

allocation. Exceeding the allocation is against the public's interest of achieving optimum yield.

For each of the measures included in this in-season action, delay for prior notice and opportunity for comment is unnecessary. These processes and criteria for determinations were established with prior notice and opportunity for comment. These actions are regular occurrences to which participants have become accustomed, and timely implementation and notice is expected to facilitate planning for the new fishing year. This action must be implemented as soon as possible to avoid adverse impacts on fishery stocks and participants by ensuring that the fishery's catch limits are not exceeded.

For the reasons above, delay of this action for additional prior notice and the opportunity for public comment and the 30-day delayed effectiveness period are unnecessary and against the public interest because they would undermine management objectives of the FMP and cause unnecessary negative economic impacts to the Northeast Multispecies fishery.

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

Dated: May 4, 2026.

Kelly Denit,

*Director, Office of Sustainable Fisheries,
National Marine Fisheries Service.*

[FR Doc. 2026-09071 Filed 5-5-26; 4:15 pm]

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Proposed Rules

Federal Register

Vol. 91, No. 88

Thursday, May 7, 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 HOMELAND SECURITY

8 CFR Part 103

[DHS Docket No. ICEB–2020–0005]

RIN 1653–AA82

Fee Adjustment for U.S. Immigration and Customs Enforcement Form I–246, Application for a Stay of Deportation or Removal

AGENCY: U.S. Immigration and Customs Enforcement (ICE), Department of Homeland Security (DHS).

ACTION: Notice of proposed rulemaking.

SUMMARY: DHS proposes to increase the fee for adjudicating Form I–246, *Application for a Stay of Deportation or Removal*, from \$155 to \$755. The rule proposes to adjust the Form I–246 fee to recover costs, which has not been adjusted since 1989. DHS also proposes to make technical edits to the stay of deportation and removal fee regulation.

DATES: Electronic comments must be submitted on or before July 6, 2026.

ADDRESSES: You may submit comments on the entirety of this proposed rule, identified by Docket No. ICEB–2020–0005, through the following method:

- *Federal eRulemaking Portal:* <https://www.regulations.gov>. Follow the website instructions to submit comments.

Comments submitted in a manner other than the one listed above, including emails or letters sent to DHS officials, will not be considered comments on the proposed rule, and may not receive a response from DHS. Please note that DHS cannot accept any comments that are mailed, hand delivered, or couriered. In addition, DHS cannot accept mailed comments contained on any form of digital media storage devices, such as CDs/DVDs and USB drives. If you cannot submit your material using <https://www.regulations.gov>, contact the person in the **FOR FURTHER INFORMATION**

CONTACT section of this document for alternate instructions.

FOR FURTHER INFORMATION CONTACT:

Office of the Principal Legal Advisor, Regulatory Affairs Unit, U.S. Immigration and Customs Enforcement, Department of Homeland Security, 500 12th Street SW, Washington, DC 20536–5901. Telephone 202–732–6960 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

I. Acronyms and Abbreviations

ABC Activity-Based Costing
CEQ Council on Environmental Quality
CFR Code of Federal Regulations
DHS Department of Homeland Security
E.O. Executive Order
EOIR Executive Office of Immigration Review
FTE Full Time Equivalent
FY Fiscal Year
HSA Homeland Security Act of 2002
ICE U.S. Immigration Customs Enforcement
INA Immigration and Nationality Act
INS Immigration and Naturalization Service
IIRIRA Illegal Immigration Reform and Immigrant Responsibility Act of 1996
NEPA National Environmental Policy Act
OMB Office of Management and Budget
RFA Regulatory Flexibility Act
SFFAS Statement of Federal Financial Accounting Standards
U.S.C. United States Code

II. Public Participation

DHS encourages all interested parties to participate in this rulemaking by submitting data, views, comments, and arguments on all aspects of this proposed rule. Comments providing the most assistance to DHS will reference a specific portion of the proposed rule, explain the reason for any recommended change, and include the data, information, or authority that supports the recommended change. See the **ADDRESSES** section above for information on where to submit comments.

A. Submitting Comments

To submit your comments online, go to <https://www.regulations.gov> and insert “ICEB–2020–0005” in the “Search” box. Click on the “Comment” box and input your comments in the text box provided. When you are satisfied with your comments, follow the prompts, and then click “Submit Comment.”

DHS will post comments to the federal e-Rulemaking portal at <https://www.regulations.gov> and will include any personal information you provide. Therefore, submitting this information makes it public. You may wish to

consider limiting the amount of personal information that you provide in any voluntary public comment submission you make to DHS. DHS may withhold information provided in comments from public viewing that it determines is offensive. For additional information, please read the “Privacy & Security Notice,” via the link in the footer of <https://www.regulations.gov>. DHS will consider all comments and materials received during the comment period and may change this rule based on comments received.

B. Viewing Comments and Documents

To view comments, as well as documents mentioned in this preamble as being available in the docket, go to <https://www.regulations.gov> and insert “ICEB–2020–0005” in the “Search” box. Next, click on “Dockets Folder,” then on the name of the rule, and finally on “Browse All Comments.” Individuals without internet access can make alternate arrangements for viewing comments and documents related to this rulemaking by contacting the individual listed in the **FOR FURTHER INFORMATION CONTACT** section above. You may also sign up for email alerts on the online docket to be notified when comments are posted, or a final rule is published.

III. Background and Purpose

A. Legal Authority

The Homeland Security Act of 2002 (HSA) provides the Secretary of Homeland Security (the Secretary) a broad range of immigration authorities. Section 102 of the HSA (Pub. L. 107–296, 116 Stat. 2135), 6 U.S.C. 112, and section 103(a)(1) and (3) of the Immigration and Nationality Act (INA), 8 U.S.C. 1103(a)(1), (3), charge the Secretary with the administration and enforcement of the immigration and naturalization laws of the United States. Section 241 of the INA authorizes the Secretary to grant a stay of deportation or removal (hereafter referred to as “stay”) in the Secretary’s unreviewable discretion. *See* INA sec. 242(g), 8 U.S.C. 1252(g) (stripping the federal courts of jurisdiction to hear any case or claim arising from the decision to execute removal orders).¹ The regulations

¹ However, the INA provides alternative methods for a petitioner to contest a removal order, including a petition for review filed in the court of appeals. *See, e.g.*, INA 242(a)(2)(D).

implementing the Secretary's authority to stay deportation or removal that are applicable to U.S. Immigration and Customs Enforcement (ICE), a component of the Department of Homeland Security (DHS), include 8 CFR 241.6 and 8 CFR 103.7. Through delegation of powers from the Secretary,² ICE is authorized to adjudicate applications for stays submitted to ICE. See INA sec. 241(c)(2), 8 U.S.C. 1231(c)(2) and 8 CFR 241.6.³

Section 286(m) of the INA authorizes the Secretary to set and collect fees for providing adjudication and naturalization services.⁴ The statute authorizes DHS to set fees at an amount that would collect the full cost of providing the services.⁵ The fee level may also include recovery of any additional costs associated with the administration of the fees.⁶ All fees collected under these authorities are deposited as offsetting receipts into the Immigration Examinations Fee Account and are available to the Secretary until expended for authorized purposes. See 8 U.S.C. 1356(m), (n). The current fee for Form I-246, *Application for a Stay of Deportation or Removal*, and ICE's authority to waive the fee are set forth in 8 CFR 103.7(d)(6).

As a general matter, in developing fees and fee rules, DHS looks to a range of governmental accounting provisions. The Office of Management and Budget (OMB) Circular No. A-25, User Charges (Revised), sets federal policy regarding user fees assessed for Government services and for the sale or use of Government goods or resources. OMB Circular A-25 provides guidance to executive branch agencies regarding the scope and type of activities subject to user fees and how to set such user fees.⁷ It applies to all federal activities that

convey special benefits to recipients beyond those accruing to the general public. OMB Circular A-25, para. 6, 58 FR 38142 (July 15, 1993), defines "full cost" to include all direct and indirect costs to any part of the federal government for providing a good, resource, or service. These costs include, but are not limited to, an appropriate share of the following: direct and indirect personnel cost, physical overhead, consulting and other indirect cost, management and supervisory cost, investigation, information collection and research, and establishment of standards and regulation, including any required environmental review. Section 31.5 of OMB Circular A-11, Preparation, Submission and Execution of the Budget, July 1, 2016, directs agencies to develop user charge estimates based on the full cost recovery policy set forth in OMB Circular A-25, (budget formulation and execution policy regarding user fees).

The Federal Accounting Standards Advisory Board (FASAB) Statement of Federal Financial Accounting Standards (SFFAS) No. 4: Managerial Cost Accounting Concepts and Standards for the Federal Government, July 31, 1995, updated June 2017, provides the standards for managerial cost accounting and full cost. SFFAS No. 4 defines "full cost" to include "direct and indirect costs that contribute to the output, regardless of funding sources." FASAB identifies various classifications of costs to be included and recommends various methods of cost assignment to identify full cost.

B. Background

After an alien becomes subject to an administratively final order of deportation or removal from the United States, ICE has discretion to grant a stay to temporarily delay the alien's physical removal. Aliens may apply for a stay with ICE by filing Form I-246, *Application for a Stay of Deportation or Removal*, under 8 CFR 241.6.⁸ Aliens may apply for a stay from ICE once they are subject to an administratively final order of deportation or removal. An order is final when all available administrative appeals of a removal or deportation order have been exhausted, and the only remaining step is the alien's physical removal.⁹ A stay is not

considered an immigration benefit or waiver because it only provides temporary delay in the physical removal of the alien.

When adjudicating an alien's application for a stay, in its discretion, ICE considers a number of factors, including the presence of compelling humanitarian reasons to delay the removal and if immediate physical removal is practicable or appropriate. For instance, ICE may take into consideration circumstances such as if the alien has a serious medical condition, is a minor, is required to be present in U.S. court proceedings, or other such circumstances that may result in a determination that physical removal is not in the public interest. Activities related to the adjudication of an application for an administrative stay of removal consist of, but are not limited to, conducting interviews, reviewing documentation, detecting and deterring fraud, and assessing eligibility to remain temporarily in the United States. When a stay is determined to be in the interest of the government or the public, ICE may use its discretion to grant a stay for a set period and under conditions that ICE determines are appropriate. When applying to ICE for a stay, the alien must file Form I-246 and pay the filing fee. This proposed rule seeks to adjust the filing fee that the alien must pay in the absence of an approved fee waiver.

An alien who is unable to pay the fee may request a fee waiver for Form I-246. Under the current procedures, ICE adjudicates fee waiver requests for Form I-246 based on its internal fee waiver policy established in 2008.¹⁰ Aliens can apply for a fee waiver for Form I-246 by submitting an affidavit or declaration to the officer that details their financial circumstances and their inability to pay the prescribed fee. The affidavit or declaration must be made under the penalty of perjury pursuant to 28 U.S.C. 1746. ICE does not require a specific form to be completed by aliens for the fee waiver. These procedures are flexible in that it does not specifically prescribe a set of evidentiary documents but rather allows the applicant to provide any relevant documentation that may assist the ICE officer in assessing the applicant's inability to pay.

Leslie v. Att'y Gen., 672 F.3d 265, 270 (3d Cir. 2012) (same).

¹⁰ U.S. Immigration and Customs Enforcement, *Fee Waiver Guidelines* (Feb. 11, 2008), https://www.ice.gov/doclib/foia/policy/11023.1_FeeWaiverGuidelines.pdf.

² Under the Homeland Security Act, references to the "Attorney General" in the INA also encompass the Secretary, either solely or additionally, with respect to the statutory authorities vested in the Secretary in the Homeland Security Act or subsequent legislation. See 6 U.S.C. 557.

³ See also DHS Delegation of Authority to the Assistant Secretary for U.S. Immigration and Customs Enforcement. (DHS Do. No. 7030.2 (a)(w)).

⁴ 8 U.S.C. 1356(m) authorizes the Secretary to set and collect fees at a level that would ensure recovery of the full costs of providing such services, including the costs of providing similar services without charge to asylum applicants and certain other immigrants.

⁵ *Id.*

⁶ *Id.*

⁷ By policy, OMB Circular A-25 shall be applied by agencies in their assessment of user charges under Title V of the Independent Offices Appropriations Act of 1952 (31 U.S.C. 9701), however, OMB Circular A-25 merely provides guidance to agencies regarding their assessment of user charges under other statutes, such as here, where ICE is assessing a fee authorized under 8 U.S.C. 1356(m).

⁸ Pursuant to different authorities, stays of removal may also be granted in certain circumstances by the Department of Justice's Executive Office for Immigration Review (EOIR) and the federal courts.

⁹ But see *Hechavarria v. Sessions*, 891 F.3d 49, 55-56 (2d Cir. 2018) (holding sec. 1231 does not govern when the appellate court stays removal);

IV. Proposed Changes

A. Form I-246 Fee Adjustment

The Chief Financial Officers Act, 31 U.S.C. 901–03, requires agencies to review, on a biennial basis, the fees imposed by the agency for services it provides and to recommend changes to the agency's fees. Since 1989, the fee, which was intended to cover the costs associated with adjudication, has remained at \$155,¹¹ and currently does not account for inflation or the current costs associated with adjudicating Form I-246. ICE is now proposing to update the fee to recover the costs associated with Form I-246. Going forward, ICE will adhere to the biennial fee review requirements established by the Chief Financial Officers Act and expects to adjust its fees more periodically.

ICE conducted a fee analysis in 2025, based on a labor survey in the Spring of 2020,¹² which showed that the current Form I-246 fee does not cover the full cost of adjudicating the form. According to ICE's 2025 fee analysis, it would cost approximately \$755 to cover the costs of adjudicating each stay request. This cost includes costs associated with the form including labor, equipment, and overhead costs for the personnel involved in review and adjudication. The fee analysis has been posted for review in the rulemaking docket for this rule at www.regulations.gov.

A \$755 fee would cover the costs required for providing adjudication services, which include customer support, fraud detection, background checks, and administrative tasks. Increasing the fee to \$755 would also reallocate the costs of processing the Form I-246 to those receiving the direct services, thereby ensuring that the U.S. taxpayers do not bear a disproportionate burden in funding the immigration system. This fee increase generally aligns with Executive Order (E.O.) 14218, *Ending Taxpayer Subsidization of Open Borders*,¹³ which emphasizes the need to “prevent taxpayer resources from acting as a magnet and fueling illegal immigration to the United States, and to ensure, to the maximum extent permitted by law, that no taxpayer-funded benefits go to unqualified aliens.” Notably, aliens seeking a stay of removal are subject to final orders of removal and are consequently present in the United States unlawfully. The aliens

are requesting that DHS delay the execution of a lawful removal order through the exercise of DHS' discretion and not as a matter of right or procedural due process. As such, the burden and costs associated with adjudicating and processing the request for stay should not be imposed on the taxpayers. To continue fulfilling its mission and supporting DHS priorities, DHS is proposing this fee increase for Form I-246.

DHS proposes to exercise its discretion to increase the fee for Form I-246 to recover the labor costs in adjudicating the form. *See* INA section 286(m), 8 U.S.C. 1356(m). DHS proposes increasing the Form I-246 fee from \$155 to \$755.

DHS is cognizant of the potential increased economic burden this fee change may have on applicants and notes that fee waivers may continue to be requested. DHS believes that the availability of fee waivers will alleviate the financial burden on aliens who are unable to pay the new fee for Form I-246. DHS is also aware that an increased fee may dissuade aliens with limited means from submitting Form I-246. DHS believes that the availability of fee waivers sufficiently ensures that aliens are not discouraged from applying for a stay of removal due to their limited means or inability to pay.

B. Technical Changes

DHS proposes to make non-substantive technical changes for clarity and accuracy including revising outdated language in the Form I-246 fee provision, 8 CFR 103.7(d)(6). These changes are minor and technical. In this provision, DHS proposes to remove the reference to 8 CFR part 243, which has been reserved, and replace it with the correct reference to 8 CFR part 241.¹⁴ DHS also proposes to add the term “removal” for consistency with the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (IIRIRA) and with Form I-246. The regulation currently references a “stay of deportation,” but Form I-246 and IIRIRA use the phrase “stay of deportation and removal.” These proposed changes would make the regulation consistent with the passage of IIRIRA in 1996 and Form I-246.

V. Statutory and Regulatory Requirements

A. Executive Orders 12866, 14192 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 regulation is necessary, to select regulatory approaches that maximize net benefits. Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. Executive Order 14192 (Unleashing Prosperity Through Deregulation) directs agencies to significantly reduce the private expenditures required to comply with Federal regulations and provides that “any new incremental costs associated with new regulations shall, to the extent permitted by law, be offset by the elimination of existing costs associated with at least 10 prior regulations.”

This rule has not been designated a “significant regulatory action” as defined under section 3(f) of E.O. 12866. Accordingly, the rule has not been reviewed by OMB.

This rule is not an Executive Order 14192 regulatory action because it is being issued with respect to an immigration-related function of the United States. The rule's primary direct purpose is to implement or interpret the immigration laws of the United States (as described in INA sec. 101(a)(17), 8 U.S.C. 1101(a)(17)) or any other function performed by the U.S. Federal Government with respect to aliens. *See* OMB Memorandum M-25-20, “Guidance Implementing Section 3 of Executive Order 14192, titled ‘Unleashing Prosperity Through Deregulation’” (Mar. 26, 2025).

DHS is proposing to increase the Form I-246 fee from \$155 to \$755. DHS last adjusted the Form I-246 fee in 1989. DHS is proposing to adjust the fee upward to recover the costs of adjudicating the form.¹⁵ This proposed change would result in an increase in transfers from fee payers to ICE.

DHS is also proposing technical revisions of outdated language in 8 CFR

¹¹ *See* INS/EOIR Fee Schedule, 54 FR 13513 (April 4, 1989).

¹² In the spring of 2025, ICE confirmed with ERO leadership that the conclusions of the survey remain representative of current Form I-246 adjudication activities.

¹³ E.O. 14218, *Ending Taxpayer Subsidization of Open Borders*, 90 FR 10581 (Feb. 19, 2025).

¹⁴ *See* 8 CFR 243—[Reserved] and 8 CFR 103.7(d)(6) (Filing for application for stay of deportation under 8 CFR part 243).

¹⁵ DHS conducted a fee analysis in 2025, based on a labor survey conducted in the Spring of 2020, which showed that the current Form I-246 fee does not cover the cost of adjudicating the form. According to DHS's 2025 fee analysis, DHS determined that approximately \$755 to cover the costs of adjudicating each stay request, which is subject to increase due to economic factors in the future. The fee analysis has been posted for review in the rulemaking docket for this rule at www.regulations.gov.

103.7(d)(6). These changes would improve clarity by updating references and aligning the language with the IIRIRA and Form I–246. The technical changes do not alter user fees or impose any burden. The technical changes introduce no substantive changes, are not expected to raise existing costs, and do not impose any additional burden on applicants or DHS.

Incremental Transfers

Transfer payments are monetary payments from one group to another that do not affect the total resources available to society.¹⁶ Transfers such as insurance payments, fees, direct subsidies, and indirect subsidies can have significant efficiency effects in addition to distributional effects and are not included in the estimates of the benefits and costs of a regulation. Transfers are analyzed in this proposed rule because the proposed increase in

the Form I–246 fee is a transfer from the fee payers to ICE. DHS is not proposing new adjudication activity or new costs from this proposed rule.

DHS estimated the size of the transfer that would occur from DHS increasing the fee by \$600, from \$155 to \$755 per application. Table 1 illustrates the incremental fee increase DHS is proposing. Aliens who submit a Form I–246 would pay an additional \$600 under this proposed rule, a 387 percent increase from the current fee.

TABLE 1—FEE INCREASE

Type	Current fee	New fee	Difference (new-current)	Percent increase
I-246	\$155	\$755	\$600	387

Total Transfers

To estimate the total transfers, DHS used the number of I–246 fee payments received from FY 2016 to 2025 to estimate the annual number of I–246 fee payments. The annual number of I–246 fee payments in the last ten years has varied significantly, as high as 10,494 payments in FY2017 and as low as 1,537 payments in FY2022. In FY2025, ICE received 3,745 I–246 fee payments.

ICE plans to conduct a biennial fee review in accordance with the Chief Financial Officers Act. Therefore, ICE uses a two-year regulatory analysis period of FY2026 through FY2027. Due to uncertainty in the number of fee payments, based on the high number variance and no trendline in the data, ICE assumes that FY2026 and FY2027 will be similar to FY2025 for the estimates. DHS estimated the anticipated number of fee payments in

FY2026 and FY 2027 to be 3,745, equal to the number of fee payments received in FY2025. DHS then determined the annual transfer increase as the product of the fee increase and the estimated annual number of I–246 fees paid. DHS estimates that the fee increase would result in an increase in annual transfers from the public to the government of \$2.25 million in FY2026 and FY2027.¹⁷ Table 2 displays the annual increase in transfers.

TABLE 2—TRANSFER FROM THE FEE CHANGE
[\$ 2024]

FY Year	Nominal transfer per form (from change in fee)	Forecasted number of payments per year	Annual increase in transfers
2026–2027	\$600	3,745	\$2.25 million

DHS acknowledges that an increase in the fee could increase the number of fee waivers requested. However, DHS does not have data on fee waivers approved in the past to estimate the potential impacts of a fee increase. Approval of fee waivers is at the discretion of the ICE personnel and the number of fee waivers is not limited. Any increase in fee waivers, however small, would have the effect of reducing the size of the amount of the transfer.

Benefits

Since 1989, the Form I–246 fee has remained static. The current fee is not sufficient to recover ICE’s full cost, including labor costs to adjudicate each stay request. The proposed fee adjustment would cover costs of

adjudicating the form, support ICE efforts to maintain the current level of service, and better distribute the costs of adjudication to those receiving the direct services. This fee increase generally aligns with E.O. 14218,¹⁸ which emphasizes the need to “prevent taxpayer resources from acting as a magnet and fueling illegal immigration to the United States, and to ensure, to the maximum extent permitted by law, that no taxpayer-funded benefits go to unqualified aliens.”

Alternatives

DHS considered the following alternatives for this proposed rule.

DHS considered allowing the Form I–246 fee to remain unchanged. However, as previously stated, the Chief Financial

Officers Act of 1990, requires each agency to review, on a biennial basis, the fees imposed by the agency for services and make recommendations on revising those charges to reflect cost incurred. DHS’s 2025 fee analysis showed that the current Form I–246 fee does not cover the cost of adjudicating the form. Given that DHS has not increased the fee since 1989 and DHS is not recovering its cost in adjudicating the Form I–246, DHS rejected this alternative.

DHS also considered changing the fee to \$395, using the CPI–U to adjust the fee upward to account for changes in inflation between 1989 and 2024. An inflation-adjusted fee of \$395 for filing Form I–246 in 2024 would reflect approximately the same purchasing

¹⁶ OMB Circular A–4, Regulatory Analysis (2003).

¹⁷ The estimate of fee payments does not include Form I–246 filings that have had their fees waived. Thus, there were likely more filings than payments

for each of the years accounted for in this estimate. DHS cannot estimate the number of fee waivers that will be received because ICE has very little data on fee waivers approved in the past.

¹⁸ E.O. 14218, *Ending Taxpayer Subsidization of Open Borders*, 90 FR 10581 (Feb. 19, 2025).

power as the \$155 fee did in 1988.¹⁹ This option would allow DHS to recover more of the adjudication costs from applicants while being cognizant of the increased burden on applicants. However, DHS rejected this option because this method would only account for a general increase in CPI rather than the adjusted costs of adjudicating the form. This option is inconsistent with the congressional intent for DHS to recover the costs of adjudicating the form and with the 1989 fee analysis that created and set the fee for cost recovery. Using this method, ICE would require a relatively greater level of appropriated funds to recover the costs not covered by the inflation adjusted alternative fee.

DHS also considered a higher fee that would better reflect the pay scale levels of ICE personnel adjudicating each Form I-246 and the multiple activities at each step of the adjudication process. As discussed in the fee analysis, the GS-level of adjudicators varied between a GS-11 or GS-12, and approximately 30 percent of the work was completed by supervisors.²⁰ However, DHS assumed a typical adjudicator would be a GS-11 to estimate the fee. In addition, budget forecasts for operating costs and overhead expenses associated with ICE personnel are likely to increase in the future. Applying expenses that reflect operations over a longer term and an average of personnel levels to estimate the labor costs would have resulted in a higher fee. This approach would also

cover a wider range of input costs associated with resources needed to support the adjudication process. DHS chose not to propose this change because the percentage increase from the current \$155 fee to \$755 fee already covers a substantial amount of the labor costs. However, DHS does believe this alternative may be more aligned with the total cost incurred.

DHS is seeking public comment on these alternatives, especially the alternative of setting a higher fee with a different labor cost estimate.

Total Impact of Proposed Rule

Table 3 presents an accounting statement summarizing the annualized transfer amounts and the qualitative benefits of the proposed rule.

TABLE 3—ACCOUNTING STATEMENT FOR FY2026–FY2027
[\$ 2024]

Category	3 Percent discount rate	7 Percent discount rate	Source citation (RIA, preamble, etc.)
BENEFITS			
Annualized monetized (\$Mil)	None.		Preamble, E.O. 12866 analysis.
Annualized quantified	None.		Preamble, E.O. 12866 analysis.
Qualitative	Covers the resources needed for DHS to provide Form I-246 services. Increased regulatory clarity.		Preamble, E.O. 12866 analysis.
TRANSFERS			
Annualized monetized (2024 \$Mil)	\$2.25	\$2.25	Preamble, E.O. 12866 analysis.
From/To	Individual applicants to ICE.		
Effects on State, Local, and/or Tribal Government.	None.		
Effects on small businesses	None. Form I-246 fees are paid by individuals who are not, for purposes of the RFA, within the definition of small entities established.		RFA.
Wages	None.		
Growth	None.		

B. Regulatory Flexibility Act

DHS has reviewed this proposed regulation in accordance with the Regulatory Flexibility Act of 1980 (RFA) (5 U.S.C. 601–612), as amended by the Small Business Regulatory Enforcement Fairness Act of 1996, Public Law 104–121, tit. II, 110 Stat. 847, and has determined that this rule would not have a significant economic impact on

a substantial number of small entities. The rule would not regulate “small entities” as the term is defined in 5 U.S.C. 601(6). The term “small entities” comprises small businesses, not-for-profit organizations that are independently owned and operated and are not dominant in their fields, and governmental jurisdictions with populations of less than 50,000 people.

By adjusting the Form I-246 fee, this proposed rule would increase transfers to the government. Form I-246 fees are paid by individuals who are not, for purposes of the RFA, within the definition of small entities established by 5 U.S.C. 601(6). While it is possible that some aliens may pay the fee through a representative, ultimately the alien is responsible for the Form I-246

¹⁹ U.S. Bureau of Labor Statistics, CPI for All Urban Consumers (CPI-U), available at https://data.bls.gov/timeseries/CUUR0000SA0?years_option=all_years. The last full calendar year of data available at the time of this analysis was 2024. DHS calculated the inflation adjustment by comparing

the average CPI-U in 1989 (123.967), the year when the fee was set to \$155, with the average CPI-U for 2024 (313.689). This resulted in an inflation adjustment factor of 1.530, and then multiplied the inflation adjustment factor by the current fee of \$155 to calculate the inflation increment of \$237.15,

resulting in a total inflation adjusted fee of \$395 (rounded up from \$392).

²⁰ For a breakdown of the work hours, see Table 1 of the Fee Analysis, available on the docket for this rulemaking.

fee, not the representative. Therefore, DHS certifies this proposed rulemaking would not have a significant economic impact on a substantial number of small entities.

C. Small Business Regulatory Enforcement Fairness Act of 1996

Pursuant to Section 213(a) of the Small Business Regulatory Enforcement Fairness Act of 1996, Public Law 104–121, 110 Stat. 847, 858–59, DHS wants to assist small entities in understanding this proposed rule so that they can better evaluate its effects and participate in the rulemaking. If the proposed rule would affect your small business, organization, or governmental jurisdiction and you have questions concerning its provisions or options for compliance, please contact the individual listed in the **FOR FURTHER INFORMATION CONTACT** section.

D. Unfunded Mandates Reform Act of 1995

The Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1531–1538) requires federal agencies to assess the effects of their discretionary regulatory actions. In particular, the Act addresses actions that may result in the expenditure by a State, local, or tribal government, in the aggregate, or by the private sector in any one year of \$100 million or more in 1995 dollars, updated annually for inflation. That threshold is currently approximately \$206 million in 2024 dollars based on the Consumer Price Index for All Urban Consumers (CPI–U).²¹ Though this proposed rule would not result in such an expenditure, DHS does discuss the effects of this rule elsewhere in this preamble.

E. Paperwork Reduction Act

All Departments are required to submit to OMB for review and approval any reporting or recordkeeping requirements inherent in a rule under the Paperwork Reduction Act of 1995 (PRA), Public Law 104–13, 109 Stat. 163 (codified at 44 U.S.C. 3501 *et seq.*).

²¹ See Bureau of Labor Statistics, “Historical Consumer Price Index for All Urban Consumers (CPI–U): U.S. city average, all items, by month,” <https://www.bls.gov/cpi/tables/supplemental-files/historical-cpi-u-202412.pdf> (last visited September 9, 2025). Calculation of inflation: (1) Calculate the average monthly CPI–U for the reference year (1995) and the current year (2024); (2) Subtract reference year CPI–U from current year CPI–U; (3) Divide the difference of the reference year CPI–U and current year CPI–U by the reference year CPI–U; (4) Multiply by 100 = [(Average monthly CPI–U for 2024 – Average monthly CPI–U for 1995) ÷ (Average monthly CPI–U for 1995)] × 100 = [(313.689 – 152.383) ÷ 152.383] = (161.306/152.383) = 1.059 × 100 = 105.86% = 106 percent (rounded). Calculation of inflation-adjusted value: \$100 million in 1995 dollars × 2.06 = \$206 million in 2024 dollars.

Under the PRA, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the agency obtains approval from OMB for the collection and the collection displays a valid OMB control number. See 44 U.S.C. 3506, 3507.

This rule does not propose a new “collection[s] of information” as that term is defined under the PRA. There would be no changes to the reporting burden for the existing collection of information associated with Form I–246 (OMB control number 1653–0021, titled *Application for Stay of Deportation or Removal*, expiration date October 31, 2027). Although DHS proposes to revise the fee amount for Form I–246, there are no substantive changes to the forms as a result of this rulemaking.

F. Executive Order 13132: Federalism

This proposed rule would 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, in accordance with section 6 of E.O. 13132, DHS determined that this rule would not have sufficient federalism implications to warrant the preparation of a federalism summary impact statement.

G. Executive Order 12988: Civil Justice Reform

This proposed rule meets the applicable standards set forth in sections 3(a) and 3(b)(2) of E.O. 12988, *Civil Justice Reform*, to minimize litigation, eliminate ambiguity, and reduce burden.

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

DHS has analyzed this proposed rule under E.O. 13211, *Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use*. DHS has determined that it is not a “significant energy action” under that order because it is a “significant regulatory action” under E.O. 12866 but is not likely to have a significant adverse effect on the supply, distribution, or use of energy.

I. National Environmental Policy Act

DHS and its components analyze final actions to determine whether the National Environmental Policy Act of 1969 (NEPA), 42 U.S.C. 4321 *et seq.*, applies to them and, if so, what degree of analysis is required. DHS Directive

023–01 Rev. 01²² and Instruction Manual 023–01–001–01 Rev. 01 (Instruction Manual)²³ establish the policies and procedures that DHS and its components use to comply with NEPA.

NEPA allows Federal agencies to establish categories of actions (categorical exclusions) that experience has shown do not, individually or cumulatively, have a significant effect on the human environment and, therefore, do not require an environmental assessment (EA) or environmental impact statement (EIS). An agency is not required to prepare an EA or EIS for a proposed action “if the proposed agency action is excluded pursuant to one of the agency’s categorical exclusions.” 42 U.S.C. 4336(a)(2). The Instruction Manual, Appendix A, lists the DHS Categorical Exclusions. For an action to be categorically excluded under DHS’s Instruction Manual, the action must satisfy each of the following three conditions: (1) the entire action clearly fits within one or more of the categorical exclusions; (2) the action is not a piece of a larger action; and (3) no extraordinary circumstances exist that create the potential for a significant environmental effect.²⁴

This proposed rule is categorically excluded from DHS’s NEPA implementing procedures because it satisfies all three relevant conditions. First, DHS has determined that the proposed rule fits clearly within categorical exclusions A3(d) of DHS’s Instruction Manual, Appendix A, for the promulgation of rules “that interpret or amend an existing regulation without changing its environmental effect.” This rule merely proposes to increase the fee for adjudicating Form I–246 from \$155 to \$755 and to make minor technical edits to the stay regulations. DHS proposes to adjust the Form I–246 fee in order to recover the cost of activities needed to sufficiently review and adjudicate the forms. Second, this proposed rule is a standalone rule and is not part of any larger action. Third, DHS is not aware of any extraordinary circumstances that would cause significant environmental effects. Therefore, this proposed rule is categorically excluded, and no further NEPA analysis or documentation is required.

²² DHS, Implementation of the National Environmental Policy Act, Directive 023–01, Revision 01 (Oct. 31, 2014).

²³ DHS, Implementation of the National Environmental Policy Act (NEPA), Instruction Manual 023–01–001–01, Revision 01 (Nov. 6, 2014).

²⁴ Instruction Manual 023–01–001–01 at V.B(2)(a) through (c) and Appendix A at A–1–A–2.

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

This proposed rule does not have tribal implications under E.O. 13175, *Consultation and Coordination with Indian Tribal Governments*, because it would not have a substantial direct effect on one or more Indian tribes, on the relationship between the federal government and Indian tribes, or on the distribution of power and responsibilities between the federal government and Indian tribes.

K. Executive Order 12630: Governmental Actions and Interference With Constitutionally Protected Property Rights

This proposed rule would not cause a taking of private property or otherwise have taking implications under E.O. 12630, *Governmental Actions and Interference with Constitutionally Protected Property Rights*.

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

E.O. 13045, *Protection of Children from Environmental Health Risks and Safety Risks*, requires agencies to consider the impacts of environmental health risks or safety risks that may disproportionately affect children. DHS has reviewed this proposed rule and determined that this rule is not an economically significant rule and would not create an environmental risk to health or risk to safety that might disproportionately affect children. Therefore, DHS has not prepared a statement under this E.O.

M. National Technology Transfer and Advancement Act

The National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note) directs agencies to use voluntary consensus standards in their regulatory activities unless the agency provides Congress, through the OMB, with an explanation of why using these standards would be inconsistent with applicable law or otherwise impracticable. Voluntary consensus standards are technical standards (e.g., specifications of materials, performance, design, or operation; test methods; sampling procedures; and related management systems practices) that are developed or adopted by voluntary consensus standards bodies. This proposed rule does not use technical standards. Therefore, DHS did not consider the use of voluntary consensus standards.

N. Family Assessment

DHS has determined that this proposed action would not affect family well-being within the meaning of section 654 of the Treasury and General Government Appropriations Act, enacted as part of the Omnibus Consolidated and Emergency Supplemental Appropriations Act of 1999 (Pub. L. 105–277, 112 Stat. 2681).

Lists of Subjects in 8 CFR Part 103

Administrative practice and procedure, Authority delegations (Government agencies), Fees, Freedom of Information, Immigration, Privacy, Reporting and recordkeeping requirements, Surety bonds.

Regulatory Amendments

Accordingly, DHS proposes to amend part 103 of title 8 of the Code of Federal Regulations as follows:

PART 103—IMMIGRATION BENEFITS; BIOMETRIC REQUIREMENTS; AVAILABILITY OF RECORDS

- 1. The authority citation for part 103 continues to read as follows:

Authority: 5 U.S.C. 301, 552, 552a; 8 U.S.C. 1101, 1103, 1304, 1356, 1365b; 31 U.S.C. 9701; Pub. L. 107–296, 116 Stat. 2135 (6 U.S.C. 1 *et seq.*); E.O. 12356, 47 FR 14874, 15557, 3 CFR, 1982 Comp., p. 166; 8 CFR part 2; Pub. L. 112–54; 125 Stat. 550; 31 CFR part 223.

- 2. Section 103.7 is amended by revising paragraph (d)(6) to read as follows:

§ 103.7 Fees.

* * * * *

(d) * * *

(6) *Form I-246*. For filing application for stay of deportation or removal under 8 CFR part 241: \$755. The application fee may be waived by DHS.

* * * * *

Markwayne Mullin,

Secretary, U.S. Department of Homeland Security.

[FR Doc. 2026–09007 Filed 5–6–26; 8:45 am]

BILLING CODE 9111–28–P

NATIONAL CREDIT UNION ADMINISTRATION

12 CFR Parts 701, 713, and 741

RIN 3133–AF87

Requirements for Insurance

AGENCY: National Credit Union Administration (NCUA).

ACTION: Proposed rule.

SUMMARY: The NCUA Board (Board) is publishing this proposed rule to amend its regulations governing requirements for share insurance. This proposed rule would eliminate numerous provisions that merely point to substantive provisions codified elsewhere in the NCUA's regulations. The intended effect is to simplify the regulatory text and make it easier to navigate without altering the compliance obligations of federally insured credit unions. The Board believes this action is necessary to streamline the agency's regulations and reduce regulatory complexity.

DATES: Comments must be received on or before July 6, 2026.

ADDRESSES: You may submit written comments by any of the following methods identified by RIN (Please send comments by one method only):

- **Federal eRulemaking Portal:** <https://www.regulations.gov>. Follow the instructions for submitting comments for Docket Number NCUA–2026–0993.

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

- **Hand Delivery/Courier:** Same as mail address.

Mailed and hand-delivered comments must be received by the close of the comment period.

Public Inspection: All public comments are available on the Federal eRulemaking Portal at <https://www.regulations.gov> as submitted, except when impossible for technical reasons. Public comments will not be edited to remove any identifying or contact information. If you are unable to access public comments on the internet, you may contact NCUA for alternative access by calling (703) 518–6540 or emailing OGCMail@ncua.gov.

FOR FURTHER INFORMATION CONTACT: Gira Bose, Senior Staff Attorney, Office of General Counsel, at (703) 518–6540 or at 1775 Duke Street, Alexandria, VA 22314.

SUPPLEMENTARY INFORMATION:

I. Introduction

A. Background

Part 741 is divided into two subparts. Subpart A contains substantive requirements that apply to both federal credit unions (FCUs) and federally insured state-chartered credit unions (FISCUs) that are not codified elsewhere in the NCUA's regulations. Subpart B, on the other hand, generally does not contain substantive requirements. Its purpose is to list in a centralized way citations to the substantive provisions

that apply to FCUs and FISCUs but are set forth elsewhere in the NCUA's regulations. Before 1995, these requirements were dispersed across the NCUA's regulations and within the terms of an Agreement for Insurance of Accounts, which outlined conditions for state-chartered credit unions obtaining and maintaining federal insurance. In 1995, the agency issued a final rule consolidating the requirements for insurance that apply to FISCUs.¹ That rule did not impose any new requirements. Its purpose was merely to aid FISCUs by simplifying the process of determining which regulations they must follow. The Board now believes that the benefit of removing many of these provisions from part 741 and reducing the length of the NCUA's regulations outweighs the benefit of the cross-referencing function served by these provisions.

The Board may create a reference list outside of its regulations to the extent credit unions feel an aid continues to be helpful.

B. Legal Authority

The Board has the legal authority to issue this proposed rule pursuant to its plenary rulemaking authority under the Federal Credit Union Act and its specific rulemaking authority under the various acts the Board administers.⁴

II. Proposed Rule

Section 741.1 of subpart A sets forth the Board's examination authority. It specifies that the Board is authorized to examine any insured credit union or any credit union applying for insurance. This authority includes access to all records, reports, and other information concerning the credit union's affairs. The section also notes that, to the maximum extent feasible, the NCUA will use examinations conducted by state regulatory agencies. These are statutorily granted functions that do not require additional explanation by regulation.²

Section 741.201 requires any credit union making application for insurance to possess minimum fidelity bond coverage pursuant to the requirements set forth in §§ 713.3, 713.5, and 713.6. Section 741.201 also requires a federally insured credit union (FICU) whose fidelity bond coverage has been terminated to notify the appropriate NCUA regional director not less than 35 days prior to the effective date of such termination. This notification

requirement does not appear in part 713. Thus, the Board proposes to transfer this text to § 713.3 with a new paragraph (c) stating, "A federally insured credit union whose fidelity bond coverage is terminated shall notify the appropriate NCUA regional office in writing not less than 35 days prior to the effective date of such termination." The Board is also proposing to amend § 713.1 to remove that section's reference to § 741.201. Finally, § 741.201 requires corporate credit unions to comply with § 704.18 because part 704 establishes the rules for federally insured corporate credit unions. The Board proposes to remove § 741.201 as it is unnecessary.

Section 741.205 informs FISCUs that are newly chartered or in troubled condition that they must comply with subsection 701.14(c) concerning prior notice and the NCUA's review of a proposed change in official or senior executive officers. Section 741.205 also contains references to coordinating with state supervisory authorities. The Board believes these references serve the important purpose of assuring state regulators of the NCUA's intent to consult with them on these matters. Therefore, the Board proposes to transfer the following text to subsection 701.14(c): "Federally insured state-chartered credit unions must submit required information to both the appropriate NCUA Regional Director and their state supervisor. NCUA will consult with the state supervisor before making its determination. NCUA will notify the state supervisor of its approval/disapproval no later than the time that it notifies the affected individual."

Section 741.213 informs FISCUs they must adhere to the rules of practice and procedures for administrative actions and adjudicative hearings in part 747, but it also informs them that subpart E of part 747 only applies to FCUs. The Board is requesting feedback on its proposed removal of § 741.213 and whether it should incorporate into subpart E of part 747 affirmative statements that (1) subpart E does not apply to FISCUs, and (2) the language that says subpart E controls over subpart A in the event of a conflict only applies to FCUs.

Section 741.218 informs FISCUs they must adhere to the "applicable provisions in part 709 . . ." It further notes that § 709.3 only applies to FCUs. The Board is proposing to remove § 741.218 and requests feedback on this proposal, including whether the Board should consider amending part 709 to clarify which specific sections of part 709 apply to FISCUs. For example,

§ 709.3, titled "Challenge to revocation of charter and involuntary liquidation," refers only to FCUs. However, § 709.0 refers to involuntary liquidation but in the context of FICUs, presenting the scope of part 709 as including "the involuntary liquidation and adjudication of creditor claims in all cases involving FICUs."

The following provisions are straight cross-references to other provisions and do not contain any substantive information that would be helpful to retain. The Board proposes eliminating these outright.

- Section 741.206 informs any federally insured corporate credit union they must comply with part 704.

- Section 741.207 requires those FISCUs that participate in the community development revolving loan program to adhere to the requirements of part 705.³

- Section 741.209 informs FISCUs they must comply with the requirements of part 711 concerning management official interlocks.

- Section 741.210 informs any FICU that is a member of the Central Liquidity Facility that it must comply with the requirements of part 725.

- Section 741.211 refers to the advertising provisions of part 740 that apply to all FICUs.

- Section 741.212 refers to the share insurance provisions of part 745, subparts A and B, that apply to all FICUs.

- Section 741.214 refers to compliance with part 748, the rule that covers Bank Secrecy Act compliance, security program requirements, and catastrophic act reporting.

- Section 741.215 refers to compliance with the record preservation requirements of part 749.

- Section 741.216 references the flood insurance requirements of part 760.

- Section 741.217 refers to the truth in savings requirements of part 707.

- Section 741.220 informs FICUs they must adhere to Regulation P promulgated by the Consumer Financial Protection Bureau to satisfy the consumer financial protection provisions of the Gramm-Leach-Bliley Act.⁴

- Section 741.224 refers to compliance with part 750 on golden parachute and indemnification payments.

³ Despite the slight difference in wording with § 741.207 referring to the community development revolving loan program and part 705 referring to the Community Development Revolving Loan Fund Program, both regulations are referring to the same program.

⁴ 12 CFR 1016.

¹ 60 FR 58504 (Nov. 28, 1995).

² 12 U.S.C. 1781 and 1784. See 12 U.S.C. 1784(d) regarding the authority to use reports from state supervisory agencies.

- Section 741.226 refers to compliance with subpart D of part 702 on subordinated debt.

The Board requests feedback on all aspects of this rulemaking, including any consequences or impacts of this proposal not already identified above. The Board is providing a 60-day comment period for this proposed rule to account for the volume of proposed rules the Board is issuing. The longer comment period will avoid placing undue burden on commenters who are trying to review all of the rulemakings.

III. Regulatory Procedures

A. Providing Accountability Through Transparency Act of 2023

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

In summary, the Board is publishing this proposed rule to amend its regulations governing requirements for share insurance. This proposed rule would eliminate numerous provisions that merely point to substantive provisions codified elsewhere in the NCUA's regulations. The intended effect is to simplify the regulatory text and make it easier to navigate without altering the compliance obligations of federally insured credit unions. The Board believes this action is necessary to streamline the agency's regulations and reduce regulatory complexity.

The proposed rule and the required summary are available at <https://www.regulations.gov>.

B. Executive Orders 12866, 13563, and 14192

Pursuant to Executive Order 12866 ("Regulatory Planning and Review"), as amended by Executive Order 14215, a determination must be made whether a regulatory action is significant and therefore subject to review by the Office of Management and Budget (OMB) in accordance with the requirements of the Executive Order. OMB has determined that this proposed rule is not a "significant regulatory action" as defined in section 3(f)(1) of Executive Order 12866.

Executive Order 13563 ("Improving Regulations and Regulatory Review") directs executive agencies to analyze regulations that are "outmoded,

ineffective, insufficient, or excessively burdensome, and to modify, streamline, expand, or repeal them in accordance with what has been learned." Executive Order 13563 also directs that, where relevant, feasible, and consistent with regulatory objectives, and to the extent permitted by law, agencies are to identify and consider regulatory approaches that reduce burdens and maintain flexibility and freedom of choice for the public. This proposed rule will streamline the NCUA's regulations by removing sections that only serve to reference other, substantive regulations. This proposed rule is consistent with Executive Order 13563.

Executive Order 14192 ("Unleashing Prosperity Through Deregulation") was issued on January 31, 2025. Section 3(c) of Executive Order 14192 requires that any new incremental costs associated with new regulations shall, to the extent permitted by law, be offset by the elimination of existing costs associated with at least 10 prior regulations. This proposed rule is expected to be a deregulatory action for purposes of Executive Order 14192.

C. The Regulatory Flexibility Act

The Regulatory Flexibility Act generally requires an agency to conduct a regulatory flexibility analysis of any rule subject to notice and comment rulemaking requirements, unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities.⁵ If the agency makes such a certification, it shall publish the certification at the time of publication of either the proposed rule or the final rule, along with a statement providing the factual basis for such certification.⁶ For purposes of this analysis, the NCUA considers small credit unions to be those having under \$100 million in assets.⁷ The Board fully considered the potential economic impacts of the regulatory amendments on small credit unions. The proposed rule repeals unnecessary sections of the NCUA's regulations.

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

D. The Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (PRA) generally provides that an agency may not conduct or sponsor, and not withstanding any other provision of law, a person is not required to respond to, a collection of information, unless it displays a currently valid Office of

Management and Budget control number. The PRA applies to rulemakings in which an agency creates a new or amends existing information collection requirements. For purposes of the PRA, an information-collection requirement may take the form of a reporting, recordkeeping, or a third-party disclosure requirement. The NCUA has determined that the changes addressed in this notice do not create a new information collection or revise an existing information collection as defined by the PRA.

E. Analysis on Executive Order 13132 on Federalism

Executive Order 13132 encourages certain agencies to consider the impact of their actions on state and local interests. The NCUA, an agency as defined in 44 U.S.C. 3502(5), complies with the executive order to adhere to fundamental federalism principles. This proposed rule is intended to remove regulatory sections that only serve to reference other, substantive regulations. While it is intended to aid FISCUs in understanding their regulatory obligations, it is not intended to affect the division of responsibilities between the NCUA and state regulatory authorities.

F. Assessment of Federal Regulations and Policies on Families

The NCUA has determined that this proposed rule would not affect family well-being within the meaning of section 654 of the Treasury and General Government Appropriations Act, 1999. The proposed rule removes duplicative provisions from the NCUA's regulations, and any effect on family well-being is expected to be indirect.

List of Subjects

12 CFR Part 701

Advertising, Aged, Civil rights, Credit, Credit unions, Fair housing, Individuals with disabilities, Insurance, Marital status discrimination, Mortgages, Religious discrimination, Reporting and recordkeeping requirements, Sex discrimination, Signs and symbols, Surety bonds

12 CFR Part 713

Bonds, Credit unions, Insurance

12 CFR Part 741

Administrative practice and procedure, Banks, banking, Credit, Credit unions, Insurance, Reporting and recordkeeping requirements.

By the National Credit Union Administration Board, this 1st day of May, 2025.

Melane Conyers-Ausbrooks,
Secretary of the Board.

For the reasons stated in the preamble, the NCUA Board proposes to amend 12 CFR parts 701, 713, and 741 as follows:

PART 701—ORGANIZATION AND OPERATION OF FEDERAL CREDIT UNIONS

■ 1. The authority citation for part 701 continues to read as follows:

Authority: 12 U.S.C. 1752(5), 1755, 1756, 1757, 1758, 1759, 1761a, 1761b, 1766, 1767, 1782, 1784, 1785, 1786, 1787, 1788, 1789. Section 701.6 is also authorized by 15 U.S.C. 3717. Section 701.31 is also authorized by 15 U.S.C. 1601 *et seq.*; 42 U.S.C. 1981 and 3601–3610. Section 701.35 is also authorized by 42 U.S.C. 4311–4312.

■ 2. Amend § 701.14 by adding paragraph (c)(4) to read as follows:

§ 701.14 Change in official or senior executive officer in credit unions that are newly chartered or are in troubled condition.

* * * * *

(b) * * *

(c) * * *

(4) *Consultation.* Federally insured state-chartered credit unions must submit required information to both the appropriate NCUA Regional Director and their state supervisor. NCUA will consult with the state supervisor before making its determination. NCUA will notify the state supervisor of its approval/disapproval no later than the time that it notifies the affected individual.

PART 713—FIDELITY BOND AND INSURANCE COVERAGE FOR FEDERALLY INSURED CREDIT UNIONS

■ 1. The authority citation for part 713 continues to read as follows:

Authority: 12 U.S.C. 1761a, 1761b, 1766(a), 1766(h), 1789(a)(11).

■ 2. Revise § 713.1 to read as follows:

§ 713.1 What is the scope of this section?

This section provides the requirements for fidelity bonds for federally insured credit union employees and officials and for other insurance coverage for losses such as theft, holdup, vandalism, etc., caused by persons outside the credit union. Federally insured, state-chartered credit unions are required to comply with the fidelity bond coverage requirements of this part. Corporate credit unions must

comply with § 704.18 of this chapter in lieu of this part.

■ 3. Amend § 713.3 by adding paragraph (c) to read as follows:

§ 713.3 What bond coverage must a federally insured credit union have?

* * * * *

(c) A federally insured credit union whose fidelity bond coverage is terminated shall notify the appropriate NCUA regional office in writing not less than 35 days prior to the effective date of such termination.

PART 741—REQUIREMENTS FOR INSURANCE

■ 1. The authority citation for part 741 continues to read as follows:

Authority: 12 U.S.C. 1757, 1766(a), 1781–1790, and 1790d; 31 U.S.C. 3717.

- 2. Remove and reserve § 741.1.
- 3. Remove and reserve § 741.201.
- 4. Remove and reserve § 741.205.
- 5. Remove and reserve § 741.206.
- 6. Remove and reserve § 741.207.
- 7. Remove and reserve § 741.209.
- 8. Remove and reserve § 741.210.
- 9. Remove and reserve § 741.211.
- 10. Remove and reserve § 741.212.
- 11. Remove and reserve § 741.213.
- 12. Remove and reserve § 741.214.
- 13. Remove and reserve § 741.215.
- 14. Remove and reserve § 741.216.
- 15. Remove and reserve § 741.217.
- 16. Remove and reserve § 741.218.
- 17. Remove and reserve § 741.220.
- 18. Remove and reserve § 741.224.
- 19. Remove and reserve § 741.226.

[FR Doc. 2026–09010 Filed 5–6–26; 8:45 am]

BILLING CODE 7535–01–P

NATIONAL CREDIT UNION ADMINISTRATION

12 CFR Part 711

RIN 3133–AF89

Thresholds Increase for the Major Assets Prohibition of the Depository Institution Management Interlocks Act Rule

AGENCY: National Credit Union Administration (NCUA).

ACTION: Proposed rule.

SUMMARY: The NCUA Board (Board) is seeking comment on a proposed rule that would increase two thresholds in its regulation implementing management official interlocks for purposes of the Depository Institution Management Interlocks Act (DIMIA). DIMIA provides that the NCUA may adjust, by regulation, the major assets prohibition thresholds to allow for

inflation or market changes. This proposal would increase both major assets prohibition thresholds to \$10 billion to account for changes in the United States banking market since 1996. Additionally, the proposal would remove a presumption related to depository institutions controlled or managed by persons who are members of a minority group or women.

DATES: Comments must be received by July 6, 2026.

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

- **Federal eRulemaking Portal:** <https://www.regulations.gov>. The docket number for this proposed rule is NCUA–2026–0992. Follow the “Submit a comment” instructions. If you are reading this document on [federalregister.gov](https://www.federalregister.gov), you may use the green “SUBMIT A PUBLIC COMMENT” button beneath this rulemaking’s title to submit a comment to the [regulations.gov](https://www.regulations.gov) docket. A plain language summary of the proposed rule is also available on the docket website.

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

- **Hand Delivery/Courier:** Same as mailing address.

Mailed and hand-delivered comments must be received by the close of the comment period.

Public inspection: Please follow the search instructions on <https://www.regulations.gov> to view the public comments. Do not include any personally identifiable information (such as name, address, or other contact information) or confidential business information that you do not want publicly disclosed. All comments are public records; they are publicly displayed exactly as received and will not be deleted, modified, or redacted. Comments may be submitted anonymously. If you are unable to access public comments on the internet, you may contact the NCUA for alternative access by calling (703) 518–6540 or emailing OGCMail@ncua.gov. **FOR FURTHER INFORMATION CONTACT:** John H. Brolin, Senior Staff Attorney, Office of General Counsel, at (703) 518–6540 or at 1775 Duke Street, Alexandria, VA 22314.

SUPPLEMENTARY INFORMATION:

I. Introduction

A. Background

Under the authorities established in DIMIA, the Board is issuing a proposed

rule to increase the major assets prohibition thresholds for management interlocks.¹ This increase the thresholds is proposed to reflect the changes in the United States banking market since Congress established the current thresholds in 1996. Under current part 711, an exemption is required for a management official² of a depository organization³ (or any affiliate of such organization) with assets exceeding \$2.5 billion to serve as a management official of an unaffiliated depository organization (or any affiliate of such organization) with assets exceeding \$1.5 billion. The proposal would increase both thresholds to \$10 billion. Section 711.4(c) of the NCUA's regulations exempts a management official of a credit union from the prohibition when the individual serves as a management official of another credit union. Thus, the Interlocks Act prohibitions contained in part 711 apply to only a management official of a credit union when that individual also serves as a management official of another type of depository organization (usually a bank or a thrift).⁴

By increasing the major assets prohibition thresholds, the proposal would reduce the number of depository organizations subject to the major assets prohibition. This reduces regulatory burden by raising the threshold at which depository organizations must ask the NCUA for exemptions from the major assets prohibition. The NCUA anticipates that raising the asset thresholds would assist credit unions with less than \$10 billion in total assets in finding qualified directors by eliminating the need to file requests for exemptions. Additionally, the removal of the rebuttable presumption that an interlock will not result in a monopoly or substantially lessen competition if the depository institution seeking to add a management official is controlled or managed by persons who are members of a minority group or women will help ensure Equal Protection issues don't arise under § 711.6.

DIMIA—implemented in the NCUA's regulations at 12 CFR part 711—fosters competition by prohibiting a management official from serving at multiple, unaffiliated depository organizations simultaneously when such multiple roles may have an anticompetitive effect.⁵ DIMIA achieves this purpose through three statutory prohibitions, which are implemented in

§ 711.3 of the NCUA's regulations. In their current form, the three prohibitions are as follows.

The community prohibition⁶ precludes a management official of a depository organization from serving concurrently as a management official of an unaffiliated depository organization if the depository organizations in question (or any depository institution affiliate thereof) have offices in the same community.⁷ The second prohibition, the relevant metropolitan statistical area (RMSA) prohibition,⁸ precludes a management official of a depository organization from serving concurrently as a management official of an unaffiliated depository organization if the depository organizations in question (or any depository institution affiliate thereof) have offices in the same RMSA⁹ and each depository organization has total assets of \$50 million or more. The third prohibition, the major assets prohibition,¹⁰ precludes a management official of a depository organization with total assets exceeding \$2.5 billion (or any affiliate of such an organization) from serving concurrently as a management official of an unaffiliated depository organization with total assets exceeding \$1.5 billion (or any affiliate of such an organization), regardless of the location of the two depository organizations. While the first two prohibitions capture the risk of anticompetitive effects from management interlocks between depository organizations that operate within overlapping geographical areas, the major assets prohibition addresses management interlocks between depository organizations that are large enough that a management interlock may present anticompetitive concerns even though the involved organizations may not have offices in the same community or RMSA.

The \$1.5 billion and \$2.5 billion thresholds in the major assets prohibition were enacted through amendments to DIMIA in the Economic Growth and Regulatory Paperwork Reduction Act of 1996 (EGRPRA).¹¹ During hearings on EGRPRA, it was

noted that the increase of the asset thresholds to \$1.5 billion and \$2.5 billion was made because the previous asset threshold numbers did not “realistically reflect the size of large institutions in today's market.”¹² DIMIA, as amended, also provides that the agencies may adjust the thresholds as necessary “to allow for inflation or market changes.”¹³ The major assets prohibition thresholds set forth in EGRPRA do not reflect the growth and consolidation among U.S. depository organizations that has occurred since 1996 and do not reflect the size of today's large institutions.

Based on regulatory reporting, total assets at depository organizations have grown by more than 341 percent in the 29 years between the fourth quarter of 1996 and the fourth quarter of 2024. Moreover, in an October 2019 final rule, the Office of the Comptroller of the Currency (OCC), Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation (FDIC), collectively referred to as the Other Banking Agencies, reduced regulatory burden by adjusting the major assets thresholds to \$10 billion in their respective DIMIA regulations.¹⁴

In addition, DIMIA allows agencies to prescribe regulations that permit otherwise prohibited interlocks under certain circumstances.¹⁵ Pursuant to § 711.6, the NCUA may exempt a prohibited interlock in response to an application by a depository organization if the NCUA finds that the interlock would not result in a monopoly or substantial lessening of competition and would not present safety and soundness concerns. In reviewing applications for an exemption under § 711.6, the NCUA applies a rebuttable presumption that an interlock will not result in a monopoly or substantial lessening of competition if the depository organization seeking to add a management official, among other things, is controlled or managed by persons who are members of a minority or group of women. The proposed rule would eliminate this presumption.

⁶ § 711.3(a).

⁷ The NCUA's regulation defines “community” to mean a city, town, or village, and contiguous and adjacent cities, towns, or villages. § 711.2(c).

⁸ § 711.3(b).

⁹ The NCUA's regulation defines “RMSA” to mean an [metropolitan statistical area (MSA)], a primary MSA, or a consolidated MSA that is not comprised of designated Primary MSAs to the extent that these terms are defined and applied by the Office of Management and Budget. § 711.2(n).

¹⁰ § 711.3(c).

¹¹ See Economic Growth and Regulatory Paperwork Reduction Act of 1996, Public Law 104–208, Title II, 110 Stat. 3009–9, § 2210(a).

¹² *The Economic Growth and Regulatory Paperwork Reduction Act—S. 650: Hearings Before the Subcomm. on Fin. Insts. & Regulatory Relief of the S. Comm. on Banking, Hous., & Urban Affairs*, 104 Cong. 90 (1995) (statement of Eugene A. Ludwig, Comptroller of the Currency). Initially, the thresholds were set at \$500,000,000 and \$1,000,000,000. See Financial Institutions Regulatory and Interest Rate Control Act of 1978, Public Law 95–630, Title II, Depository Institutions Management Interlocks Act, 92 Stat. 3641, 3672 (Nov. 10, 1978).

¹³ 12 U.S.C. 3203.

¹⁴ 84 FR 54465 (Oct. 10, 2019)

¹⁵ 12 U.S.C. 3207.

¹ 12 U.S.C. 3201 *et seq.*

² See 12 CFR 711.2(k).

³ See 12 CFR 711.2(h); § 711.2(f); and § 711.2(e).

⁴ § 711.1(c).

⁵ § 711.1(b).

The NCUA welcomes comments on all changes that would be made under this proposal.

Legal Authority

The Board has the legal authority to issue this final rule pursuant to its plenary rulemaking authority under the Federal Credit Union Act and its specific rulemaking authority under the various provisions the Board administers.¹⁶

II. Proposed Rule

A. § 711.3(c) Major Assets

The proposal would amend current § 711.3(c) of the NCUA's regulations to increase the major assets prohibition thresholds from \$1.5 billion and \$2.5 billion to \$10 billion each. Under the proposal, the major assets prohibition would still prohibit management interlocks between unaffiliated depository organizations each with total assets exceeding \$10 billion (or any affiliates of such organizations).

The proposed increase to the major assets prohibition thresholds, and the application of the major assets prohibition to larger depository organizations rather than depository organizations with \$10 billion or less in total assets, is consistent with the purpose of the major assets prohibition of DIMIA.¹⁷ Adjusting the major assets prohibition to reflect a \$10 billion asset threshold prohibits interlocks between larger depository organizations, which could present a risk of anticompetitive conduct at the level of the U.S. banking market, while exempting smaller depository organizations, which generally operate in regional markets and do not present the same competitive risks.¹⁸

In addition, the proposed rule is consistent with the current thresholds that Congress, the NCUA, and the Other Banking Agencies have used to distinguish between small institutions and larger institutions. For example, sections 201 and 203 of the Economic Growth, Regulatory Relief, and Consumer Protection Act of 2018 provide burden relief for institutions with less than \$10 billion in total consolidated assets.¹⁹ Further, the

Dodd-Frank Wall Street Reform and Consumer Protection Act uses a \$10 billion threshold to distinguish between large banks subject to supervision by the Consumer Financial Protection Bureau and small banks subject to prudential regulator supervision.²⁰ A \$10 billion threshold is also consistent with the asset threshold for "covered credit unions," which are subject to capital planning and stress testing requirements.²¹

The \$10 billion asset size threshold is also consistent with the threshold the Board of Governors of the Federal Reserve System uses to distinguish between community banking organizations and larger banking organizations for supervisory and regulatory purposes.²² The FDIC uses the same threshold to distinguish between "small" and "large" institutions for purposes of its deposit insurance assessment regulations.²³ Finally, \$10 billion is the asset threshold the OCC uses to distinguish community banks from midsize and large banks for supervisory purposes.²⁴ Finally, setting the NCUA's two thresholds at the same level will simplify the NCUA's DIMIA regulations and enable depository organizations to more easily determine whether they are subject to the major assets prohibition.

The proposal would increase the number of depository organizations that would no longer be subject to the major assets prohibition and therefore would reduce the number of institutions that need to seek an exemption from the NCUA.

174, 201, 203, 132 Stat. 1296, 1306, 1309 (2018) (enacting a "Community Bank Leverage Ratio" capital simplification framework that is generally available to depository institutions and depository institution holding companies with \$10 billion or less in total consolidated assets and exempting generally from the prohibitions of section 13 of the Bank Holding Company Act of 1956, also known as the "Volcker Rule," certain entities with \$10 billion or less in total consolidated assets).

²⁰ Public Law 111–203, 1025 & 1026, 124 Stat. 1376, 1990–95 (2010).

²¹ See 12 CFR part 702, subpart C—Capital Planning and Stress Testing.

²² Bd. of Governors of the Fed. Reserve Sys., Commercial Bank Examination Manual (rev. Jan. 2018), <https://www.federalreserve.gov/publications/files/cbem.pdf>.

²³ See 12 CFR 327.8(e) and (f). For the purposes of the FDIC's assessment regulations, a "small institution" generally is an insured depository institution with less than \$10 billion in total assets. Generally, a "large institution" is an insured depository institution with \$10 billion or more in total assets or that is treated as a large institution for assessment purposes under section 327.16(f).

²⁴ Comptroller's Handbook, "OCC Community Bank Supervision" (June 2018), <https://www.occ.gov/publications/publications-by-type/comptrollers-handbook/community-bank-supervision/pub-ch-community-bank-supervision.pdf>.

As of December 31, 2024, 309 credit unions had total assets of more than \$1.5 billion and were subject to the major assets prohibition. In addition, 190 credit unions with total assets of more than the \$2.5 billion threshold were subject to restrictions on management interlocks with unaffiliated depository organizations with total assets exceeding the \$1.5 billion threshold. Raising the \$1.5 billion asset threshold to \$10 billion would exempt 289 credit unions from the major assets prohibition as of December 31, 2024. As of December 31, 2024, only 20 credit unions reported total assets greater than \$10 billion and would remain subject to the major assets prohibition.

B. § 711.6(b) Presumptions

The proposal would amend current § 711.6(b)(2) of the NCUA's regulations to remove the presumption for institutions controlled or managed by persons who are members of a minority group or women and seeking to add a management official. In 1979, the NCUA, Board of Governors of the Federal Reserve, OCC, FDIC, and the Federal Home Loan Banks jointly adopted regulations setting forth exceptions to the prohibitions contained in DIMIA.²⁵ The exceptions were for organizations located in low-income areas, minority and women's organizations, newly chartered organizations, organizations facing conditions endangering safety or soundness, and organizations sponsoring credit unions. The exceptions were subsequently revised in 1996²⁶ and again in 1999²⁷ due to amendments to the DIMIA. Current § 711.6(b), which was adopted in 1999,²⁸ creates a rebuttable presumption that an interlock will not result in a monopoly or substantial lessening of competition if the depository organization seeking to add a management official "is controlled or managed by persons who are members of a minority group or women; . . ." The NCUA believes this presumption is overly broad and raises Equal Protection issues under the U.S. Constitution.²⁹

²⁵ 44 FR 42152, 42155 (Jul. 19, 1979).

²⁶ 61 FR 50698 (Sep. 27, 1996).

²⁷ 64 FR 51673 (Sep. 24, 1999).

²⁸ *Id.*

²⁹ Amend. XIV, § 1. The Equal Protection Clause of the Fourteenth Amendment provides, "No State shall . . . deny to any person within its jurisdiction the equal protection of the laws." Generally, the same equal protection obligations apply to the Federal Government through the Fifth Amendment. When federal agency action targets benefits to groups based, in whole or in part, on race or sex, it can trigger equal protection scrutiny. While the federal government can consider race or sex in narrow circumstances, the Constitution's equal

¹⁶ 12 U.S.C. 1766, 1789.

¹⁷ Legislative history indicates that Congress intended for the major assets prohibition to apply to "larger" organizations. See H.R. Rep. No. 95–1383, at 5 (1978); S. Rep. No. 95–323, at 13 (1977).

¹⁸ While depository organizations with \$10 billion or less in total assets will not be covered by the major assets prohibition against management interlocks, those depository organizations are still subject to the community and RMSA prohibitions.

¹⁹ Economic Growth, Regulatory Relief, and Consumer Protection Act of 2018, Public Law 115–

Accordingly, the Board proposes removing § 711.6(b)(2) and renumbering paragraphs (b)(3) and (b)(4).

The Board is providing a 60-day comment period for this proposed rule to account for the volume of proposed rules the Board is issuing. The longer comment period will avoid placing undue burden on commenters who are trying to review all of the rulemakings.

II. Regulatory Procedure

A. Providing Accountability Through Transparency Act of 2023

The Providing Accountability Through Transparency Act of 2023³⁰ (Act) requires that a notice of proposed rulemaking include the internet address of a summary of not more than 100 words in length of a proposed rule, in plain language, that shall be posted on the internet website under section 206(d) of the E-Government Act of 2002³¹ (commonly known as *regulations.gov*). The Act, under its terms, applies to notices of proposed rulemaking and does not expressly include other types of documents that the Board publishes voluntarily for public comment, such as notices and interim-final rules that request comment despite invoking “good cause” to forgo such notice and public procedure. The Board, however, has elected to address the Act’s requirement in these types of documents in the interests of administrative consistency and transparency.

In summary, the Board is seeking comment on a proposed rule that would increase two thresholds in its regulation implementing management official interlocks for purposes of the DIMIA. DIMIA provides that the NCUA may adjust, by regulation, the major assets prohibition thresholds to allow for inflation or market changes. This proposal would increase both major assets prohibition thresholds to \$10 billion to account for changes in the United States banking market since 1996. Additionally, the proposal would remove a presumption related to depository institutions controlled or managed by persons who are members of a minority group or women.

protection guarantees require that the government have sufficient justification for doing so. See, e.g., *Students for Fair Admin., Inc. v. President and Fellows of Harvard College*, 600 U.S. 181 (2023) (holding that because Harvard’s and University of North Carolina’s admissions programs lacked sufficiently focused and measurable objectives warranting the use of race, unavoidably employ race in a negative manner, involve racial stereotyping, and lack meaningful end points, those admissions programs cannot be reconciled with the guarantees of the Equal Protection Clause.).

³⁰ 5 U.S.C. 553(b)(4).

³¹ 44 U.S.C. 3501 note.

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

B. Executive Orders 12866, 13563, 14192

Pursuant to Executive Order 12866 (“Regulatory Planning and Review”), as amended by Executive Order 14215, a determination must be made whether a regulatory action is significant and therefore subject to review by the Office of Management and Budget (OMB) in accordance with the requirements of the Executive Order.³² Executive Order 13563 (“Improving Regulation and Regulatory Review”) supplements and reaffirms the principles, structures, and definitions governing contemporary regulatory review established in Executive Order 12866.³³ This proposed rule was drafted and reviewed in accordance with Executive Order 12866 and Executive Order 13563. OMB has determined that this proposed rule is not a “significant regulatory action” as defined in section 3(f) of Executive Order 12866.

Executive Order 14192 (“Unleashing Prosperity Through Deregulation”) requires that any new incremental costs associated with new regulations shall, to the extent permitted by law, be offset by the elimination of existing costs associated with at least 10 prior regulations.³⁴ This proposed rule is expected to be a deregulatory action for purposes of Executive Order 14192.

C. The Regulatory Flexibility Act

The Regulatory Flexibility Act³⁵ generally requires an agency to conduct a regulatory flexibility analysis of any rule subject to notice and comment rulemaking requirements, unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. If the agency makes such a certification, it shall publish the certification at the time of publication of either the proposed rule or the final rule, along with a statement providing the factual basis for such certification.³⁶ For purposes of this analysis, the NCUA considers small credit unions to be those having under \$100 million in assets.³⁷ The Board fully considered the potential economic impacts of the regulatory amendments on small credit unions.

The proposal would increase both major assets prohibition thresholds

under part 711 to \$10 billion to account for changes in the United States banking market since 1996. Additionally, the proposal would remove a presumption related to depository institutions controlled or managed by persons who are members of a minority group or women. Neither of these changes would impose new requirements on small credit unions.

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

D. The Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (PRA) generally provides that an agency may not conduct or sponsor, and not withstanding any other provision of law, a person is not required to respond to, a collection of information, unless it displays a currently valid Office of Management and Budget control number. The PRA applies to rulemakings in which an agency creates a new or amends existing information collection requirements. For purposes of the PRA, an information-collection requirement may take the form of a reporting, recordkeeping, or a third-party disclosure requirement. The NCUA has determined that the changes addressed in this notice do not create a new information collection or revise an existing information collection as defined by the PRA.

E. Executive Order 13132 on Federalism

Executive Order 13132 encourages certain agencies to consider the impact of their actions on state and local interests.³⁸ The proposed rule would 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. The rule would not create or alter existing rights or requirements that apply to federally insured, state-chartered credit unions or affect the ability of state regulatory agencies to examine, supervise, or regulate such credit unions. The NCUA has therefore determined that this rule would not constitute a policy that has federalism implications for purposes of the executive order.

F. Assessment of Federal Regulations and Policies on Families

The NCUA has determined that this rule would not affect family well-being within the meaning of section 654 of the Treasury and General Government

³² 58 FR 51735 (Oct. 4, 1993).

³³ 76 FR 3821 (Jan. 21, 2011).

³⁴ 90 FR 9065 (Feb. 6, 2025).

³⁵ 5 U.S.C. 601 *et seq.*

³⁶ 5 U.S.C. 605(b).

³⁷ 80 FR 57512 (Sept. 24, 2015).

³⁸ “Federalism,” E.O. 13,132 (Aug. 10, 1999).

Appropriations Act.³⁹ The proposed rule would provide regulatory relief for some credit unions that might otherwise have applied for an exemption. Any effect on family well-being will be indirect and likely insubstantial.

List of Subjects in 12 CFR Part 711

Antitrust, Credit unions, Holding companies.

By the National Credit Union Administration Board, this 1st day of May, 2026.

Melane Conyers-Ausbrooks,
Secretary of the Board.

For the reasons discussed above, the Board proposes to amend 12 CFR part 711 as follows:

PART 711—MANAGEMENT OFFICIALS INTERLOCKS

■ 1. The authority section continues to read as follows:

Authority: 12 U.S.C. 1757 and 3201–3208.

■ 2. Section 711.3 is amended by revising the first sentence of paragraph (c) to read as follows:

§ 711.3 Prohibitions

* * * * *

(c) *Major assets.* A management official of a depository organization with total assets exceeding \$10 billion (or any affiliate of such an organization) may not serve at the same time as a management official of an unaffiliated depository organization with total assets exceeding \$10 billion (or any affiliate of such an organization), regardless of the location of the two depository organizations. * * *

§ 711.6 [Amended]

■ 3. Amend § 711.6 by:

- a. Removing paragraph (b)(2); and
- b. Redesignating paragraphs (b)(3) and (4) as paragraphs (b)(2) and (3).

[FR Doc. 2026–09009 Filed 5–6–26; 8:45 am]

BILLING CODE 7535–01–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2026–4630; Project Identifier MCAI–2025–01824–R]

RIN 2120–AA64

Airworthiness Directives; Hélicoptères Guimbal Helicopters

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 Hélicoptères Guimbal (HG) Model Cabri G2 helicopters. This proposed AD was prompted by a report of a potential malfunction of the helicopter emergency locator transmitter (ELT) and subsequent findings of weak ELT signals on 121.5 MHz and 406 MHz frequencies due to improper antenna installation (location). This proposed AD would require revising the existing rotorcraft flight manual (RFM) for the helicopter. The FAA is proposing this AD to address the unsafe condition on these products.

DATES: The FAA must receive comments on this NPRM by June 22, 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–2026–4630; 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 Guimbal material identified in this proposed AD, contact HG, 1070, rue du Lieutenant Parayre, Aérodrome d’Aix-en-Provence, 13290 Les Milles, France; phone: 33–04–42–39–10–88; email: *support@guimbal.com*; website: *guimbal.com*.

- You may view this material at the FAA, Airworthiness Products Section, Operational Safety Branch, 10101 Hillwood Parkway, Fort Worth, TX 76177. For information on the availability of this material at the FAA, call (817) 222–5110.

FOR FURTHER INFORMATION CONTACT:

David Enns, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: (316) 946–4147; email: *david.enns@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–2026–4630; Project Identifier MCAI–2025–01824–R” 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 David Enns, 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

European Union Aviation Safety Agency (EASA), which is the Technical Agent for the Member States of the European Union, has issued EASA AD 2025–0282, dated December 12, 2025 (EASA AD 2025–0282) (also referred to as the MCAI), to correct an unsafe condition on certain HG Model Cabri G2 helicopters. The MCAI states that a

³⁹ Public Law 105–277, sec. 654, 112 Stat. 2681, 2681–528 (1998).

report of a potential malfunction of the helicopter ELT was received. Subsequent investigation revealed that due to improper antenna installation (location), the ELT produced a weaker signal than expected on 121.5 MHz and 406 MHz frequencies. The MCAI further states that both HG cockpit ELT antenna configurations are affected.

The FAA is issuing this AD to address the safety risk posed by weak ELT signal transmissions. The unsafe condition, if not addressed, could impair the ability to detect a distress signal during a helicopter emergency, which could delay the arrival of rescue services and timely medical assistance to injured occupants.

You may examine the MCAI in the AD docket at [regulations.gov](https://www.regulations.gov) under Docket No. FAA–2026–4630.

Material Incorporated by Reference Under 1 CFR Part 51

The FAA reviewed Guimbal Mandatory Service Bulletin SB 25–006 B, dated December 12, 2025 (Guimbal SB 25–006 B), which specifies procedures for removing the VHF2 antenna and associated parts from service (if installed), modifying the ELT antenna, which includes relocating the ELT antenna from inside the cockpit to

an exterior location, relocating and installing a new VHF2 antenna (if installed), torquing nuts, installing cotter pins, trimming the cowlings, routing the ELT antenna cable, repairing the engine cowl honeycomb, and paint touch-ups.

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

FAA's Determination

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

Proposed AD Requirements in This NPRM

This proposed AD would require revising the limitations section of the existing RFM for the helicopter to

prohibit overwater operations conducted under 14 CFR part 135, pursuant to 14 CFR 135.168. The owner/operator (pilot) holding at least a private pilot certificate may revise the existing RFM and must enter compliance into the helicopter 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 RFM, which could be performed equally well by a pilot or mechanic. This is an exception to the FAA's standard maintenance regulations.

Differences Between This Proposed AD and the MCAI

The MCAI specifies updating the RFM to insert a RFM temporary revision in the limitation section, whereas this proposed AD does not.

The MCAI requires the modification of the ELT to be completed within 6 months, whereas this proposed AD does not.

Costs of Compliance

The FAA estimates that this AD, if adopted as proposed, would affect 70 helicopters 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
Revise RFM	1 work-hour × \$85 per hour = \$85	\$0	\$85	\$5,950

The FAA estimates the following costs to do the optional modification. The agency has no way of determining

the number of helicopters that might need this repair:

OPTIONAL COSTS

Action	Labor cost	Parts cost	Cost per product
Modify ELT antenna	3.5 work-hours × \$85 per hour = \$298	Up to \$1,000	Up to \$1,298.

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:

Hélicoptères Guimbal: Docket No. FAA–2026–4630; Project Identifier MCAI–2025–01824–R.

(a) Comments Due Date

The FAA must receive comments on this airworthiness directive (AD) by June 22, 2026.

(b) Affected ADs

None.

(c) Applicability

This AD applies to Hélicoptères Guimbal (HG) Model Cabri G2 helicopters having serial number (S/N) 1003 to 1389, except S/ N 1383 and 1388, certificated in any category.

(d) Subject

Joint Aircraft System Component (JASC) Code 2562, Emergency Locator Beacon.

(e) Unsafe Condition

This AD was prompted by a report of a potential malfunction of the helicopter emergency locator transmitter (ELT) and subsequent findings of weak ELT signals on 121.5 MHz and 406 MHz frequencies due to improper antenna installation (location). The FAA is issuing this AD to address the safety risk posed by weak ELT signal transmissions. The unsafe condition, if not addressed, could impair the ability to detect a distress signal during a helicopter emergency, which could delay the arrival of rescue services and timely medical assistance to injured occupants.

(f) Compliance

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

(g) Required Actions

Within 30 days after the effective date of this AD, revise the limitations section of the existing rotorcraft flight manual (RFM) for the helicopter by inserting the following text

“For Cabri G2 not equipped with the external ELT antenna: Operations conducted overwater under 14 CFR part 135 are prohibited pursuant to 14 CFR 135.168”.

(1) Inserting a copy of this AD into the limitation section of the RFM satisfies the requirements of paragraph (g) of this AD.

(2) For this AD, the owner/operator (pilot) holding at least a private pilot certificate may revise the existing RFM for the helicopter and must enter compliance into the helicopter maintenance 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) Optional Terminating Action

(1) For internal ELT antenna helicopters, modify the ELT antenna and relocate and install a new VHF2 antenna (if installed) in accordance with section 2 ELT Antenna Installation through section 4 Engine Cowl Honeycomb Repair of Guimbal Mandatory Service Bulletin SB 25–006 B, dated December 12, 2025 (Guimbal SB 25–006 B), except as provided in paragraphs (h)(1)(i) and (ii) of this AD.

(i) Instead of discarding parts, you must remove those parts from service.

(ii) Where Guimbal SB 25–006 B uses the term check, this AD requires doing an inspection.

(2) Upon completion of paragraph (h)(1) of this AD, revise the RFM by removing the limitation identified in paragraph (g) of this AD.

(i) 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 (j) 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 local flight standards district office/certificate holding district office.

(j) Additional Information

For more information about this AD, contact David Enns, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: (316) 946–4147; email: david.enns@faa.gov.

(k) Material Incorporated by Reference

(1) The Director of the Federal Register approved the incorporation by reference 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) Guimbal Mandatory Service Bulletin SB 25–006 B, dated December 12, 2025.

(ii) [Reserved]

(3) For Guimbal material identified in this AD, contact Hélicoptères Guimbal, 1070, rue du Lieutenant Parayre, Aérodrome d'Aix-en-Provence, 13290 Les Milles, France; phone: 33–04–42–39–10–88; email: support@guimbal.com; website: guimbal.com.

(4) You may view this material at the FAA, Airworthiness Products Section, Operational Safety Branch, 10101 Hillwood Parkway, Fort Worth, TX 76177. 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 May 4, 2026.

Steven W. Thompson,

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

[FR Doc. 2026–09037 Filed 5–6–26; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2026–4631; Project Identifier MCAI–2025–00930–T]

RIN 2120–AA64

Airworthiness Directives; Airbus SAS 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 all Airbus SAS Model A330–841 and A330–941 airplanes. This proposed AD was prompted by reports of corrosion on lavatory floor fittings at various locations. This proposed AD would require repetitive inspections of the affected lavatory floor fittings and applicable corrective actions and would allow replacement of each affected floor fitting as an optional terminating action. This proposed AD would also limit the installation of affected parts under certain conditions for certain airplanes and would prohibit the installation of an affected lavatory for certain airplanes. 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 June 22, 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](https://www.regulations.gov). Follow the instructions for submitting comments.

• **Fax:** 202–493–2251.

• **Mail:** U.S. Department of Transportation, Docket Operations, M–30, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue SE, Washington, DC 20590.

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

AD Docket: You may examine the AD docket at [regulations.gov](https://www.regulations.gov) under Docket No. FAA–2026–4631; 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 Safety Agency (EASA) material identified in this proposed AD, contact EASA, Konrad-Adenauer-Ufer 3, 50668 Cologne, Germany; telephone +49 221 8999 000; email ADs@easa.europa.eu. You may find this material on the EASA website at ad.easa.europa.eu. It is also available at [regulations.gov](https://www.regulations.gov) under Docket No. FAA–2026–4631.

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

FOR FURTHER INFORMATION CONTACT: Bill Ashforth, Aviation Safety Engineer, FAA, 2200 South 216th St., Des Moines, WA 98198; phone: 206–231–3520; email: Bill.ashforth@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–2026–4631; Project Identifier MCAI–2025–00930–T” at the beginning of your comments. The most helpful comments reference a specific portion of the proposal, explain the reason for any recommended change, and include supporting data. The FAA will consider all comments received by the closing date and may amend 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](https://www.regulations.gov), including any personal information you provide. The agency will also post a report summarizing each substantive verbal contact received about this NPRM.

Confidential Business Information

CBI is commercial or financial information that is both customarily and actually treated as private by its owner. Under the Freedom of Information Act (FOIA) (5 U.S.C. 552), CBI is exempt from public disclosure. If your comments responsive to this NPRM contain commercial or financial information that is customarily treated as private, that you actually treat as private, and that is relevant or responsive to this NPRM, it is important that you clearly designate the submitted comments as CBI. Please mark each page of your submission containing CBI as “PROPIN.” The FAA will treat such marked submissions as confidential under the FOIA, and they will not be placed in the public docket of this NPRM. Submissions containing CBI should be sent to Bill Ashforth, Aviation Safety Engineer, FAA, 2200 South 216th St., Des Moines, WA 98198; phone: 206–231–3520; email: Bill.ashforth@faa.gov. 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 2025–0114, dated May 15, 2025 (EASA AD 2025–0114) (also referred to as the MCAI), to correct an unsafe condition for all Airbus SAS Model A330–841 and A330–941 airplanes. The MCAI states that there have been reports of corrosion on lavatory floor fittings at various locations on Model A330 airplanes. This condition, if not addressed, could lead to detachment of the lavatory module with consequent injury to cabin crew and passengers and could result in reduced evacuation capacity from the airplane in case of an emergency.

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

You may examine the MCAI in the AD docket at [regulations.gov](https://www.regulations.gov) under Docket No. FAA–2026–4631.

Material Incorporated by Reference Under 1 CFR Part 51

EASA AD 2025–0114 specifies procedures for repetitive general visual inspections of affected lavatory floor fittings for corrosion and other damage

(i.e., contamination, cracks, and incorrect installation), and applicable corrective actions. Corrective actions include:

- Contacting Airbus for approved repair instructions for floor fitting HP03 and doing the repair;
- Repairing an affected floor fitting, except for floor fitting HP03; and
- Replacing an affected floor fitting.

EASA AD 2025–0114 provides an optional terminating action of replacing each affected floor fitting and reidentifying that lavatory. EASA AD 2025–0114 also limits the installation of affected lavatory floor fittings under certain conditions for certain airplanes and prohibits the installation of an affected lavatory for certain airplanes.

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

FAA’s Determination

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

Proposed AD Requirements in This NPRM

This proposed AD would require accomplishing the actions specified in EASA AD 2025–0114 described previously, except for any differences identified as exceptions in the regulatory text of this proposed AD.

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 civil aviation authority (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 2025–0114 by reference in the FAA final rule. This proposed AD would, therefore, require compliance with EASA AD 2025–0114 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 EASA AD 2025–0114 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 2025–0114. Material required by EASA AD 2025–0114 for compliance will be available at *regulations.gov* under Docket No. FAA–2026–4631 after the FAA final rule is published.

Costs of Compliance
The FAA estimates that this AD, if adopted as proposed, would affect 35 airplanes of U.S. registry. The FAA estimates the following costs to comply with this proposed AD:

ESTIMATED COSTS FOR REQUIRED ACTIONS

Labor cost	Parts cost	Cost per product	Cost on U.S. operators
Up to 4 work-hours × \$85 per hour = \$340 per inspection cycle.	\$0	Up to \$340 per inspection cycle	Up to \$11,900 per inspection cycle.

The FAA estimates the following costs to do any necessary on-condition actions that would be required based on

the results of any required actions. The FAA has no way of determining the

number of aircraft that might need these on-condition actions:

ESTIMATED COSTS OF ON-CONDITION REPLACEMENT

Labor cost	Parts cost	Cost per product
2 work-hours × \$85 per hour = \$170 per lavatory	\$10	\$180

The FAA has received no definitive data on which to base the cost estimates for the on-condition repairs specified in this proposed AD.

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:

Airbus SAS: Docket No. FAA–2026–4631; Project Identifier MCAI–2025–00930–T.

(a) Comments Due Date

The FAA must receive comments on this airworthiness directive (AD) by June 22, 2026.

(b) Affected ADs

None.

(c) Applicability

This AD applies to all Airbus SAS Model A330–841 and A330–941 airplanes, certificated in any category.

(d) Subject

Air Transport Association (ATA) of America Code 25, Equipment/furnishings.

(e) Unsafe Condition

This AD was prompted by reports of corrosion on lavatory floor fittings at various locations on Model A330 airplanes. The FAA is issuing this AD to address corrosion and damage on lavatory floor fittings. The unsafe condition, if not addressed, could lead to detachment of the lavatory module with consequent injury to cabin crew and passengers and could result in reduced evacuation capacity from the airplane in case of an emergency.

(f) Compliance

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

(g) Requirements

Except as specified in paragraph (h) of this AD: Comply with all required actions and compliance times specified in, and in accordance with, European Union Aviation Safety Agency (EASA) AD 2025–0114, dated May 15, 2025 (EASA AD 2025–0114).

(h) Exceptions to EASA AD 2025–0114

(1) Where EASA AD 2025–0114 refers to its effective date, this AD requires using the effective date of this AD.

(2) Where EASA AD 2025–0114 defines a serviceable floor fitting as “Any lavatory floor fitting, eligible for installation in accordance with Airbus instructions, which is not an affected floor fitting”, this AD requires replacing that text with “Any lavatory floor fitting eligible for installation which is not an affected floor fitting”.

(3) This AD does not adopt the “Remarks” section of EASA AD 2025–0114.

(i) No Reporting Requirement

Although the material referenced in EASA AD 2025–0114 specifies to submit certain information to the manufacturer, this AD does not include that requirement.

(j) Additional AD Provisions

The following provisions also apply to this AD:

(1) *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 responsible Flight Standards Office, as appropriate. If sending information directly to the Manager, 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 responsible Flight Standards Office.

(2) *Contacting the Manufacturer*: For any requirement in this AD to obtain instructions from a manufacturer, the instructions must be accomplished using a method approved by the Manager, AIR–520, Continued Operational Safety Branch, FAA; or EASA; or Airbus SAS’s EASA Design Organization Approval (DOA). If approved by the DOA, the approval must include the DOA-authorized signature.

(3) *Required for Compliance (RC)*: Except as required by paragraph (j)(2) of this AD, if any material contains procedures or tests that are identified as RC, those procedures and tests must be done to comply with this AD; any procedures or tests that are not identified as RC are recommended. Those procedures and tests that are not identified as RC may be deviated from using accepted methods in accordance with the operator’s maintenance or inspection program without obtaining approval of an AMOC, provided the procedures and tests identified as RC can be done and the airplane can be put back in an airworthy condition. Any substitutions or changes to procedures or tests identified as RC require approval of an AMOC.

(k) Additional Information

For more information about this AD, contact Bill Ashforth, Aviation Safety Engineer, FAA, 2200 South 216th St., Des Moines, WA 98198; phone: 206–231–3520; email: Bill.ashforth@faa.gov.

(l) Material Incorporated by Reference

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

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

(i) European Union Aviation Safety Agency (EASA) AD 2025–0114, dated May 15, 2025.

(ii) [Reserved]

(3) For EASA material identified in this AD, contact EASA, Konrad-Adenauer-Ufer 3, 50668 Cologne, Germany; telephone +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.

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

(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 May 4, 2026.

Brian Knaup,

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

[FR Doc. 2026–09077 Filed 5–6–26; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION**Federal Aviation Administration****14 CFR Part 39**

[Docket No. FAA–2026–3880; Project Identifier MCAI–2025–01428–R]

RIN 2120–AA64

Airworthiness Directives; Airbus Helicopters

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: The FAA proposes to adopt a new airworthiness directive (AD) for all Airbus Helicopters Model EC 155B and EC155B1 helicopters. This proposed AD was prompted by a determination that new or more restrictive airworthiness limitations are necessary. This proposed AD would require revising the airworthiness limitations section (ALS) of the existing maintenance manual (MM) or instructions for continued airworthiness and the existing approved maintenance or inspection program, as applicable. The FAA is proposing this

AD to address the unsafe condition on these products.

DATES: The FAA must receive comments on this NPRM by June 22, 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–2026–3880; 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 Safety Agency (EASA) material identified in this proposed 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 the EASA material on the EASA website at ad.easa.europa.eu.

- You may view this material at the FAA, Airworthiness Products Section, Operational Safety Branch, 10101 Hillwood Parkway, Fort Worth, TX 76177. For information on the availability of this material at the FAA, call (817) 222–5110.

FOR FURTHER INFORMATION CONTACT: Zakaria Abdi, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: (316) 946–4141; email: zakaria.f.abdi@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–2026–3880; Project Identifier MCAI–2025–01428–R” 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 Zakaria Abdi, 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 2025–0191, dated September 4, 2025 (EASA AD 2025–0191) (also referred to as the MCAI), to correct an unsafe condition on Airbus Helicopters Model EC 155 B and EC 155 B1 helicopters. The MCAI states that new or more restrictive airworthiness limitations have been developed. Additionally, the MCAI states that the airworthiness limitations are identified as mandatory for continued airworthiness and that AH [Airbus Helicopters] has issued applicable ALS revisions to specify instructions to determine the compliance time for the replacement of the upper attach beam.

The FAA is issuing this proposed AD to prevent failure of certain parts and primary structural components, which if not addressed, could result in loss of control of the helicopter.

You may examine the MCAI in the AD docket at *regulations.gov* under Docket No. FAA–2026–3880.

Material Incorporated by Reference Under 1 CFR Part 51

The FAA reviewed EASA AD 2025–0191, which specifies procedures for replacing components before exceeding their life limits and accomplishing all applicable maintenance tasks within thresholds and intervals specified in the ALS as defined in EASA AD 2025–0191.

Additionally, EASA AD 2025–0191 specifies procedures for revising the Aircraft Maintenance Programme (AMP) by incorporating the limitations, tasks, and associated thresholds and intervals described in the specified ALS, as applicable. Revising the AMP constitutes a terminating action for the requirement to record accomplishment of the actions of replacing components before exceeding their life limits and accomplishing maintenance tasks within thresholds and intervals specified in the applicable ALS as specified in EASA AD 2025–0191 for demonstration of AD compliance on a continued basis.

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 **ADDRESSES**.

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 the actions specified in EASA AD 2025–0191, described previously, as incorporated by reference, except for any differences identified as exceptions in the regulatory text of this proposed AD. See "Differences Between this

Proposed AD and the MCAI" for a discussion of the general differences included in this AD.

Differences Between This Proposed AD and the MCAI

The MCAI requires revising the approved AMP within 12 months, whereas this proposed AD would require revising the ALS of the existing approved MM or inspection program, as applicable, within 30 days, and clarifies that if an incorporated limitation or threshold therein is reached before 30 days after the effective date of the final rule of this proposed AD, you still have up to 30 days after the effective date of the final rule of this proposed AD to accomplish the corresponding task.

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 civil aviation authority (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 2025–0191 by reference in the FAA final rule. This proposed AD would, therefore, require compliance with EASA AD 2025–0191 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 EASA AD 2025–0191 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 2025–0191. Material required by EASA AD 2025–0191 for compliance will be available at *regulations.gov* under Docket No. FAA–2026–3880 after the FAA final rule is published.

Costs of Compliance

The FAA estimates that this AD, if adopted as proposed, would affect 16 helicopters 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
Revise the ALS and maintenance and inspection program, as applicable.	1 work-hour × \$85 per hour = \$85	\$0	\$85	\$1,360

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:

Airbus Helicopters: Docket No. FAA–2026–3880; Project Identifier MCAI–2025–01428–R.

(a) Comments Due Date

The FAA must receive comments on this airworthiness directive (AD) by June 22, 2026.

(b) Affected ADs

None.

(c) Applicability

This AD applies to all Airbus Helicopters Model EC 155B and EC155B1 helicopters, certificated in any category.

(d) Subject

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

(e) Unsafe Condition

This AD was prompted by new or more restrictive airworthiness limitations. The FAA is issuing this AD to prevent failure of certain parts and primary structural components, which if not addressed, could result in loss of control of the helicopter.

(f) Compliance

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

(g) Required Actions

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 AD 2025–0191, dated September 4, 2025 (EASA AD 2025–0191).

(h) Exceptions to EASA AD 2025–0191

(1) Where EASA AD 2025–0191 refers to its effective date, this AD requires using the effective date of this AD.

(2) This AD does not adopt paragraphs (1), (2), (4) and (5) of EASA AD 2025–0191.

(3) Where paragraph (3) of EASA AD 2025–0191 specifies "Within 12 months after the effective date of this AD, revise the approved AMP", this AD requires replacing that text with "Within 30 days after the effective date of this AD, revise the airworthiness

limitations section of the existing maintenance manual or instructions for continued airworthiness and the existing approved maintenance or inspection program, as applicable".

(4) The initial compliance time for doing the tasks specified in paragraph (3) of EASA AD 2025–0191 is on or before the applicable "limitations" and "associated thresholds" as incorporated by the requirements of paragraph (3) of EASA AD 2025–0191 or within 30 days after the effective date of this AD, whichever occurs later.

(5) This AD does not adopt the "Remarks" section of EASA AD 2025–0191.

(i) Provisions for Alternative Actions and Intervals

After revising the airworthiness limitations section of the existing maintenance manual or instructions for continued airworthiness and the existing approved maintenance or inspection program as required by paragraph (g) of this AD, no alternative actions (*e.g.*, inspections) and associated thresholds and intervals, including life limits, are allowed unless they are approved as specified in the provisions of the Ref. Publications section of EASA AD 2025–0191.

(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 local flight standards district office/certificate holding district office.

(k) Additional Information

For more information about this AD, contact Zakaria Abdi, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: (316) 946–4141; email: zakaria.f.abdi@faa.gov.

(l) Material Incorporated by Reference

(1) The Director of the Federal Register approved the incorporation by reference 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 2025–0191, dated September 4, 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 the EASA material on the EASA website at ad.easa.europa.eu.

(4) You may view this material at the FAA, Airworthiness Products Section, Operational Safety Branch, 10101 Hillwood Parkway, Fort Worth, TX 76177. 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 May 4, 2026.

Steven W. Thompson,

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

[FR Doc. 2026–09036 Filed 5–6–26; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 71

[Docket No. FAA–2026–4819; Airspace Docket No. 26–ANE–2]

RIN 2120–AA66

Amendment of Class D Airspace and Class E Airspace Over New Bedford, MA

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: This action proposes to amend Class D and Class E airspace over New Bedford, MA. This action would add a 0.7 mile long, 3.6-mile-wide extension to the northwest side of the existing Class D airspace to properly contain current Instrument Flight Rules (IFR) operations. This action would also update the airport name and geographic coordinates in both the New Bedford, MA Class D and Class E airspace. This action would also replace “Airport/Facility Directory” in the Class D airspace legal description with “Chart Supplement” to comply with current FAA guidance.

DATES: Comments must be received on or before June 22, 2026.

ADDRESSES: Send comments identified by FAA Docket No. FAA–2026–4819

and Airspace Docket No. 26–ANE–2 using any of the following methods:

* **Federal eRulemaking Portal:** Go to www.regulations.gov and follow the online instructions for sending your comments electronically.

* **Mail:** 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, between 9 a.m. and 5 p.m., Monday through Friday, except for Federal holidays.

* **Fax:** Fax comments to Docket Operations at (202) 493–2251.

Docket: Background documents or comments received may be read at www.regulations.gov at any time. Follow the online instructions for accessing the docket or go to Docket Operations in Room W12–140 of the West Building Ground Floor at 1200 New Jersey Avenue SE, Washington, DC, between 9 a.m. and 5 p.m., Monday through Friday, except for Federal holidays.

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, Policy Directorate, Federal Aviation Administration, 600 Independence Avenue SW, Washington, DC 20597; Telephone: (202) 267–8783.

FOR FURTHER INFORMATION CONTACT: Marc Ellerbee, Operations Support Group, Eastern Service Center, Federal Aviation Administration, 1701 Columbia Avenue, College Park, GA 30337; Telephone: (404) 305–5589.

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 would amend Class D and Class E airspace in New Bedford, MA.

Comments Invited

The FAA invites interested persons to participate in this rulemaking by submitting written comments, data, or views. Comments are specifically invited on the overall regulatory, aeronautical, economic, environmental, and energy-related aspects of the proposal. The most helpful comments reference a specific portion of the proposal, explain the reason for any recommended change, and include supporting data. To ensure the docket does not contain duplicate comments, commenters should submit only one time if comments are filed electronically, or commenters should send only one copy of written comments if comments are filed in writing.

The FAA will file in the docket all comments it receives, as well as a report summarizing each substantive public contact with FAA personnel concerning this proposed rulemaking. Before acting on this proposal, the FAA will consider all comments it receives on or before the closing date for comments. The FAA will consider comments filed after the comment period has closed if it is possible to do so without incurring expense or delay. The FAA may change this proposal in light of the comments it receives.

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 edits, including any personal information the commenter provides, to www.regulations.gov, as described in the system of records notice (DOT/ALL–14 FDMS), which can be reviewed at www.dot.gov/privacy.

Availability of Rulemaking Documents

An electronic copy of this document may be downloaded through the internet at www.regulations.gov. Recently published rulemaking documents can also be accessed through the FAA’s web page at www.faa.gov/air_traffic/publications/airspace_amendments/.

You may review the public docket containing the proposal, any comments received, and any final disposition in person in the Dockets Operations office (see **ADDRESSES** section for address, phone number, and hours of operations). An informal docket may also be examined during regular business hours at the office of the Eastern Service Center, Federal Aviation Administration, Room 210, 1701 Columbia Ave., College Park, GA 30337.

Incorporation by Reference

Class D and Class E airspace designations are published in paragraphs 5000 and 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 proposes to amend the current version of that order, FAA Order JO 7400.11K, dated August 4, 2025, and effective September 15, 2025. These updates would 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 Proposal

This action proposes to amend 14 CFR part 71 by modifying Class D and Class E airspace over New Bedford, MA. A review of the current airspace revealed that the New Bedford, MA Class D airspace does not properly contain IFR operations on the northwest side of the airport. Specifically, arrivals on the RNAV Runway 14 approach and departures to the northwest are not properly contained. This action proposes to add an extension to the existing Class D airspace within 1.8 miles each side of the 318° bearing from the New Bedford Regional Airport extending from the 4-mile radius of the airport to 4.7 miles northwest of the airport.

This action also proposes to update the airport name in both the New Bedford Class D and Class E airspace legal descriptions from “New Bedford Municipal Airport” to “New Bedford Regional Airport.” This action also proposes to update the geographic coordinates of the New Bedford Regional Airport in both the Class D and Class E airspace legal descriptions, specifically, from (lat. 41°40′35″ N, long. 70°57′28″ W) to (lat. 41°40′36″ N, long. 70°57′28″ W), which is one second of latitude. This action also proposes to update the verbiage in the Class D airspace legal description from “Airport/Facility Directory” to “Chart Supplement” to comply with current FAA guidance.

Regulatory Notices and Analyses

The FAA has determined that this proposed 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 Order 2100.6B, “Rulemaking and Guidance Procedure” (March 10, 2025); and (3) is expected to result in, at most, de minimis costs from compliance with applicable operating requirements or minor flight rerouting for operators choosing to navigate around the controlled airspace. Since these proposed amendments are routine and the expected impact to operators is de minimis, the FAA certifies that this proposed rule, when promulgated, will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

Environmental Review

This proposal will be subject to an environmental analysis in accordance with FAA Order 1050.1G, “FAA National Environmental Policy Act Implementing Procedures” prior to any FAA final regulatory action.

Lists of Subjects in 14 CFR Part 71

Airspace, Incorporation by reference, Navigation (air).

The Proposed Amendment

In consideration of the foregoing, the Federal Aviation Administration proposes to amend 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 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 5000 Class D Airspace.

* * * * *

ANE MA D New Bedford, MA [Amended]

New Bedford Regional, MA
(Lat. 41°40′36″ N, long. 70°57′28″ W)

That airspace extending upward from the surface to and including 2,600 feet MSL within a 4-mile radius of New Bedford Regional Airport and within 1.8 miles each side of the 308° bearing from the airport extending from the 4-mile radius to 4.7 miles northwest of the airport. This Class D airspace area is effective during the specific dates and times established in advance by a Notice to Airmen. The effective date and time

will thereafter be continuously published in the Chart Supplement.

* * * * *

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

* * * * *

ANE MA E5 New Bedford, MA [Amended]

New Bedford Regional, MA
(Lat. 41°40′36″ N, long. 70°57′28″ W)

That airspace extending upward from 700 feet above the surface within a 6.5-mile radius of New Bedford Regional Airport, and within 4.5 miles each side of the New Bedford Regional Airport 218° bearing extending from the 6.5-mile radius to 14.1 miles southwest of New Bedford Regional Airport.

* * * * *

Issued in College Park, Georgia, on May 5, 2026.

Patrick Young,

Manager, Airspace & Procedures Team North, Eastern Service Center, Air Traffic Organization.

[FR Doc. 2026–09113 Filed 5–6–26; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF THE INTERIOR

Office of Surface Mining Reclamation and Enforcement

30 CFR Part 944

[SATS No. MT–051–FOR; Docket ID: OSM–2026–0034; S1D1S SS08011000 SX064A000 256S180110; S2D2S SS08011000 SX064A000 25XS501520]

Utah Regulatory Program

AGENCY: Office of Surface Mining Reclamation and Enforcement, Interior.

ACTION: Proposed rule; public comment period and opportunity for public hearing on proposed amendment.

SUMMARY: The Office of Surface Mining Reclamation and Enforcement (OSM) is announcing receipt of a proposed amendment to the Utah coal regulatory program (hereinafter, the Utah program) under the Surface Mining Control and Reclamation Act of 1977 (SMCRA or the Act). Utah submitted this proposed amendment on its own initiative, following the passage of Utah House Bill 419 (HB 419) during the 2026 legislative session. HB 419 amended Title 72B, chapter 5, part 8 of the Utah Code Annotated (UCA) and would require that a bond be posted by a plaintiff who obtains a “stay or other temporary remedy issued by an agency for an “environmental action.” HB 419 also states that these changes are effective as of May 6, 2026.

This document gives the times and locations that the Utah program and this proposed amendment to that program are available for your inspection, the comment period during which you may submit written comments on the amendment, and the procedures that we will follow for the public hearing, if one is requested.

DATES: We will accept written comments on this amendment until 4:00 p.m., Mountain Daylight Time (M.D.T.) June 8, 2026. If requested, we may hold a public hearing or meeting on the amendment on June 1, 2026. We will accept requests to speak at a hearing until 4:00 p.m., M.D.T. on May 22, 2026.

ADDRESSES: You may submit comments, identified by SATS No. UT-051-FOR, by any of the following methods:

- *Mail/Hand Delivery:* OSM, Attn: Jeffrey Fleischman, P.O. Box 11018, 100 East B Street, Room 4100, Casper, Wyoming 82602.

- *Fax:* (307) 261-6552.

- *Federal eRulemaking Portal:* The amendment has been assigned Docket ID: OSM-2026-0034. If you would like to submit comments, go to <http://www.regulations.gov>. Follow the instructions for submitting comments.

Instructions: All submissions received must include the agency name and docket number for this rulemaking. For detailed instructions on submitting comments and additional information on the rulemaking process, see the “Public Comment Procedures” heading of the **SUPPLEMENTARY INFORMATION** section of this document.

Docket: The full text of the program amendment is available for you to read at www.regulations.gov. For access to the docket to review copies of the Utah program, this amendment, a listing of any scheduled public hearings or meetings, and all written comments received in response to this document, you must go to the address listed below during normal business hours, Monday through Friday, excluding holidays. You may receive one free copy of the amendment by contacting OSM’s Casper Field Office at: Attn: Jeffrey Fleischman, Field Office Director, Office of Surface Mining Reclamation and Enforcement, 100 East B Street, Casper, Wyoming 82602. Telephone: (307) 261-6550. Email: jfleischman@osmre.gov.

In addition, you may review a copy of the amendment during regular business hours at the following location: Attn: Mick Thomas, Director, Department of Natural Resources, Division of Oil, Mining, and Gas, P.O. Box 145801, Salt Lake City, Utah 84114-5801. Telephone: (801) 538-5340 Email: mickthomas@utah.gov.

FOR FURTHER INFORMATION CONTACT: Attn: Jeffrey Fleischman, Field Office Director, Office of Surface Mining Reclamation and Enforcement, 100 East B Street, Casper, Wyoming 82602. Telephone: (307) 261-6550. Email: jfleischman@osmre.gov.

SUPPLEMENTARY INFORMATION:

- I. Background on the Utah Program
- II. Description of the Proposed Amendment
- III. Public Comment Procedures
- IV. Procedural Determinations

I. Background on the Utah Program

Subject to OSM’s oversight, section 503(a) of the Act permits a State to assume primacy for the regulation of surface coal mining and reclamation operations on non-Federal and non-Indian lands within its borders by demonstrating that its State program includes, among other things, State laws and regulations that govern surface coal mining and reclamation operations in accordance with the Act and consistent with the Federal regulations. See 30 U.S.C. 1253(a)(1) and (7).

On the basis of these criteria, the Secretary of the Interior conditionally approved the Utah program on January 21, 1981. You can find background information on the Utah program, including the Secretary’s findings, the disposition of comments, and conditions of approval of the Utah program in the January 21, 1981, **Federal Register** (46 FR 5913). You can also find later actions concerning the Utah program and program amendments at 30 CFR 944.15.

II. Description of the Proposed Amendment

By letter dated April 6, 2026 (Administrative Record No. UT-051-01), Utah sent an amendment to its program under SMCRA (30 U.S.C. 1201 *et seq.*). We found Utah’s proposed amendment to be administratively complete on April 7, 2026. Utah submitted this proposed amendment following the passage of HB 419 during the 2026 Utah state legislative session, which proposed to update the language of its judicial code at 78B-5-828 of the Utah Code Annotated (UCA).

UCA 78B-5-828 applies to an “environmental action,” and an “environmental action” is defined as a cause of action filed on or after May 10, 2011, that seeks judicial review of a final agency action. This provision specifically applies to permits issued by the Department of Transportation, the School and Institutional Trust Lands Administration, or the Department of Natural Resources. At section UCA 78B-5-828(1)(a)(ii), permits actions under the Department of Natural Resources’—

Division of Oil, Gas, and Mining—Coal Mining and Reclamation program—are exempted from the definition of “environmental actions.”

UCA 78B-5-828 requires a plaintiff who obtains a preliminary injunction or administrative stay in an “environmental action” to post a bond with the court or relevant agency sufficient to compensate each defendant opposing the action for damages that each defendant may sustain as a result of the preliminary injunction or administrative stay. If the plaintiff does not ultimately prevail on the merits of the “environmental action,” the court or relevant agency must execute the bond and award damages to each defendant who opposed the preliminary injunction or administrative stay and who was harmed because of it.

HB 419 removed section UCA 78B-5-828(1)(a)(ii), the provision which exempts permit actions from the coal program under the Utah Division of Oil, Gas, and Mining from the definition of “environmental actions.” By removing this exemption, Utah proposed to make the Utah Program and its permit actions subject to this rule.

Finally, HB 419 added a contingency that affects the amended sections above, but that is not codified into the UCA. HB 419 stated in its “Effective date” clause, that HB 419 is effective as of May 6, 2026.

The full text of the program amendment is available for you to read at the locations listed above under **ADDRESSES** or at www.regulations.gov.

III. Public Comment Procedures

Under the provisions of 30 CFR 732.17(h), we are seeking your comments on whether the amendment satisfies the applicable program approval criteria of 30 CFR 732.15. If we approve the amendment, it will become part of the State program.

Electronic or Written Comments

If you submit written or electronic comments on the proposed rule during the 30-day comment period, they should be specific, confined to issues pertinent to the proposed regulations, and explain the reason for any recommended change(s). We appreciate any and all comments, but those most useful and likely to influence decisions on the final regulations will be those that either involve personal experience or include citations to and analyses of SMCRA, its legislative history, its implementing regulations, case law, other pertinent State or Federal laws or regulations, technical literature, or other relevant publications.

We cannot ensure that comments received after the close of the comment period (see **DATES**) or sent to an address other than those listed (see **ADDRESSES**) will be included in the docket for this rulemaking and considered.

Public Availability of Comments

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.

Public Hearing

If you wish to speak at the public hearing, contact the person listed under **FOR FURTHER INFORMATION CONTACT** by 4:00 p.m., M.D.T. on May 22, 2026. If you are disabled and need reasonable accommodations to attend a public hearing, contact the person listed under **FOR FURTHER INFORMATION CONTACT**. We will arrange the location and time of the hearing with those persons requesting the hearing. If no one requests an opportunity to speak, we will not hold a hearing.

To assist the transcriber and ensure an accurate record, we request, if possible, that each person who speaks at the public hearing provide us with a written copy of his or her comments. The public hearing will continue on the specified date until everyone scheduled to speak has been given an opportunity to be heard. If you are in the audience and have not been scheduled to speak and wish to do so, you will be allowed to speak after those who have been scheduled. We will end the hearing after everyone scheduled to speak and others present in the audience who wish to speak, have been heard.

Public Meeting

If only one person requests an opportunity to speak, we may hold a public meeting rather than a public hearing. If you wish to meet with us to discuss the amendment, please request a meeting by contacting the person listed under **FOR FURTHER INFORMATION CONTACT**. All such meetings are open to the public and, if possible, we will post notices of meetings at the locations listed under **ADDRESSES**. We will make a written summary of each meeting a part of the administrative record.

IV. Procedural Determinations

Executive Order 12866—Regulatory Planning and Review and Executive Order 13563—Improving Regulation and Regulatory Review

Executive Order 12866 provides that the Office of Information and Regulatory Affairs in the Office of Management and Budget (OMB) will review all significant rules. Pursuant to OMB guidance, dated October 12, 1993, the approval of State program amendments is exempted from OMB review under Executive Order 12866. Executive Order 13563, which reaffirms and supplements Executive Order 12866, retains this exemption.

Other Laws and Executive Orders Affecting Rulemaking

When a State submits a program amendment to OSM for review, our regulations at 30 CFR 732.17(h) require us to publish a notice in the **Federal Register** indicating receipt of the proposed amendment, its text or a summary of its terms, and an opportunity for public comment.

We conclude our review of the proposed amendment after the close of the public comment period and determine whether the amendment should be approved, approved in part, or not approved. At that time, we will also make the determinations and certifications required by the various laws and executive orders governing the rulemaking process and include them in the final rule.

List of Subjects in 30 CFR Part 944

Intergovernmental relations, Surface mining, Underground mining.

Marcelo Calle,

Acting Regional Director, Unified Regions 5, 7–11.

[FR Doc. 2026–09024 Filed 5–6–26; 8:45 am]

BILLING CODE 4310–05–P

DEPARTMENT OF EDUCATION

34 CFR Part 75

[ED–2026–OCTAE–1585]

Proposed Waiver and Extension of the Project Period With Funding for Native American Career and Technical Education Program (NACTEP)

AGENCY: Office of Career, Technical, and Adult Education (OCTAE), Department of Education.

ACTION: Proposed waiver and extension of project period with funding.

SUMMARY: The Secretary proposes to waive the requirements in the Education

Department General Administrative Regulations that generally prohibit the project period exceeding five years and project period extensions involving the obligation of additional Federal funds. The proposed waiver and extension would enable 36 Native American Career and Technical Education (NACTEP) projects under Assistance Listing Number (ALN) 84.101A, currently in their fifth year, to receive funding for an additional budget period, not beyond September 30, 2027.

DATES: We must receive your comments on or before June 8, 2026.

ADDRESSES: Comments must be submitted via the Federal eRulemaking Portal at www.regulations.gov. However, if you require an accommodation or cannot otherwise submit your comments via www.regulations.gov, please contact the program contact person listed under **FOR FURTHER INFORMATION CONTACT**. The Department will not accept comments submitted after the comment period. To ensure that we do not receive duplicate copies, please submit your comments only once. In addition, please include the Docket ID at the top of your comments.

Federal eRulemaking Portal: Go to www.regulations.gov to submit your comments electronically. Information on using *Regulations.gov*, including instructions for accessing agency documents, submitting comments, and viewing the docket, is available on the site under “FAQ.”

Privacy Note: OCTAE’s policy is generally to make comments received from members of the public available for public viewing in their entirety on the Federal eRulemaking Portal at www.regulations.gov. Therefore, commenters should be careful to include in their comments only information that they wish to make publicly available.

FOR FURTHER INFORMATION CONTACT: Adam Flynn, U.S. Department of Education, 400 Maryland Avenue SW, Washington, DC 20202. Telephone: (202) 245–7405. Email: Adam.Flynn-Tabloff@ed.gov.

If you are deaf, hard of hearing, or have a speech disability and wish to access telecommunications relay services, please dial 7–1–1.

SUPPLEMENTARY INFORMATION:

Invitation to Comment: We invite you to submit comments regarding this proposed waiver and extension notice. To ensure that your comments have maximum effect in developing the notice of final waiver and extension, we urge you to identify clearly the specific grantee or grantees (listed in the table

under the *Background* section) that each comment addresses.

We invite you to assist us in complying with the specific requirements of Executive Orders 12866, 13563, and 14192 and their overall requirement of reducing regulatory burden that might result from the proposed waiver and extension. Please let us know of any further ways we could reduce potential costs or increase potential benefits while preserving the effective and efficient administration of the program.

During and after the comment period, you may inspect public comments about the proposed waiver and extension by accessing: *Regulations.gov*.

Assistance to Individuals with Disabilities in Reviewing the Rulemaking Record: On request, we will provide an appropriate accommodation or auxiliary aid to an individual with a disability who needs assistance to review the comments or other documents in the public rulemaking record for the proposed waiver and extension. If you want to schedule an appointment for this type of accommodation or auxiliary aid, please contact the person listed under **FOR FURTHER INFORMATION CONTACT**.

Background

Section 116 of the Carl D. Perkins Career and Technical Education Act of 2006 (Pub. L. 115–224) (Perkins V or the Act), authorizes the Secretary to make grants to or enter into contracts with Indian Tribes and Tribal organizations to carry out career and technical education programs that benefit Native Americans.

In fiscal year (FY) 2021, the Department published in the **Federal Register** notices inviting application (NIA) announcing a grant competition for the NACTEP program under ALN

84.101A (85 FR 76548) published November 30, 2020, and corrected December 11, 2020, for up to five years. Thirty-nine NACTEP grants were awarded from that competition and thirty-six NACTEP grants are currently operating career and technical education programs for Native American students as authorized by section 116 of Perkins V (20 U.S.C. 2326).

The Department proposes to waive the requirements in 34 CFR 75.250, which prohibit project periods exceeding 60 months (five years). Additionally, the Department proposes to waive the requirements in 34 CFR 75.261 (a) and (c)(2), which allow the extension of a project period only if the extension does not involve the obligation of additional Federal funds. The waiver and extension would enable the Department to provide additional funds, not to exceed their Year 5 planned award amount for projects currently funded under ALN 84.101A for an additional budget period, not beyond September 20, 2027. This proposed waiver and extension would maximize continuity of services to those served by the NACTEP program and support grantees by providing an efficient process by which they can continue to operate their current, approved projects for another budget period with additional funding.

This action would allow the 36 current NACTEP grantees to submit a request for continuation funding in FY 2026, provided grantees have certified that they have the capacity to continue activities. In making a continuation award under 34 CFR 75.253, the Secretary considers, among other things: whether a grantee has made substantial progress in achieving the goals and objectives of the project; whether the grantee has expended funds in a manner

that is consistent with its approved application and budget; if the Secretary has established performance measurement requirements, whether the grantee has made substantial progress in achieving the performance targets in the grantee's approval application; and whether the continuation of the project is in the best interest of the Federal Government.

In making a continuation award, the Secretary also considers whether the grantee is operating in compliance with the assurance in its approved application, including those applicable to Federal civil rights laws that prohibit discrimination in programs or activities receive Federal financial assistance from the Department (34 CFR 100.4, 104.5, 106.4, 108.8, and 110.23).

Waivers and Extensions:

The Department believes that it is in the public interest to extend the NACTEP program in lieu of running a new competition in FY 2026. Extending the project end dates of the 36 NACTEP grants for one year will allow for efficient continuity of Career and Technical Education services for Native Americans. The Department intends to hold a new competition FY 2027.

For these reasons, the Department proposes to waive the requirements in 34 CFR 75.250, which prohibit project periods exceeding five years, as well as the requirements in 34 CFR 75.261 (a) and (c)(2), which allow the extension of a project period only if the extension does not involve the obligation of additional Federal funds. This waiver will allow the Department to consider FY 2026 continuation awards for the 36 NACTEP projects (ALN 84.101A) based on their Year 5 planned amount. It is estimated that each grantee's continuation award would amount to the following, pending review and discussion of carryover:

FY 2021 84.101A award No.	Grantee	Amount
V101A210002	The Coeur d'Alene Tribe	\$551,000
V101A210003	Hoopa Valley Tribal Council	551,000
V101A210004	College of Menominee Nation	532,302
V101A210006	Citizen Potawatomi Nation	459,011
V101A210007	Pascua Yaqui Tribe	458,000
V101A210009	Angoon Community Association	551,000
V101A210010	Sinte Gleska University	464,366
V101A210011	Stone Child College Corporation	493,274
V101A210012	Blackfeet Community College	540,238
V101A210013	Salish Kootenai College, Inc	484,263
V101A210015	Little Wound School Board, Inc	129,909
V101A210016	The Cherokee Boys Club, Inc	479,025
V101A210018	The Alamo Navajo School Board, Inc	508,435
V101A210019	Muckleshoot Indian Tribe	401,853
V101A210020	Aaniih Nakoda College	466,787
V101A210021	Nueta Hidatsa Sahnish College	568,736
V101A210022	Sitting Bull College	478,519
V101A210023	Turtle Mountain Community College	548,272
V101A210025	Choctaw Nation of Oklahoma	462,145

FY 2021 84.101A award No.	Grantee	Amount
V101A210026	Oglala Lakota College	551,000
V101A210028	Haliwa Saponi Tribal School	95,483
V101A210029	Cankdeska Cikana Community College	631,057
V101A210030	Pawnee Nation College	514,601
V101A210031	Mississippi Band of Choctaw Indians	526,369
V101A210032	South Puget Intertribal Planning Agency	458,000
V101A210033	Chief Leschi Schools	30,000
V101A210035	Kawerak, Inc	546,690
V101A210037	Winnebago Tribe of Nebraska	542,748
V101A210041	Nez Perce Tribe	99,713
V101A210042	Cook Inlet Tribal Council, Inc	551,000
V101A210043	Sisseton Wahpeton College	479,275
V101A210046	Little Traverse Bay Bands of Odawa Indians	517,524
V101A210049	Virginia Tribal Education Consortium, Inc	699,465
V101A210053	The Institute for Indian Development, Inc	453,305
V101A210055	Blue Lake Rancheria, California	115,043
V101A210057	Northwest Indian College	318,000

Any activities to be carried out during the year or years of these continuation awards would have to be consistent with, or be a logical extension of, the scope, goals, and objectives of each grantee's application, as approved in the 2021 NACTEP competition. The FY 2021 NACTEP NIA would continue to govern each grantee's project during the extension.

Intergovernmental Review

The NACTEP is not subject to Executive Order 12372 and the regulations in *34 CFR part 79*.

Regulatory Flexibility Act Certification

The Secretary certifies that the proposed waiver and extension of the project period would not have a significant economic impact on a substantial number of small entities. The only entities that would be affected by the proposed waiver and extension are the current AL 84.101A grantees, and any potential new applicants who might have applied in the FY 2026 grant competition.

The Secretary certifies that the proposed waiver and extension would not have a significant economic impact on these entities, because the extension of an existing project period imposes minimal compliance costs, and the activities required to support the additional year of funding would not impose additional regulatory burdens or require unnecessary Federal supervision.

Paperwork Reduction Act of 1995

This notice of proposed waiver and extension of the project period does not contain any information collection requirements.

Accessible Format: On request to the program contact person listed under **FOR FURTHER INFORMATION CONTACT**, individuals with disabilities can obtain

this document in an accessible format. The Department will provide the requestor with an accessible format that may include Rich Text Format (RTF) or text format (txt), a thumb drive, an MP3 file, braille, large print, audiotape, or compact disc, or other accessible format.

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

You may also access documents of the Department published in the **Federal Register** by using the article search feature at www.federalregister.gov.

Nicholas Moore,

Deputy Assistant Secretary and Acting Assistant Secretary for the Office of Career, Technical, and Adult Education.

[FR Doc. 2026-09111 Filed 5-6-26; 8:45 am]

BILLING CODE 4000-01-P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[EPA-R09-OAR-2025-1641; FRL-12972-01-R9]

Air Quality Plan; California; San Diego County Air Pollution Control District; Landfill Flares

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: The Environmental Protection Agency (EPA) is proposing to conditionally approve a revision to the San Diego County Air Pollution Control District (SDCAPCD or "District") portion of the California state implementation plan (SIP). This revision concerns emissions of oxides of nitrogen (NO_x) from landfill flares. We are proposing to conditionally approve a local rule to regulate these emission sources under the Clean Air Act (CAA or "Act"). We are taking comments on this proposal and plan to follow with a final action.

DATES: Comments must be received on or before June 8, 2026.

ADDRESSES: Submit your comments, identified by Docket ID No. EPA-R09-OAR-2025-1641 at <https://www.regulations.gov>. For comments submitted at Regulations.gov, follow the online instructions for submitting comments. Once submitted, comments cannot be edited or removed from Regulations.gov. The EPA may publish any comment received to its public docket. Do not submit electronically any information you consider to be Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Multimedia submissions (audio, video, etc.) must be accompanied by a written comment. The written comment is considered the official comment and should include discussion of all points you wish to make. The EPA will generally not consider comments or comment contents located outside of the primary submission (*i.e.*, on the web, cloud, or other file sharing system). For additional submission methods, please contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section. For the full EPA public comment policy, information about CBI or multimedia submissions, and general guidance on

making effective comments, please visit <https://www.epa.gov/dockets/commenting-epa-dockets>. If you need assistance in a language other than English or if you are a person with a disability who needs a reasonable accommodation at no cost to you, please contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section.

FOR FURTHER INFORMATION CONTACT: Donnique Sherman, EPA Region IX, 75 Hawthorne St., San Francisco, CA 94105. By telephone: (415) 947-4129 or by email at sherman.donnique@epa.gov.

SUPPLEMENTARY INFORMATION:

Throughout this document, “we,” “us,” and “our” refer to the EPA.

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I. The State’s Submittal

A. What rule did the State submit?

Table 1 lists the rule addressed by this proposal with the dates that it was adopted by the local air agency and submitted to the EPA by the California Air Resources Board (CARB).

TABLE 1—SUBMITTED RULE

Local agency	Rule #	Rule title	Adopted	Submitted
SDCAPCD	69.7	Landfill Gas Flares	03/09/23	04/03/23

On April 12, 2023, the EPA sent a letter to SDCAPCD that determined that the submittal for SDCAPCD Rule 69.7, “Landfill Gas Flares,” (“Rule 69.7”) met the completeness criteria in 40 CFR part 51, appendix V.¹

B. Are there other versions of this rule?

There are no previous versions of Rule 69.7 in the SIP.

C. What is the purpose of the submitted rule?

Emissions of NO_x contribute to the production of ground-level ozone and smog, which harm human health and the environment. Section 110(a) of the CAA requires states to submit regulations that control NO_x emissions. Rule 69.7 is designed to set NO_x limitations for enclosed landfill gas flares. The EPA’s technical support document (TSD) has more information about this rule.

II. The EPA’s Evaluation and Action

A. How is the EPA evaluating the rule?

Emission limitations in the SIP must be enforceable (see CAA section 110(a)(2)) and must not interfere with applicable requirements concerning attainment, reasonable further progress, or other CAA requirements (see CAA section 110(l)). Additionally, 40 CFR part 51, subpart K (Source Surveillance) requires SIPs to contain enforceable procedures for monitoring the status of compliance with the requirements in the control strategy.

Generally, SIPs must require reasonably available control technology (RACT) for each category of sources

covered by a Control Techniques Guidelines (CTG) document, as well as each major source of volatile organic compounds (VOCs) or NO_x in ozone nonattainment areas classified as “Moderate” or above (see CAA sections 182(b)(2) and 182(f)). The SDCAPCD regulates an ozone nonattainment area classified as “Severe” for the 2008 and 2015 8-hour ozone national ambient air quality standards (NAAQS) (40 CFR 81.305). Therefore, this area must implement RACT, and we anticipate SDCAPCD will rely on this rule to implement RACT in an upcoming RACT SIP submittal. This action focuses on the approvability of Rule 69.7 for inclusion into the SIP under CAA section 110. If relied upon to meet RACT, we will evaluate whether Rule 69.7 meets the applicable CAA requirements for RACT when acting on the District’s RACT SIP submittal.

Guidance and policy documents that we used to evaluate enforceability and rule stringency requirements for the applicable criteria pollutants include the following:

1. “State Implementation Plans; General Preamble for the Implementation of Title I of the Clean Air Act Amendments of 1990,” 57 FR 13498 (April 16, 1992); 57 FR 18070 (April 28, 1992).
2. “Issues Relating to VOC Regulation Cutpoints, Deficiencies, and Deviations,” EPA, May 25, 1988 (“the Bluebook,” revised January 11, 1990).
3. “Guidance Document for Correcting Common VOC & Other Rule Deficiencies,” EPA Region 9, August 21, 2001 (“the Little Bluebook”).
4. “State Implementation Plans; Nitrogen Oxides Supplement to the General Preamble; Clean Air Act Amendments of 1990 Implementation of Title I; Proposed Rule,” (“the NO_x

Supplement”), 57 FR 55620 (November 25, 1992).

B. Does the rule meet the evaluation criteria?

Rule 69.7 establishes emission limitations and work practice standards for landfill flares. We evaluated this rule to ensure it meets applicable CAA requirements and is consistent with relevant guidance regarding enforceability and SIP revisions. The rule requires landfill flares to not exceed NO_x emissions of 0.06 pounds per million British thermal units (lb/MMBtu) and carbon monoxide emissions of 0.20 lb/MMBtu; sets standards for how the landfill flares should be equipped and kept when in operation; requires monitoring and recording, such as requiring a gas flow rate measuring device to monitor, display, and record the landfill gas flow rate to each flare; requires enclosed flares to have a gas temperature device equipped with a continuous recorder; and requires open flares to have a heat device to continuously monitor for the presence of a flare pilot flame. To confirm that the flare is operating within those emission and operational standards, the rule sets requirements for initial and annual source testing and specifies test methods to use to confirm compliance.

However, as identified below, the rule contains a deficiency that precludes full approval. In a letter dated January 13, 2026, the SDCAPCD identified the rule deficiency and committed to revise the affected provisions in accordance with EPA guidance and submit the revised rule to CARB for submittal to the EPA no later than June 30, 2027, or within one year of the effective date of the EPA’s final action, whichever is

¹ See letter signed April 12, 2023, from Elizabeth Adams, Director Air and Radiation Division, EPA, Region 9, to Dr. Steven S. Cliff, Executive Officer, CARB.

soonest.² On February 10, 2026, CARB provided its own commitment letter to submit the SDCAPCD's revised rule to the EPA no later than June 30, 2027, or within one year of the effective date of EPA's final action, whichever is soonest.³ Because the commitments by the SDCAPCD and CARB would remedy the identified rule deficiency, we are proposing to conditionally approve Rule 69.7. These commitment letters are included in the docket for the action and are described in the TSD. Our TSD has more information on our evaluation for this proposed conditional approval.

C. What is the deficiency?

To determine landfill gas composition, Rule 69.7 allows operators to use EPA Method 25C or ASTM methods D3588–98(2017)e1 and D1945–14(2019).⁴ However, the rule also provides the operator the option to alternatively use the “most current version” of the listed ASTM methods. 40 CFR 51.212(c) requires SIPs to contain enforceable test methods and requires alternative test methods to be reviewed and approved by the EPA. By providing the option to use a version of a test method other than the specific versions listed in the rule, the rule allows for the use of alternative test methods not reviewed and approved by the EPA. As a result, this undermines the enforceability of the submission as required under CAA section 110(a)(2)(A) and 40 CFR 51.212(c) and thus constitutes a SIP deficiency.

D. The EPA's Recommendations To Further Improve the Rule

The TSD includes recommendations for the next time the local agency revises the rule.

E. Proposed Action and Public Comment

Rule 69.7 largely fulfills the relevant CAA section 110 and part D requirements, but the deficiency, as discussed in section C of this document, precludes full SIP approval pursuant to section 110(k)(3) of the Act. Section 110(k)(4) of the CAA authorizes the EPA to conditionally approve SIP revisions based on a commitment by the state to

adopt specific enforceable measures by a date certain but not later than one year after the date of the plan approval.⁵ Because the SDCAPCD and CARB have committed to provide the EPA with a SIP submission that will include specific rule revisions that would adequately address the identified deficiency, and submit the revisions within one year of conditional approval, we are proposing to conditionally approve Rule 69.7 pursuant to section 110(k)(4) of the Act. If the SDCAPCD and CARB submit the required rule revision by the specified deadline, and the EPA approves the submission, then the identified deficiency will be cured. However, if this proposed conditional approval is finalized and SDCAPCD, through CARB, fails to submit the revision within the required timeframe, the EPA will take action to disapprove the rule. We will accept comments from the public on this proposal until June 8, 2026. If we take final action to approve the submitted rule, our final action will incorporate this rule into the federally enforceable SIP.

III. Incorporation by Reference

In this rule, the EPA is proposing to include in a final EPA rule regulatory text that includes incorporation by reference. In accordance with requirements of 1 CFR 51.5, the EPA is proposing to incorporate by reference SDCAPCD Rule 69.7, “Landfill Gas Flares,” adopted on March 9, 2023, which regulates NO_x emissions from landfill gas flares. The EPA has made, and will continue to make, these materials available through <https://www.regulations.gov> and at the EPA Region IX Office (please contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section of this preamble for more information).

IV. Statutory and Executive Order Reviews

Under the Clean Air Act, the Administrator is required to approve a SIP submission that complies with the provisions of the Act and applicable federal regulations. 42 U.S.C. 7410(k); 40 CFR 52.02(a). Thus, in reviewing SIP submissions, the EPA's role is to approve state choices, provided that they meet the criteria of the Clean Air Act. Accordingly, this proposed action merely proposes to approve state law as meeting federal requirements and does not impose additional requirements beyond those imposed by state law. For that reason, this proposed action:

- Is not a significant regulatory action subject to review by the Office of

Management and Budget under Executive Order 12866 (58 FR 51735, October 4, 1993);

- Is not an Executive Order 14192 (90 FR 9065, February 6, 2025) regulatory action because this action is not significant under Executive Order 12866;

- Does not impose an information collection burden under the provisions of the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*);

- Is certified as not having a significant economic impact on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*);

- Does not contain any unfunded mandate or significantly or uniquely affect small governments, as described in the Unfunded Mandates Reform Act of 1995 (Pub. L. 104–4);

- Does not have federalism implications as specified in Executive Order 13132 (64 FR 43255, August 10, 1999);

- Is not subject to Executive Order 13045 (62 FR 19885, April 23, 1997) because it proposes to approve a state program;

- Is not a significant regulatory action subject to Executive Order 13211 (66 FR 28355, May 22, 2001); and

- Is not subject to requirements of Section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note) because application of those requirements would be inconsistent with the Clean Air Act.

In addition, the SIP is not approved to apply on any Indian reservation land or in any other area where the EPA or an Indian Tribe has demonstrated that a Tribe has jurisdiction. In those areas of Indian country, the rule does not have Tribal implications and will not impose substantial direct costs on Tribal governments or preempt Tribal law as specified by Executive Order 13175 (65 FR 67249, November 9, 2000).

List of Subjects in 40 CFR Part 52

Environmental protection, Air pollution control, Carbon monoxide, Incorporation by reference, Intergovernmental relations, Nitrogen oxides, Ozone, Reporting and recordkeeping requirements.

Dated: April 27, 2026.

Michael Martucci,

Acting Regional Administrator, Region IX.

[FR Doc. 2026–09055 Filed 5–6–26; 8:45 am]

BILLING CODE 6560–50–P

² Letter dated January 13, 2026, from Paula Forbis, Air Pollution Control Officer, SDCAPCD, to Ariel Fideldy, Air Quality Planning Branch, CARB, and Mike Martucci, Acting Regional Administrator, EPA, Region 9, Subject, “Request for Submittal of Commitment Letter to Make Amendments to Rule 69.7—Landfill Gas Flares of the San Diego County Air Pollution Control District.”

³ Letter dated February 10, 2026, from Matthew Lakin, Chief, Air Quality Planning and Science Division, CARB, to Mike Martucci, Acting Regional Administrator, EPA, Region 9.

⁴ Rule 69.7, section (h)(3).

⁵ 42 U.S.C. 7410(k)(4).

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[EPA–R07–OAR–2026–2938; FRL–13334–01–R7]

Air Plan Approval; Missouri; Attainment Plan for the New Madrid Nonattainment Area for the 2010 1-Hour Sulfur Dioxide National Ambient Air Quality Standard

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: The Environmental Protection Agency (EPA) is proposing to approve the State Implementation Plan (SIP) revision, submitted by the State of Missouri, on May 3, 2023. This revision pertains to the attainment plan for the New Madrid nonattainment area for the 2010 1-hour sulfur dioxide (SO₂) primary National Ambient Air Quality Standard (NAAQS). This plan (herein called an “attainment plan”) includes the State’s attainment demonstration and other elements required under Clean Air Act (CAA). In addition to an attainment demonstration, the plan addresses emission limitations necessary to provide for attainment, base-year and projection-year emission inventories, reasonably available control measures and reasonably available control technology (RACT/RACM), nonattainment new source review (NNSR), the requirements for meeting reasonable further progress (RFP) toward attainment of the NAAQS, and contingency measures. The EPA is proposing to approve Missouri’s submission as meeting these relevant CAA requirements. This action is being taken pursuant to the CAA.

DATES: Comments must be received on or before June 8, 2026.

ADDRESSES: Submit your comments, identified by Docket ID No. EPA–R07–OAR–2026–2938 to <https://www.regulations.gov>. Follow the online instructions for submitting comments. Once submitted, comments cannot be edited or removed from *Regulations.gov*. The EPA may publish any comment received to its public docket. Do not submit electronically any information you consider to be Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Multimedia submissions (audio, video, etc.) must be accompanied by a written comment. The written comment is considered the official comment and should include discussion of all points you wish to make. The EPA will generally not

consider comments or comment contents located outside of the primary submission (*i.e.* on the web, cloud, or other file sharing system). For additional submission methods, the full EPA public comment policy, information about CBI or multimedia submissions, and general guidance on making effective comments, please visit <https://www.epa.gov/dockets/commenting-epa-dockets>.

FOR FURTHER INFORMATION CONTACT:

Ashley Keas, Environmental Protection Agency, Air and Radiation Division, 11201 Renner Boulevard, Lenexa, Kansas 66219, telephone number: (913) 551–7629, email address: keas.ashley@epa.gov.

SUPPLEMENTARY INFORMATION:

Throughout this document whenever “we,” “us,” and “our” is used, we mean the EPA.

Organization of this document. The following outline is provided to aid in locating information in this preamble.

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I. Background

Under section 109 of the CAA, the EPA has established primary and secondary NAAQS for certain pervasive air pollutants (referred to as “criteria pollutants”) and conducts periodic reviews of the NAAQS to determine whether they should be revised or whether new NAAQS should be established. The primary NAAQS represent ambient air quality standards,

the attainment and maintenance of which the EPA has determined, including an adequate margin of safety, are requisite to protect the public health. The secondary NAAQS represent ambient air quality standards, the attainment and maintenance of which the EPA has determined are requisite to protect the public welfare from any known or anticipated adverse effects associated with the presence of such air pollutant in the ambient air.

Under the CAA, the EPA must establish NAAQS for criteria pollutants, including SO₂. SO₂ is primarily released to the atmosphere through the burning of fossil fuels by power plants and other industrial facilities. Short-term exposure to SO₂ can damage the human respiratory system and increase breathing difficulties. Small children and people with respiratory conditions, such as asthma, are more sensitive to the effects of SO₂. Sulfur oxides at high concentrations in ambient air can also react with other compounds to form small particulates that can penetrate deeply into the lungs and cause health problems.

On June 22, 2010, the EPA published a new 1-hour primary SO₂ NAAQS of 75 parts per billion (ppb) at 40 CFR 50.17(a), which is met at an ambient air quality monitoring site when the 3-year average of the annual 99th percentile of daily maximum 1-hour average concentrations does not exceed 75 parts per billion (ppb), as determined in accordance with appendix T of 40 CFR part 50 (75 FR 35520). Under CAA section 107(d)(1), the EPA is required to designate areas as “nonattainment,” “attainment,” or “unclassifiable” within two years of establishing a new or revising an existing standard. As part of this process, states must submit recommendations for initial area designations and boundaries to the EPA within one year of the effective date of the standard. The EPA evaluates the state recommendations and promulgates the area designations based on the relevant information. On March 26, 2021, the EPA published a document in the **Federal Register** designating 9 areas in 7 states as nonattainment for the 2010 1-hour SO₂ NAAQS, including a portion of New Madrid County in the State of Missouri. This set of designations is known as Round 4. See 86 FR 16055, codified at 40 CFR part 81, subpart C. These area designations were effective April 30, 2021. This Round 4 of designations was based on data from newly installed monitoring sites placed in the area of maximum concentration in the respective source areas. As noted later in this document, there were three new monitoring sites installed in the

New Madrid area designed to capture the maximum impact from the relevant sources in the area. Based in part on monitoring data from these monitors, the EPA designated a portion of New Madrid County as nonattainment for the 2010 SO₂ NAAQS on April 30, 2021 (86 FR 16055). This designation triggered a requirement for Missouri to submit by October 30, 2022 (within 18 months per CAA section 191(a)), a SIP revision containing an attainment plan for how the New Madrid area would attain the 2010 SO₂ NAAQS as expeditiously as practicable, but no later than April 30, 2026, per CAA section 192(a) in accordance with CAA sections 110(a), 172(c) and 191–192.

In response to this requirement, Missouri submitted an attainment plan for the New Madrid nonattainment area on May 3, 2023. The remainder of this document describes the requirements that such attainment plans must meet in order for the EPA to approve the plan provisions into the federally enforceable SIP, provides a review of the state's plan with respect to these requirements, and describes the EPA's proposed action on Missouri's plan. For reasons described in the following sections, the EPA is proposing to approve Missouri's attainment plan for the New Madrid area.

II. Requirements for SO₂ Attainment Plans

SO₂ attainment plans must meet the applicable requirements of the CAA, including specifically CAA sections 110, 172, 191 and 192. The EPA's regulations governing attainment plans are set forth at 40 CFR part 51, with specific procedural requirements and control strategy requirements residing at subparts F and G, respectively. Soon after Congress enacted the 1990 Amendments to the CAA, the EPA issued comprehensive guidance on SIP requirements, in a document entitled the "General Preamble for the Implementation of Title I of the Clean Air Act Amendments of 1990," published at 57 FR 13498 (April 16, 1992) (General Preamble). Among other things, the General Preamble addressed SO₂ attainment plan requirements and fundamental principles for SIP emission control strategies. *Id.*, at 13545–49, 13567–68. On April 23, 2014, the EPA issued guidance and recommendations for meeting the statutory requirements for SO₂ attainment plans addressing the 2010 primary SO₂ NAAQS, in a document entitled, "Guidance for 1-Hour SO₂ Nonattainment Area SIP Submissions" (hereafter referred to as

"2014 SO₂ Nonattainment Guidance").¹ In this guidance, the EPA described the statutory requirements for the elements of an attainment plan as provided in CAA section 172(c), which include: an accurate emissions inventory of current emissions for all sources of SO₂ within the nonattainment area; an attainment demonstration; demonstration of Reasonable Further Progress (RFP); implementation of Reasonably Available Control Measures (RACM) (including Reasonably Available Control Technology (RACT)); emission limitations and control measures necessary to provide for attainment; nonattainment new source review (NNSR); and adequate contingency measures.

In general, the EPA's duties in reviewing state attainment plans are described in CAA sections 110(k) and 110(l). The EPA is required to determine whether a SIP submission meets certain minimum criteria for completeness, or it is deemed complete by operation of law six months after the state submits it. Once a SIP submission is complete, the EPA is required to approve or disapprove the submission, in whole or in part, depending upon whether it meets all applicable requirements of the CAA. The EPA may also conditionally approve a state's attainment plan submission, in whole or in part, under certain circumstances. State attainment plans are approved by the EPA as meeting the requirements of the CAA if they fully address the requirements of CAA sections 110, 172, 191 and 192, and the EPA's regulations at 40 CFR part 51.

Also, under CAA section 110(l), the EPA may not approve a SIP revision that would interfere with any applicable requirement concerning NAAQS attainment and RFP, or any other applicable requirement of the CAA. Further, under CAA section 193, no control requirement in effect before November 15, 1990 (or required to be adopted by an order, settlement, agreement, or plan in effect before November 15, 1990), in any area which is a nonattainment area for any air pollutant, may be modified in any manner unless the modification ensures equivalent or greater emission reductions of such air pollutant.

CAA sections 172(c)(1) and 172(c)(6) direct states with areas designated as nonattainment to demonstrate that the submitted plan and its emission limitations and control measures provide for attainment of the NAAQS.

¹ Available at https://www.epa.gov/sites/default/files/2016-06/documents/20140423guidance_nonattainment_sip.pdf.

The EPA's regulations at 40 CFR part 51, subpart G further delineates the control strategy requirements that attainment plans must meet, and provide that all attainment plan control strategies reflect the four fundamental principles of quantification, enforceability, replicability, and accountability. See General Preamble, at 13567–13568. In addition to the attainment plan elements discussed above, attainment plans for the SO₂ NAAQS must include: (1) enforceable emission limitations and other control measures that assure implementation of permanent, enforceable and necessary emission controls, and (2) a modeling analysis which meets the requirements of 40 CFR part 51, appendix W and demonstrates that necessary emission limitations and control measures provide for timely attainment of the primary SO₂ NAAQS as expeditiously as practicable, but by no later than the applicable attainment date for the affected area. In all cases, these emission limitations and control measures must be accompanied by appropriate methods and conditions to determine compliance with the respective emission limitations and control measures. Further, these emissions limitations must be quantifiable (*i.e.*, a specific amount of emission reduction can be ascribed to the measures), fully enforceable (specifying clear, unambiguous and measurable requirements for which compliance can be practicably determined), replicable (the procedures for determining compliance are sufficiently specific and non-subjective so that two independent entities applying the procedures would obtain the same result), and accountable (source-specific emission limitations and control measures must be permanent and must reflect the assumptions used in the RFP and modeled attainment demonstrations).

The EPA's 2014 SO₂ Nonattainment Guidance recommends that the emission limitations established for the attainment demonstration be expressed as short-term average limits (*e.g.*, addressing emissions averaged over one hour consistent with the averaging time of the 2010 1-hour SO₂ NAAQS), but also describes the option to utilize emission limitations with longer averaging times of up to 30 days so long as the limit is demonstrated by the state to assure comparable stringency to a 1-hour average limit that demonstrates attainment of the 1-hour SO₂ NAAQS. The EPA's guidance provides suggested criteria and procedures for making this demonstration. See 2014 SO₂ Nonattainment Guidance, pp. 22–39.

The guidance recommends that—should states and sources seek to utilize longer averaging times—the longer-term average limit should be set at an adjusted level that reflects a stringency comparable to the 1-hour average limit at the critical emission value (CEV) shown to provide for attainment that the plan otherwise would have set.

The 2014 SO₂ Nonattainment Guidance provides an extensive discussion of the EPA's rationale for concluding that appropriately set, comparably stringent limitations based on averaging times as long as 30 days can be found to provide for attainment of the 2010 SO₂ NAAQS. In evaluating this option, the EPA considered the nature of the standard, conducted detailed analyses of the impact of 30-day average limits on the prospects for attaining the standard, and carefully reviewed how best to achieve an appropriate balance among the various factors that warrant consideration in judging whether a state's plan provides for attainment. *Id.* at pp. 22–39, and appendices B, C, and D.

As specified in 40 CFR 50.17(b), the 2010 1-hour primary SO₂ NAAQS is met at an ambient air quality monitoring site when the 3-year average of the annual 99th percentile of daily maximum 1-hour average concentrations is less than or equal to 75 ppb. In a year with 365 days of valid monitoring data, the 99th percentile would be the fourth highest daily maximum 1-hour value. Because the standard has this form, a single hourly exceedance of the 75 ppb NAAQS level does not by itself result in a violation of the standard. Instead, at issue is whether a source operating in compliance with a properly set longer-term average could cause multiple hourly exceedances over multiple days in a year, and if so, the resulting frequency and magnitude of such exceedances, and in particular, whether the EPA can have reasonable confidence that a properly set longer-term average limit will provide that the 3-year average of annual fourth highest daily maximum hourly values will be at or below 75 ppb. A synopsis of how the EPA evaluates whether such plans “provide for attainment,” based on modeling of projected allowable emissions and in light of the SO₂ NAAQS' form for determining attainment at monitoring sites, follows.

For SO₂ NAAQS attainment plans based on emission limitations that impose 1-hour emission limits, the standard approach is to conduct modeling using fixed 1-hour emission rates. The maximum modeled emission rate that results in attainment is labeled the “critical emissions value” (CEV).

The modeling process for identifying this CEV inherently considers the numerous variables that affect ambient concentrations of SO₂, such as meteorological data, background concentrations, and topography. In the standard approach, the state would then provide for attainment by setting a continuously applicable 1-hour emission limit for each stationary SO₂ source at this CEV.

The EPA recognizes that some SO₂ sources have highly variable emissions, for example due to variations in fuel sulfur content and operating rate, which can make it extremely difficult, even with a well-designed control strategy, to ensure in practice that emissions for any given hour do not exceed the CEV. The EPA also acknowledges the concern that longer-term emission limits can allow short periods with emissions above the CEV, which, if coincident with meteorological conditions conducive to high SO₂ concentrations, could in turn create the possibility of an hourly NAAQS exceedance occurring on a day when an exceedance would not have occurred if emissions were continuously controlled at the level corresponding to the CEV. However, for several reasons, the EPA believes that the approach recommended in its guidance document suitably addresses this concern.

First, from a practical perspective, the EPA expects the actual emission profile of a source subject to an appropriately set longer-term average limit to be similar to the emission profile of a source subject to an analogous 1-hour average limit. The EPA expects this similarity because it has recommended that the longer-term average limit be set at a level that is comparably stringent to the otherwise applicable 1-hour limit (reflecting a downward adjustment from the CEV) and that takes the source's emissions profile (and inherent level of emissions variability) into account. As a result, the EPA expects either form of emission limit to yield comparable air quality.

Second, from a more theoretical perspective, the EPA has compared the likely air quality with a source having maximum allowable emissions under an appropriately set longer-term limit, to the likely air quality with the source having maximum allowable emissions under the comparable 1-hour limit. In this comparison, in the 1-hour average limit scenario, the source is presumed at all times to emit at the CEV, and in the longer-term average limit scenario, the source is presumed occasionally to emit more than the CEV, but on average, and presumably at most times, to emit well

below the CEV. In an “average year,”² compliance with the 1-hour limit is expected to result in three exceedance days (*i.e.*, three days with maximum hourly values above 75 ppb) and a fourth day with a maximum hourly value at 75 ppb. By comparison, with the source complying with a longer-term limit, it is possible that additional hourly exceedances would occur that would not occur in the 1-hour limit scenario (if emissions exceed the CEV at times when meteorology is conducive to poor air quality). However, this comparison must also factor in the likelihood that exceedances that would be expected in the 1-hour limit scenario would not occur in the longer-term limit scenario. This result arises because the longer-term limit requires lower emissions most of the time (because the limit is set below the CEV), so a source complying with an appropriately set longer-term limit is likely to have lower emissions at critical times than would be the case if the source were emitting as allowed with a 1-hour limit.

To illustrate this point, the EPA conducted a statistical analysis using a range of scenarios using actual plant data. This analysis is described in appendix B of the EPA's 2014 SO₂ Nonattainment Guidance. Based on the analysis described in the 2014 SO₂ Nonattainment Guidance, the EPA expects that an emission profile with maximum allowable emissions under an appropriately set, comparably stringent 30-day average limit is likely to have the net effect of having a *lower* number of hourly exceedances and better air quality than an emission profile with maximum allowable emissions under a 1-hour emission limit at the CEV. This result provides a compelling policy rationale for allowing the use of a longer averaging period, in appropriate circumstances where the facts indicate this result can be expected to occur.

The 2014 SO₂ Nonattainment Guidance offers specific recommendations for determining an appropriate longer-term average limit. The recommended method starts with determination of the 1-hour emission limit that would provide for attainment (*i.e.*, the CEV), and applies an adjustment factor to determine the (lower) level of the longer-term average emission limit that would be estimated

² An “average year” is used to mean a year with average air quality. While 40 CFR part 50, appendix T, provides for averaging three years of annual 99th percentile daily maximum hourly values (*e.g.*, the fourth highest maximum daily hourly concentration in a year with 365 days with valid data), this discussion and an example below uses a single “average year” in order to simplify the illustration of relevant principles.

to have a stringency comparable to the otherwise necessary 1-hour emission limit. This method uses a database of continuous emission data reflecting the type of control that the source will be using to comply with the SIP emission limits, which (if compliance requires new controls) may require use of an emission database from another source. The recommended method involves using these data to compute a complete set of emission averages, computed according to the averaging time and averaging procedures of the prospective emission limitation (*i.e.*, using 1-hour historical emission values from the emissions database to calculate 30-day average emission values). In this recommended method, the ratio of the 99th percentile among these longer-term averages to the 99th percentile of the 1-hour values represents an adjustment factor that may be multiplied to the candidate 1-hour emission limit (CEV) to determine a longer-term average emission limit that may be considered comparably stringent.³

The 2014 SO₂ Nonattainment Guidance also addresses a variety of related topics, including the potential utility of setting supplemental emission limits, such as mass-based limits or work practice requirements for the operation of SO₂ control equipment, to reduce the likelihood and/or magnitude of elevated emission levels that might occur under the longer-term emission rate limit.

Preferred air quality models for use in regulatory applications are described in Addendum A of the EPA's *Guideline on Air Quality Models (40 CFR part 51, appendix W)*. In 2005, the EPA promulgated AERMOD as the Agency's preferred near-field dispersion modeling for a wide range of regulatory applications addressing stationary sources (for example in estimating SO₂ concentrations) in all types of terrain based on extensive developmental and performance evaluations. Supplemental guidance on modeling for purposes of demonstrating attainment of the SO₂ standard is provided in appendix A to the 2014 SO₂ Nonattainment Guidance. Appendix A provides extensive guidance on the modeling domain, the source inputs, assorted types of meteorological data, and background concentrations. Consistency with the recommendations in this guidance would generally ensure that the attainment demonstration offers

adequately reliable assurance that the plan provides for attainment.

Attainment demonstrations for the 2010 1-hour primary SO₂ NAAQS must demonstrate future attainment of the NAAQS in the entire area designated as nonattainment (*i.e.*, not just at the violating monitor) by using air quality dispersion modeling (*see* appendix W to 40 CFR part 51) to show that the mix of sources and enforceable control measures and emission rates in an identified area will not lead to a violation of the SO₂ NAAQS. For a short-term (*i.e.*, 1-hour) standard, the EPA finds that dispersion modeling, using allowable emissions and addressing stationary sources in the affected area (and in some cases those sources located outside the nonattainment area which may affect attainment in the area) is technically appropriate, efficient, and effective in demonstrating attainment in nonattainment areas because it takes into consideration combinations of meteorological and emission source operating conditions that may contribute to peak ground-level concentrations of SO₂.

The meteorological data used in the analysis should generally be processed with the most recent version of AERMET. AERMET is a meteorological data preprocessor that incorporates air dispersion based on planetary boundary layer turbulence structure and scaling concepts. Estimated concentrations should include ambient background concentrations, should follow the form of the standard, and should be calculated as described in section 2.6.1.2 of the August 23, 2010, clarification memo on "Applicability of Appendix W Modeling Guidance for the 1-hour SO₂ National Ambient Air Quality Standard" (U.S. EPA, 2010).

III. Review of Missouri's SIP Submission

The State of Missouri submitted an attainment plan for the New Madrid area to the EPA on May 3, 2023. Missouri established new consent agreements (APCP-2022-047A and APCP-2022-048A respectively) with the following two sources that account for the majority of SO₂ emissions in the nonattainment area: Magnitude 7 Metals (M7M) and Associated Electric Cooperative Incorporated (AECI) New Madrid Power Plant.⁴ The State relies on these new consent agreements as the

enforceable mechanism for satisfying several requirements of the area's attainment plan, including the control strategy, attainment demonstration, RFP, RACM/RACT, and contingency measures. These consent agreements are available in appendices E and F of the State's submission included in the docket for this action.

M7M is a primary aluminum reduction plant with two principal operations that emit SO₂: on-site carbon bake furnaces which produce carbon block anodes and electrolysis potlines which consume the anodes to produce metallic aluminum. As the carbon block anodes are baked in the furnaces, some sulfur in the raw coke and pitch is also "baked out" of the carbon block and released as SO₂ through relatively low-level stacks. In the potline electrolytic process, sulfur still present in the carbon blocks oxidizes to form SO₂. SO₂ emissions from the potlines are routed under negative pressure through fluoride scrubbers and then to a common stack, with a portion of the SO₂ also released as fugitive emissions through roof vents spanning the potline buildings.

The AECI New Madrid Power Plant operates two coal-fired steam boilers to generate electric power. They are the main sources of SO₂ emissions for this facility. The emissions from these boilers are routed through a dual stack that uses continuous emissions monitoring systems (CEMS) to measure actual hourly SO₂ emissions from each of the two boilers.

Although the largest sources of SO₂ emissions in the nonattainment area are the M7M potlines and the New Madrid Power Plant coal-fired boilers, the State determined based on air dispersion modeling analyses that the most significant contributions to elevated ground-level SO₂ concentrations are from SO₂ emissions released from relatively low-level stacks of the M7M's carbon bake furnaces. For this reason, the State developed a control strategy focused on rerouting SO₂ emissions from the existing low-level carbon bake furnace stacks to a new yet-to-be-constructed taller stack to improve dispersion of these emissions. The control strategy also includes new emission limitations and monitoring requirements for AECI New Madrid that were applicable beginning on January 1, 2023, as required by the consent agreement.

The requirement for M7M to cease all SO₂ emissions from the low-level carbon bake stacks was made enforceable by the State through a consent agreement with M7M. The State also established new SO₂ emission

³ For example, if the CEV is 1000 pounds of SO₂ per hour, and a suitable adjustment factor is determined to be 70 percent, the recommended longer-term average limit would be 700 pounds per hour.

⁴ The State submittal document in the docket for this action includes the full consent agreements as appendices. M7M's consent agreement is contained in appendix E, and AECI New Madrid's consent agreement is contained in appendix F to the state plan.

limits for M7M's carbon bake and potline emission release points. The M7M Consent Agreement paragraph 1.A.v. prohibits any SO₂ emissions from the existing carbon bake furnaces unless such emissions have been re-routed to the new stack by December 31, 2023. This provision applies to emissions from carbon bake furnaces 1, 2, and 3 (in the event carbon bake 3 is restarted and goes through the New Source Review process), as identified in appendix A of the consent agreement. It further states that this deadline may be extended up to but no later than January 1, 2025. In a letter dated August 10, 2023, MoDNR extended the December 31, 2023, deadline to January 28, 2024.⁵

M7M curtailed operations in January 2024⁶ and has not yet constructed the new carbon bake stack. M7M retains all of its operating permits so the facility could restart at any time and remains subject to the requirements of the state consent agreement. Therefore, should the company restart operations, it must comply with the hourly emissions limits and the prohibition to emit any SO₂ emissions from the carbon bake stacks unless emissions are routed to the new carbon bake stack, among other requirements.

For the reasons discussed throughout this document, the EPA is proposing to approve the state's attainment plan submittal, including the M7M and AECl New Madrid source-specific consent agreements, as meeting the relevant CAA requirements and thereby proposing to incorporate by reference the underlying requirements to become federally enforceable. During the state's public comment period, the EPA notified the state that the consent agreements contain provisions that could be interpreted to allow the state and the affected source to modify or terminate them without following the statutorily-mandated process for SIP

revisions.⁷ See sections 110(i) and 110(l). Modification or termination of the consent agreements is also contrary to sections 110(a)(2)(a) and 172(c)(7) of the CAA which require the state to adopt enforceable emission limitations and control measures which provide for the implementation, maintenance, and enforcement of the NAAQS. Further, modification or termination of the consent agreements may complicate future redesignation of the area. The EPA may only redesignate a nonattainment area if it has determined that the improvement in air quality is due to "permanent and enforceable reductions in emissions" resulting from implementation of the SIP, among other requirements in section 107(d)(3)(E) of the CAA. While the EPA allows consent agreements or permit requirements to be incorporated by reference into a state's SIP to meet SIP requirements (see 40 CFR part 51, appendix V, section 2.1.(b)), the state must ensure that any such approved provisions cannot be altered by subsequent changes to the underlying agreements or permits unless the SIP is revised. Once approved by the EPA into the SIP as meeting the applicable SIP requirements, only changes made through the statutory SIP revision process may modify the approved requirements of the state's SIP.

In the sections that follow, the EPA explains its interpretation of several consent agreement provisions, including those that could result in a modification of the consent agreement. Specifically, the EPA explains its interpretation of those provisions in which a revision to the SIP would be necessary if the consent agreement is modified following the EPA's codification of the consent agreement into the SIP.

A. Termination of the Consent Agreements Upon Action by the EPA

The EPA has previously expressed its view that termination provisions that render the consent agreements unenforceable depending on the nature of the action the EPA takes are inconsistent with the requirements of the CAA. See 89 FR 55140. The EPA's position is that enforceable mechanisms relied upon for attainment plan requirements, such as the consent agreements provided by Missouri as part of the New Madrid attainment plan, should not include provisions which would automatically, or at the source's or the State's option, terminate the agreement based on the EPA's action.

For example, the M7M consent agreement termination provision states that, "This consent agreement shall also terminate if the SIP revision for the New Madrid County SO₂ Nonattainment Area or this Consent Agreement are disapproved by the U.S. Environmental Protection Agency." Further, the termination-related provisions included in the AECl New Madrid agreement provide for automatic termination of the agreement upon the effective date of a full disapproval and for optional termination after the effective date of a partial disapproval by the EPA.

Several provisions in the consent agreements state that, once the EPA approves their inclusion into the SIP, the agreements cannot be terminated or modified unless the SIP is revised. For example, paragraph 5 in "Other Provisions" of the AECl New Madrid agreement states that, "The parties further agree that after EPA has approved the SIP revision that contains this Consent Agreement, any subsequent modifications to this Consent Agreement, subject to the termination provisions in paragraph 13 of this Consent Agreement, will require approval from EPA before such modifications would take effect." Similarly, paragraph 7 of the M7M agreement includes this same language.

Termination provisions that are triggered upon the EPA's exercise of its statutory partial approval authority found in CAA section 110(k)(3) essentially limits or nullifies the effect of the EPA's action and is particularly problematic where there is more than one source and more than one enforceable mechanism. Because the EPA is proposing to fully approve the New Madrid attainment plan including the consent agreements for both M7M and AECl New Madrid, these termination provisions are not triggered by the EPA's full approval, and the agreements are therefore not terminated outside the EPA SIP approval process.

B. Modification of Emission Limits in the Magnitude 7 Metals Consent Agreement

Paragraph 1.A.xii. of the M7M consent agreement details the process by which the source may request a new 30-day rolling average emission limit to replace the hourly emission limits contained in paragraph 1.A.vii. in the consent agreement, and for the State to approve these replacement limits. The process includes updating the source's operating permit after state approval of the replacement limit. The State outlines the process by which the comparably stringent 30-day rolling average limits would be calculated

⁵ This letter and other relevant correspondence between the MoDNR and M7M are included in the docket for this action.

⁶ As referenced in a letter dated February 16, 2024, from the Missouri Attorney General to M7M and in various media articles, the M7M smelter ceased operations and laid off the majority of remaining workers on January 28, 2024. The letter can be found in the docket for this action and at this link: <https://ago.mo.gov/wp-content/uploads/2024.02.16-Magnitude-7-Metals-Letter.pdf>. Examples of media articles: Allison Kite, "One of nation's only aluminum smelters set to close in Missouri Bootheel," *Missouri Independent*, January 25, 2024 (<https://missouriindependent.com/2024/01/25/one-of-nations-only-aluminum-smelters-set-to-close-in-missouri-bootheel/>); and Jason Plautz, "Aluminum shortage threatens US clean energy plans," *E&E News by Politico*, March 13, 2024 (<https://www.eenews.net/articles/aluminum-shortage-threatens-us-clean-energy-plans/>).

⁷ See the EPA's comment letter on the State's public notice draft dated December 19, 2022, included in the docket for this action.

based on data collected by the yet to be installed CEMS.

As part of the EPA's proposed approval of the state's attainment plan, the EPA approves the process for development and state approval of a new 30-day rolling average emission limit, but not the resulting 30-day rolling average emission limit. Modification of the relevant emissions limit relied on to meet the requirements of CAA section 172(c)(6)⁸ would materially change the attainment plan and the basis for the EPA's approval of Missouri's attainment plan. A SIP revision would be necessary to incorporate a new (or replace the existing) emissions limit relied upon in the state's attainment plan. Such change also requires a justification to meet the requirements of section 110(l) of the CAA.

Therefore, any 30-day rolling average emission limit established either under the terms of the consent agreement or otherwise must go through public notice and comment and must be approved by the EPA before it could replace the hourly emission limits in the control strategy. Specifically, the new numeric emissions limit, averaging period, and the technical basis for such limit must all be made available for public review and comment before submission to the EPA for review and approval as a SIP revision.

C. Relocation of Monitors in the Magnitude 7 Metals Consent Agreement

Paragraph 1.B.i. of the M7M consent agreement allows the source to request and the State to approve the relocation of any of the three existing ambient air SO₂ monitors surrounding the M7M property. Paragraph 1.B.ii. clearly limits the ability of the source to discontinue (or the State to approve such discontinuation) any of the three existing ambient air monitors surrounding the M7M property without going through the necessary EPA approval through the State's adherence to the annual monitoring network plan review process. The EPA agrees with this wording describing the process the State and source must follow to discontinue monitors.

The wording of paragraph 1.B.i., however, does not contain such limitations and therefore appears to circumvent the required process for review and approval by the EPA before relocation of required ambient air monitors. Specifically, 40 CFR 58.14(b)

and other related provisions require that state agencies submit monitoring network changes to the EPA for review and approval, this is typically handled through annual network plans. The relocation of monitors (or other modifications to the ambient monitoring network) must be reviewed and approved by the EPA, per requirements in 40 CFR 58.14. However, 40 CFR 58.14(c)(6) provides that a monitor not eligible for removal under any of the criteria in paragraphs (c)(1) through (c)(5) may be moved to a nearby location with the same scale of representation if logistical problems beyond the State's control make it impossible to continue operation at its current site. Because the state's attainment plan relies on the continued operation of these monitors for contingency measure triggering language, they should not be moved in a manner that changes the scale of representation for the nonattainment area. The Data Requirements Rule (DRR) at 40 CFR 51.1203(c) also provides requirements for monitoring sites established pursuant the DRR, specifically that they must be operated similarly to SLAMS (state or local air monitoring stations) and be subject to the same SLAMS requirements of 40 CFR part 58. If the source or state significantly relocate any of the monitors as provided for under Paragraph 1.B.i. of the M7M consent agreement, such that they would no longer be appropriately sited to capture maximum impacts from the primary sources in the nonattainment area and therefore to serve as the mechanism for triggering contingency measures, the EPA finds this would materially change the attainment plan and the basis for EPA's approval of Missouri's attainment plan. Therefore, a SIP revision would be necessary to incorporate a new (or replace the existing) reliance on the monitors in their current locations as a triggering mechanism for contingency measures.

D. Choice of Law Provisions

Both the M7M and AECl New Madrid consent agreements include provisions termed as "choice of law" clauses. Specifically, paragraph 10 of the M7M agreement and paragraph 8 of the AECl New Madrid agreement state, "*This Consent Agreement shall be construed and enforced according to the laws of the State of Missouri, and the terms stated herein shall constitute the entire and exclusive agreement of the parties hereto with respect to the matters addressed herein.*" The EPA interprets this provision to bind the "parties" to the consent agreement, namely the State of Missouri and AECl New Madrid and

Magnitude 7 Metals, respectively. Furthermore, following approval of the consent agreements into the SIP by the EPA, enforcement of the consent agreement under sections 113 or 304 of the CAA would be governed by federal law.

E. Force Majeure Provisions

Both the Magnitude 7 Metals and AECl New Madrid consent agreements include "force majeure" provisions which excuse a source from liability if an event, such as a natural disaster, act of terrorism, labor dispute or stoppage, war, national or regional emergency, pandemic, epidemic, local disease outbreak, public health emergency, or quarantine, occurs which causes performance of an obligation under the consent agreement to be practically impossible, despite the source's best efforts to fulfill the obligation. If a force majeure event occurs that meets the criteria of the consent agreement, the consent agreement requires the source to notify the State within five business days following commencement of the force majeure event, and include actions taken to minimize the impact thereof. According to the terms of each consent agreement, the source and the State agree that the pertinent obligations and deliverables of the consent agreement will be rescheduled rather than cancelled.

The EPA has evaluated the force majeure provisions in the consent agreements in light of CAA requirements for SIP provisions. The EPA interprets them to provide the sources an affirmative defense to any form of liability, whether monetary penalties or injunctive relief, in the event of violations of the emission limitations or other control requirements applicable to the sources, so long as the source meets the requirements to qualify for the force majeure provision. As such, these force majeure provisions constitute a "complete" affirmative defense and are thus consistent with CAA requirements for SIP provisions.

The EPA notes that the U.S. Court of Appeals for the District of Columbia Circuit (the D.C. Circuit) has issued decisions that are relevant to affirmative defense provisions. In the first, *Env't Comm. of the Fla Elec. Power Coordinating Grp, Inc. v. EPA*, the court held that affirmative defense type provisions that only preclude monetary penalties as a remedy for violations of emission limitations or other SIP requirements, i.e., a "partial" affirmative defense, are invalid. *Env't Comm. of the Fla Elec. Power Coordinating Grp, Inc. v. EPA*, 94 F.4th

⁸ CAA section 172(c)(6): "Such plan provisions shall include enforceable emission limitations, [. . .] as may be necessary or appropriate to provide for attainment of such standard in such area by the applicable attainment date [. . .]"

77, 116 (D.C. Cir. 2024). More recently, in *SSM Litigation Group v. EPA*, the court further clarified that an affirmative defense type provision that instead precludes any form of liability or remedy for violations of emission limitations or other SIP requirements, *i.e.*, a “complete” affirmative defense, is valid. *SSM Litigation Group v. EPA, et al.*, 150 F.4th 593 (D.C. Cir. 2025). In that decision, the D.C. Circuit held in part that a complete affirmative defense is permissible because it does not function as an exemption from applicable emission standards. 150 F.4th at 600 (“[a]n affirmative defense allows a defendant to avoid liability, but it does not alter the underlying legal requirements”). The court reasoned that a “complete affirmative defense to liability does not render an emission limitation non-continuous under 42 U.S.C. 7602(k).” *Id.* Although the court’s decision in *SSM Litigation Group* pertained specifically to an affirmative defense provision that a state may elect to include in title V permits for sources in such state, the court’s reasoning would apply more broadly to affirmative defenses that a state may elect to include in its SIP provisions applicable to sources outside of the title V permit context.

The force majeure provision in each consent agreement at issue in this attainment plan functions as a complete affirmative defense because it allows a defendant to avoid liability if the failure to perform an obligation under the consent agreement has been caused by a force majeure event, but it does not alter the underlying legal requirements that are applicable to the source pursuant to the consent agreement. Accordingly, any emission limitations or other emission controls requirements in the consent agreements apply continuously, in accordance with section 302(k) of the CAA. Furthermore, in accordance with section 110 of the CAA, following approval of the consent agreement into the SIP, any modification of the consent agreement would require the state to submit, and the EPA to approve, the revised consent agreement as a revision to the SIP. Accordingly, the EPA proposes to approve the force majeure provisions in each consent agreement as complete affirmative defense provisions.

The state’s attainment plan also includes a modeled attainment demonstration, based on the emissions

limits and operational requirements set through the new source-specific consent agreements, which is further discussed in section IV. of this preamble as well as in the TSD included in the docket with this action. The other requirements addressed through Missouri’s attainment plan are discussed further in section V. of this preamble.

IV. Review of Modeled Attainment Demonstration

The following discussion evaluates various features of the modeling that Missouri used in its attainment demonstration.⁹ Missouri’s submission contains a modeling demonstration that includes an assessment of the air quality impacts the State expected to result from emissions limitations and operational changes governing M7M and the AECI New Madrid Power Plant. The State’s attainment demonstration modeling shows that the control strategy of a to-be-constructed carbon bake stack at M7M and new SO₂ emission limitations for both facilities results in modeled attainment of the 2010 1-hour primary SO₂ NAAQS throughout the New Madrid nonattainment area. This section discusses the EPA’s review of the state’s attainment demonstration. The EPA’s Technical Support Document (TSD) included in the docket for this action provides greater detail about our technical review of the state’s submission.

A. Modeling Approach and Receptor Grid

As previously stated, AERMOD is the preferred model for this application. Missouri’s final attainment demonstration modeling analysis utilized AERMOD version 21112, the most current version available at the time of plan development. The State asserts that all analyses were conducted with the EPA’s regulatory default options and considering the EPA’s guidance documents, including the 2014 SO₂ SIP guidance and appendix W. The most recently available version of AERMAP (18081) was used to import terrain and source elevations from the National Elevation Dataset (NED). All building downwash analyses were conducted using the most recently available version (04274) of the EPA’s

⁹The input files used in the modeling demonstration are available by request from the contact listed in the **FOR FURTHER INFORMATION CONTACT** section of this document.

Building Profile Input Program with Plume Rise Enhancements (BPIPPRM). The EPA finds the selection and use of these inputs to AERMOD, AERMAP and BPIPPRM to be appropriate and in accordance with appendix W and the 2014 SO₂ SIP guidance.

The receptor grid for the final attainment demonstration used 100-meter spacing throughout the nonattainment area outside of M7M’s property boundary and 50-meter spacing along M7M’s property boundary. The State also extended the receptor grid beyond the nonattainment area using 200-meter spacing to evaluate whether modeled violations occur outside the nonattainment area boundary. In addition, the State prepared a second modeling scenario with receptors placed at 100-meter spacing throughout the nonattainment area, but excluding receptors inside the New Madrid power plant’s property boundary, to evaluate whether emissions from the power plant contribute to modeled violations within the M7M’s property boundary. The EPA’s TSD includes further detail on the various receptor grid configurations utilized by Missouri.

B. Meteorological Data

Modeling for the New Madrid area attainment plan was conducted using the surface station data from the Cape Girardeau airport and upper air data from the Springfield airport, and used consecutive years from 2017–2021. This represents the most recent, readily available 5-year period at the time of the initial analysis per section 8.3.1.2 of appendix W. The State selected the Cape Girardeau and Springfield airport stations as best representative of meteorological conditions within the area of analysis, consistent with the nonattainment boundary designation. The State utilized meteorological data processed with AERMET version 21112, in combination with 1-minute Automated Surface Observing Stations (ASOS) wind data processed with AERMINUTE version 15272, to generate hourly average winds for input to AERMET. The EPA finds the selection and use of these meteorological inputs to AERMET to be appropriate and in accordance with appendix W and the 2014 SO₂ SIP guidance.

C. Emissions Data

Missouri's modeled attainment demonstration and control strategy focuses on the two largest sources of SO₂ in the area: M7M and the New Madrid Power Plant. One minor source, Alubar, was also included in the modeling due to its proximity and relation to M7M. Alubar produces aluminum rods from molten aluminum purchased from M7M. The plant's three rod mills and ancillary processes were previously part of M7M's operations until purchased by Alubar in December 2021. There are seven additional small point sources of SO₂ within and nearby the nonattainment area that the State evaluated for their potential contribution to concentrations in the area. Table 3 in EPA's TSD lists these sources. The combined total potential to emit for these seven sources is 1.4 tons per year of SO₂. Consistent with section 8.3.3 of appendix W, the State accounted for these minor point sources, as well as mobile and area (*i.e.*, stationary non-point) sources of SO₂ emissions, through the use of a background SO₂ concentration in the modeling because they do not cause significant concentration gradients in the vicinity of the sources of interest. Section V.A. of this preamble contains more information on the emissions inventory element of the New Madrid attainment plan.

To determine the SO₂ emission rates to use in the attainment demonstration modeling, the State followed appendix W section 8.2.2.b and table 8–1, which specify that stationary point sources should be modeled at maximum allowable emissions levels assuming continuous operation (*i.e.*, all hours of the time period under consideration) to demonstrate NAAQS compliance and/or establish appropriate SIP emission limits. The modeled hourly SO₂ emission rates used for M7M's main SO₂ emission release points (potline stack, potline roof vents, and proposed new carbon bake stack) and the New Madrid power plant stack are consistent with SO₂ emission limits established in the new consent agreements for M7M and the New Madrid Power Plant. Specifically, the State used hourly SO₂ emission rates for M7M of 1,015.42 lb/hr for the potline stack (EP61), 111.11 lb/hr for the potline fugitives roof vents (EP59A, 59B, 60A, and 60B), and 1,390.52 lb/hr for the new carbon bake stack (EPAAA, to be constructed) in the attainment demonstration modeling, which are equivalent to the 1-hour SO₂ emission limits in section 1.A.vii of the M7M Consent Agreement. In addition, the State used a modeled hourly SO₂ emission rate of 6,412.8 lb/hr for both units at New Madrid Power Plant

combined, which the State asserts is of comparable stringency to the 30-day rolling average SO₂ emission limit of 5,523 lb/hour in paragraph 1.A. of the consent agreement for New Madrid Power Plant. For the remainder of the explicitly modeled sources (the smaller SO₂ emission units at M7M and Alubar), the State based the modeled emission rates on potential to emit. All modeled hourly emission rates were held constant assuming continuous operation over the entire five-year period, 2017–2021. The final attainment demonstration modeling assumes the New Madrid Power Plant is operating both of its units at 100% load. The State also conducted a series of supplemental modeling runs that assumed the power plant is operating at 50% and 75% loads to ensure that the attainment demonstration modeling accounts for maximum potential impacts from the power plant. The additional load scenarios are intended to address section 8.2.2.d. of appendix W, which specifies that at a minimum, a source should be modeled using the design capacity (100% load). It further states that sources which operate at substantially less than design capacity should also be modeled at loads such as 50% and 75% if the changes in the stack parameters associated with the operating conditions could lead to higher ground level concentrations.

The attainment demonstration modeling used good engineering practice (GEP) stack heights¹⁰ as determined by BPIPPRM in accordance with appendix W and the 2014 SO₂ SIP guidance. M7M provided stack parameters for the facility's emission release points, including engineering design parameters for the proposed new carbon bake stack (to be constructed). AECl provided stack parameters for the various load scenarios for the New Madrid Power Plant. The state characterized emissions from the two New Madrid units as a combined stack in the modeling. BPIPPRM was used to input building parameters into AERMOD for M7M, New Madrid Power Plant, and Alubar.

The derivation of the modeled emission rates, modeled stack parameters, and the various load scenarios for the New Madrid Power Plant are discussed further in the TSD.

D. Emissions Limits

Section 172(c)(6) of the CAA requires that the State's attainment plan include enforceable emission limitations, and

such other control measures, means or techniques (including economic incentives such as fees, marketable permits, and auctions of emission rights), as well as schedules and timetables for compliance, as may be necessary or appropriate to provide for attainment of the standard in the area by the applicable attainment date. *See* General Preamble at 13567–68. Part of the review of the State's attainment plan must address the use of these limits, both with respect to the general suitability of using such limits for the purpose of meeting the requirements of CAA section 172(c)(6) and with respect to whether the particular limits included in the plan have been suitably demonstrated to provide for attainment. As specified in section 172(c)(6) and section 110(a)(2)(A) of the CAA and the 2010 1-hour SO₂ NAAQS at 75 FR 35520, emission limitations, control measures and other elements in the SIP must be enforceable by the State and the EPA.

1. Enforceability

Working with M7M and AECl New Madrid, the State developed a control strategy designed to bring the area into attainment of the 1-hour SO₂ NAAQS. Missouri's attainment plan for the New Madrid area relies on new consent agreements between the State and M7M and AECl New Madrid, respectively, as the enforceable mechanisms for the control strategy. The control strategy establishes source-specific control measures that include more stringent SO₂ emissions limits at both facilities and operational changes, specifically rerouting of emissions from the carbon bake furnaces through construction of a new stack at M7M. The M7M consent agreement prohibits emissions from the existing carbon bake stacks after December 31, 2023, unless those emissions have been re-routed to a new Carbon Bake stack. The consent agreement states that this deadline may be extended by MoDNR up to but no later than January 1, 2025. As noted previously, MoDNR extended the December 31, 2023, deadline to January 28, 2024.¹¹ The state's attainment plan relies on these new source consent agreements to satisfy required elements such as the control strategy and modeled attainment demonstration, RFP, RACM/RACT, and contingency measures.

¹⁰ See 40 CFR 51.118 and 40 CFR 51.100(hh) for more information on the EPA's stack height regulations and definition of good engineering practice stack height.

¹¹ See correspondence between MoDNR and M7M related to deadline extensions as included in the docket for this action.

The State relied on the final attainment demonstration modeling to determine the necessary emission limits for the New Madrid Power Plant and M7M that would result in modeled attainment of the NAAQS.¹² In addition to the 1-hour SO₂ emission limits established for M7M, the State also established a 5,000 tons per year (tpy) facility-wide SO₂ emission limit for the facility in the consent agreement.¹³ This annual facility-wide SO₂ emission limit was not set based on the attainment demonstration modeling and is not linked to attainment of the 2010 1-hour SO₂ NAAQS. The purpose of establishing a 5,000 tpy SO₂ limit for M7M is to allow credit in the attainment demonstration modeling for the dispersion characteristics of the proposed new carbon bake stack. Per the federal definition of dispersion technique at 40 CFR 51.100(hh)(2)(v), credit for certain dispersion techniques, including but not limited to increasing final exhaust gas plume rise by manipulating source process parameters, exhaust gas parameters, stack parameters, or combining exhaust gases from several existing stacks into one stack, is allowed in the model if the resulting total allowable SO₂ emissions from the facility do not exceed 5,000 tons per year. The EPA agrees that M7M could merge multiple uncontrolled SO₂ emission streams from its carbon bake furnaces into a single, taller stack constructed at GEP height in accordance with federal stack regulations, as long as the facility is subject to a 5,000 tpy SO₂ emission limit. The AEI New Madrid Power Plant emissions limits contained in the consent agreements and relied on as part of the area's control strategy are 30-day average emission limits. In accordance with EPA policy, the 30-day average limit is set at a lower level than the shorter-term emission rate used in the attainment demonstration; the relationship between these two values is discussed in more detail in the following section.

2. Longer-Term Average Limits

Table 13 in the TSD for this rulemaking presents results of the

different load scenarios for the New Madrid Power Plant. Based on this table and our review, the EPA agrees that the 100% load scenario captures the maximum modeled impacts from the power plant and that using the modeled emissions rate from the 100% load scenario as the basis for establishing the emission limit for the power plant is appropriate.

The State followed the procedure in appendix C of the 2014 SO₂ guidance to convert the New Madrid Power Plant's modeled hourly SO₂ emission rate to a 30-day rolling average SO₂ emission limit. The procedure is based on determining the ratio between 99th percentile emission rates for the applicable averaging time (30 days in this case) and 1-hour 99th percentile emission rates. The State first determined that a modeled hourly SO₂ emission rate of 6,412.80 lb/hr for the New Madrid Power Plant's units 1 and 2 combined is equivalent to the CEV in the attainment demonstration modeling, taking into account all other explicitly modeled sources (M7M and Alubar) and the background SO₂ concentration. Based on CEMS data for New Madrid Power Plant units 1 and 2 for the 5-year period from 2016–2020, the ratio between 99th percentile 30-day rolling average and 1-hour 99th percentile emission rates for both units combined was determined to be 0.86. This ratio is higher than the average ratio of 0.79 for sources with no control equipment listed in table 1 in appendix D of the EPA's 2014 SO₂ SIP Guidance, which indicates that the operations of New Madrid Power Plant's units are generally less variable than the average uncontrolled unit. The modeled hourly SO₂ emission rate of 6,412.80 lb/hr was then multiplied by 0.86, which results in a 30-day rolling average of 5,523 lb/hr for the two units combined.

Based on a review of the state's submittal, the EPA believes that the 5,523 lb/hr 30-day rolling average limit for both units 1 and 2 combined that is included in paragraph 1.A. of the Consent Agreement for the New Madrid Power Plant provides a suitable alternative to establishing a 1-hour average emission limit for this source. The state has used a suitable data base in an appropriate manner and has thereby applied an appropriate adjustment factor, yielding an emission limit that has comparable stringency to the 1-hour average limit that the state determined would otherwise have been necessary to provide for attainment. While the 30-day rolling-average limit allows occasions in which emissions may be higher than the level that would be allowed with the 1-hour limit, the

state's limit compensates by requiring average emissions to be lower than the level that would otherwise have been required by a 1-hour average limit. For reasons described above and explained in more detail in the EPA's 2014 SO₂ Nonattainment Guidance, the EPA has found that appropriately set longer-term average limits provide a reasonable basis by which nonattainment plans may provide for attainment. Based on its review of this general information as well as the particular information in Missouri's plan, the EPA finds that the 30-day rolling average limit for the New Madrid Power Plant, in combination with other limitations for M7M in the state's plan, will provide for attainment of the NAAQS. The EPA concludes that the modeling and comparably stringent longer-term emission limits in Missouri's plan adequately demonstrate that they provide for attainment of the 2010 primary 1-hour SO₂ NAAQS in the New Madrid County Nonattainment Area.

Notably, the State provided both the New Madrid Power Plant's CEV and the 30-day limit, along with the underlying analysis used to derive the 30-day limit, for public notice and comment prior to submission to the EPA for inclusion in the SIP. The State's calculations used to convert the New Madrid Power Plant's CEV to a 30-day rolling average limit of comparable stringency are discussed in greater detail in the TSD.

For M7M, the State determined the maximum hourly emissions rate for each emission point that would result in modeled attainment. Specifically, the State determined that maximum hourly SO₂ emission rates of 317.47 lb/hr for the new carbon bake furnace stack (to be constructed), 1,015.42 lb/hr for the existing pot line stack for pot lines 1 and 2, and 111.11 lb/hr for the pot line roof vents, which are equivalent to the hourly limits included in paragraph 1.A.vii of the M7M Consent Agreement, result in modeled attainment in combination with the SO₂ emission limits for the New Madrid Power Plant. These hourly limits are also presented as the CEV that the State would use to derive longer-term average limits once enough hourly data is recorded by the yet-to-be-installed CEMS. However, as described further in section III. above, it is the EPA's interpretation that the State may not revise the applicable emissions limit in the control strategy after EPA approval which codifies the emissions limits and operational requirements into federal regulations ensuring the limits as approved remain permanent and federally enforceable. Therefore, in order for any revised emissions limits to become federally enforceable or replace

¹² The modeled attainment demonstration accounts for emissions from the two carbon bake furnaces as operating at their full hourly emissions limits as emitted from the yet-to-be-constructed Carbon Bake stack. This is conservative in nature because per the requirements and deadlines of the consent agreement, M7M is currently prohibited from operating the carbon bake furnaces.

¹³ Paragraph 1.A.vi of the M7M Consent Agreement states: *Facility-wide SO₂ emissions from Magnitude 7 shall not exceed 4,999.99 tons in any rolling 12-month period.* This is referred to as a 5,000 tpy emission limit for the purpose of this NPRM.

limits that were already approved into the SIP, the state would need to follow the SIP revision process including public notice and EPA review and approval. Any subsequent changes made by the state to the control strategy or aspects of the attainment plan after approval by the EPA, would only change state enforceability not federal enforceability until approved as a formal SIP revision by the EPA.

E. Background Concentrations

The 2014 SO₂ Nonattainment Area SIP guidance recommends developing a uniform monitored background concentration based on monitored design values for the latest three-year period, regardless of the years of meteorological data used in the modeling. The guidance further states that in cases of nonattainment areas designated based on a monitor's data showing a NAAQS violation, it may be necessary to use a different representative monitor outside of the nonattainment area, particularly where the monitor has a high number of observations impacted by modeled sources. The 2024 Guidance on Developing Background Concentration for Use in Modeling Demonstrations¹⁴ (2024 Background Concentration Guidance) provides guidance on the selection of nearby sources to explicitly model in the demonstration and the representativeness of the background concentration of sources not modeled explicitly.

Because the New Madrid nonattainment area was designated based on monitoring data and the SO₂ monitors in the area are impacted by the modeled sources, the State chose to rely on the regional rural background monitor located at Mark Twain State Park, which is approximately 236 miles (380 kilometers) northwest of the nonattainment area. Based on the Mark Twain State Park's 3-year design value for 2019–2021, the State selected a background SO₂ concentration of 13.08 micrograms per cubic meter (µg/m³), equivalent to 5.0 ppb, which was held constant throughout the modeled time period.

Section 3.3 of the 2024 Background Concentration Guidance lists criteria to consider when determining representativeness of ambient monitoring data, including whether the

monitor is located in an urban or rural setting similar to the project area, consistency of the wind and terrain patterns at the monitor to the project area, and whether data from the monitor have been used in previous analysis for the project area, among other factors. The EPA finds that the West Entrance monitor would be more representative of SO₂ background concentrations in the New Madrid nonattainment area based on the consistency of the wind and terrain patterns at this monitor due to its location within the nonattainment area. The EPA performed an analysis of 2020–2022 SO₂ concentrations measured at the West Entrance monitor when the monitor was not impacted by SO₂ emissions from explicitly modeled sources (the New Madrid Power Plant, M7M, or Alubar). Namely, the EPA performed a wind sector analysis at this monitor to determine ambient concentrations when winds originate from sectors not impacted by the modeled sources, in this case when winds originate from the south. Based on our analysis, we calculated an SO₂ background concentration of 10.5 µg/m³ (4 ppb). The EPA's TSD included in the docket for this action includes more details on our analysis.

The EPA finds that an SO₂ concentration of 10.5 µg/m³ (4 ppb) is representative of background SO₂ levels in the New Madrid nonattainment area. In addition, the EPA agrees that it is appropriate to represent SO₂ emissions from all sources in the area other than M7M, New Madrid Power Plant, and Alubar with the background concentration included in the modeling analysis, and that further consideration of these other sources/sectors as part of the area's control strategy is unnecessary.

F. Summary of Results

As described in this section of the preamble, the State's final attainment demonstration modeling relied on maximum allowable hourly SO₂ emission limits for the M7M potline stack, potline roof vents, and proposed new carbon bake stack (yet to be constructed), as contained in the M7M Consent Agreement paragraph 1.A.vii. The modeling similarly relied on both of the New Madrid Power Plant's units operating at 100% load using an hourly SO₂ emission rate of comparable stringency to the 30-day rolling average SO₂ emission limit in the New Madrid Power Plant Consent Agreement paragraph 1.A. for both units combined. Hourly SO₂ emission rates based on potential to emit (PTE) for the smaller SO₂ sources at M7M and the Alubar rod mill were also included in the model.

The final attainment demonstration modeling results show a maximum total modeled SO₂ concentration of 195.7 µg/m³ (equivalent to 74.7 ppb). Table 14 of the TSD summarizes the results for the final attainment demonstration modeling, including the maximum modeled SO₂ contributions from individual sources, as well as the background SO₂ concentration. These results indicate that the control strategy established in the consent agreements for M7M and AECI New Madrid Power Plant result in modeled concentrations throughout the nonattainment area that comply with the 2010 1-hour SO₂ NAAQS of 75 ppb. The attainment modeling demonstration meets the technical requirements of appendix W and the 2014 SO₂ Nonattainment Area SIP guidance and shows modeled attainment throughout the nonattainment area, therefore the EPA is proposing to approve the attainment demonstration as meeting CAA sections 172(c)(1), (2), (6) and (9).

V. Review of Emissions and Emissions Controls

A. Emissions Inventory and the Quantification of Emissions

Section 172(c)(3) of the CAA requires that the state's attainment plan include a comprehensive, accurate, current inventory of actual emissions from all sources of the relevant pollutant or pollutants in the area, including such periodic revisions as the Administrator may determine necessary to assure that the requirements of the CAA are met. Section 172(c)(4) of the CAA requires that the state's attainment plan expressly identify and quantify the emissions, if any, of any pollutant or pollutants which will be allowed, in accordance with section 703(a)(1)(B) of the CAA, from the construction and operation of major new or modified stationary sources in the area. Section 172(c)(4) of the CAA also requires the plan demonstrate that the quantified emissions are consistent with the achievement of reasonable further progress and will not interfere with attainment of the NAAQS by the attainment date.

The emissions inventory and source emission rate data for an area serve as the foundation for air quality modeling and other analyses that enable states to: (1) estimate the degree to which different sources within a nonattainment area contribute to violations within the affected area; and (2) assess the expected improvement in air quality within the nonattainment area due to the adoption and implementation of control measures. As

¹⁴ U.S. Environmental Protection Agency, 2024. Guidance on Developing Background Concentrations for Use in Modeling Demonstrations. Publication No. EPA-454/R-24-003. Office of Air Quality Planning and Standards, Research Triangle Park, NC. (<https://www.epa.gov/system/files/documents/2024-11/background-concentrations.pdf>).

noted above, the state must develop and submit to the EPA a comprehensive, accurate and current inventory of actual emissions from all sources of SO₂ emissions in each nonattainment area, as well as any sources located outside the nonattainment area which may affect attainment in the area. See CAA section 172(c)(3) and the EPA's 2014 SO₂ Nonattainment Guidance.

Section 3 of the New Madrid attainment plan contains the emissions inventory element pursuant to the requirements of CAA section 172(c)(3) and 172(c)(4). The base year inventory establishes a baseline that is used to evaluate emissions reductions achieved by the control strategy and to assess reasonable further progress requirements. According to the EPA's 2014 SO₂ guidance, the SIP should also include a projected attainment year inventory that includes estimated emissions for all emission sources of SO₂ that were determined to have an impact on the affected nonattainment area for the year in which the area is expected to attain the standard, consistent with the attainment demonstration. The inventory should reflect projected emissions for the attainment year for all SO₂ sources in the nonattainment area.

The State's attainment SIP noted that, at the time, the most recent and available triennial inventory year was

2017, and the State found that it served as a suitable base year. Because the attainment date for this area is April 30, 2026, Missouri selected 2026 as the attainment year. Table 1 summarizes the 2017 base year SO₂ emissions inventory data for all emissions categories covering the entirety of New Madrid County. Table 2 summarizes the 2026 attainment year SO₂ emissions inventory data for all emissions categories covering the entirety of New Madrid county. The full emissions inventories for base and attainment years are included in the State's submission, included in the docket for this action, in appendices A and B, respectively. The State also confirms it meets the CAA section 172(c)(3) requirement for periodic revisions to such inventories by its continued compliance with 40 CFR part 51, subpart A, the air emissions reporting rule (AERR) and through submitting the relevant emissions data to the triennial national emissions inventory (NEI).

The State's attainment plan acknowledges that, although SO₂ emissions in and near the nonattainment area are principally attributable to point sources, a comprehensive emissions inventory should include an assessment of the other source sectors. The State asserted that it accomplished this by using

estimates of air emissions for the onroad, nonroad, and nonpoint (area) sources from the EPA's 2017 National Emissions Inventory (NEI) datasets.¹⁵ According to the State's sector summary analyses using the EPA's SCC (source classification code) full detail data files from the 2017 NEI, approximately 4.18 tons of SO₂ were emitted by onroad mobile sources in all of New Madrid County (this includes areas within and outside of the nonattainment area) which accounts for 0.02% of the county's total emissions. Nonroad mobile sources (which include non-road equipment, locomotives, commercial marine vessels, and aircraft) contributed approximately 1.10 tpy of SO₂, or 0.01% of the total. Nonpoint (area) contributed approximately 9.25 tpy of SO₂, or 0.05% of the total. As with the mobile sectors, the nonpoint totals also represent sums across all of New Madrid County. In contrast, the point source total emissions account for 17,254.74 tpy of SO₂, or 99.92% of the total emissions in New Madrid County. In 2017, M7M was not operating, so this point source estimate includes 2017 actual emissions from all other point sources and actual emissions from Magnitude 7 as reported for 2019. For the 2026 attainment year, the state relied on projected emissions data from the EPA's 2016v2 modeling platform.¹⁶

TABLE 1—NEW MADRID COUNTY BASE YEAR SO₂ EMISSIONS INVENTORY SUMMARY

Emission category	2017 SO ₂ emissions (tpy)	Percent of total emissions
Point Source Total (does not include Magnitude 7 since they did not operate in 2017)	13,548.73	78.46
Magnitude 7 (2019 emissions)	3,706.01	21.46
Point source total with Magnitude 7 2019 emissions	17,254.74	99.92
Non-point total	9.25	0.05
Nonroad total	1.10	0.01
On road total	4.18	0.02
Total	17,269.27	

TABLE 2—NEW MADRID COUNTY ATTAINMENT YEAR SO₂ EMISSIONS INVENTORY SUMMARY

Emission category	2026 SO ₂ emissions (tpy)	Percent of total emissions	Difference between 2026 and 2017 (negative value indicates decrease)
Point Source Total	21,440.75	99.98	4,186.01
Non-point total	2.30	0.01	– 6.95
Nonroad total	0.52	0.00	– 0.58
Onroad total	1.73	0.01	– 2.45
Total	21,445.30	.....	4,176.03

¹⁵ Data, summaries, and documentation of the 2017 NEI are available at <https://www.epa.gov/air-emissions-inventories/2017-national-emissions-inventory-nei-data>.

¹⁶ Data, summaries, and documentation of the EPA's 2016v2 modeling platform are available at <https://www.epa.gov/air-emissions-modeling/2016v2-platform>.

Table 2 shows a projected SO₂ emissions increase of 4,176 tons per year between the 2017 base year inventory and 2026. The State describes this projected increase is due to projected emissions from the New Madrid Power Plant as estimated by the EPA's Integrated Planning Model (IPM) projection tool in the 2016v2 modeling platform for 2026. Despite the projected increase in actual SO₂ emissions, the State points to the attainment demonstration which shows modeled attainment of the 2010 SO₂ NAAQS based on new emissions limits for both New Madrid Power Plant and M7M (totaling approximately 34,400 tons per year) and potential to emit for other point sources in the nonattainment area.¹⁷

As already noted, the State's attainment SIP must identify and quantify the emissions which will be allowed from the construction and operation of major new or modified stationary sources in the area (see CAA section 172(c)(4)). The State must demonstrate that such emissions will be consistent with RFP requirements and will not interfere with attainment of the 1-hour SO₂ NAAQS. These requirements are met by the state's

preconstruction permitting program and implementation of the Nonattainment New Source Review Rules (NNSR). See section V.C. Nonattainment New Source Review of this document below, for more information. The EPA is proposing to determine that the State has met the requirements of CAA section 172(c)(3) and 172(c)(4). Therefore, the EPA proposes to approve the emission inventory element of Missouri's SO₂ attainment SIP for New Madrid.

B. Reasonably Available Control Measures/Reasonably Available Control Technology

CAA section 172(c)(1) states that attainment plans should "provide for the implementation of all reasonably available control measures as expeditiously as practicable (including such reductions in emissions from existing sources in the area as may be obtained through the adoption, at a minimum, of reasonably available control technology) and shall provide for attainment of the [NAAQS]." CAA section 192(a) requires that attainment plans for the SO₂ NAAQS provide for future attainment as expeditiously as practicable, but no later than 5 years from the effective date of the area's designation as nonattainment. For areas

designated nonattainment effective April 30, 2021, attainment plans were required to contain demonstrations that the area would attain as expeditiously as practicable, but no later than April 30, 2026.

Missouri's plan for attaining the 1-hour SO₂ NAAQS in the New Madrid nonattainment area is based on a variety of control measures and emissions limits at M7M and AECl New Madrid. Those measures were included in the State's attainment SIP as consent agreements between the State and the relevant source.¹⁸ Missouri's plan required compliance with these measures no later than January 1, 2025. Missouri has determined that these measures suffice to provide for timely attainment.

Table 3 below lists all the sources included in the control strategy, contains descriptions of the control measures, and provides effective dates. Source specific allowable emission rates, compliance and monitoring obligations, reporting and recordkeeping requirements, and implementation deadlines are detailed in each source's consent agreement included with the SIP submittal, in the docket for this action.

TABLE 3—SUMMARY OF NEW MADRID ATTAINMENT PLAN CONTROL STRATEGY

Source	Consent agreement reference	SO ₂ emission limit/operational change	Effective date
Magnitude 7 Metals	1.A.v	Magnitude 7 shall not emit any SO ₂ emissions from the current emission release points for the carbon bakes (EP 98, EP 99 and EP AA, as identified in appendix A) unless such emissions have been re-routed to the new stack (EP AAA) included in the Engineering Control Plan.	December 31, 2023, which may be extended up to but no later than January 1, 2025.
	1.A.vi	Facility-wide SO ₂ emissions from Magnitude 7 shall not exceed 4,999.99 tons in any rolling 12-month period.	State effective date of consent agreement, April 13, 2023. January 1, 2025.
	1.A.vii	Magnitude 7 shall meet or emit less than the maximum 1-hour average SO ₂ emissions rate limits in pounds per hour ("lbs/hr") as follows: Pot Line Stack (EP 61): 1,015.42 lbs/hr Pot Line Fugitives (Roof Vents—EP's 59A, 59B, 60A, and 60B): 111.11 lbs/hr * New Carbon Bake Stack (EPAAA): 317.47 lbs/hr * The limit applies to the combined emissions from the identified roof vent emission points.	
AECl New Madrid Power Plant	1.A	New Madrid Power Plant agrees to a combined maximum 30-day daily-rolling average SO ₂ emissions rate of 5,523 lbs/hr for boilers EP-01 and EP-02.	January 1, 2023.

TABLE 4—AIR MONITORING DATA FROM THE NEW MADRID NONATTAINMENT AREA MONITORS

Monitor site name	1-hour SO ₂ NAAQS (ppb)	Design values (ppb)				99th percentile daily max 1-hour SO ₂ concentrations (ppb)			
		2019–2021	2020–2022	2021–2023	2022–2024	2021	2022	2023	2024
AECl Water Tower	75	376	417	452	396	405	479	473	235

¹⁷ For M7M, annualized SO₂ emissions totaling 6,325.3 tons/year were included in the attainment demonstration modeling (6,324.7 tons/year based on SO₂ emission limits in the Consent Agreement for the potline and carbon bake processes plus 0.6 tons/year potential to emit for other smaller SO₂

sources at the facility). For the New Madrid Power Plant, annualized SO₂ emissions totaling 28,088.1 tons/year were included in the attainment demonstration modeling consistent with the SO₂ limits in the Consent Agreement. See the TSD for more details on modeled emission rates for these

facilities, in particular section 3 and tables 4, 5, and 6.

¹⁸ Appendices E and F to the state's attainment SIP contain the source specific consent agreements which define the RACM/RACt requirements.

TABLE 4—AIR MONITORING DATA FROM THE NEW MADRID NONATTAINMENT AREA MONITORS—Continued

Monitor site name	1-hour SO ₂ NAAQS (ppb)	Design values (ppb)				99th percentile daily max 1-hour SO ₂ concentrations (ppb)			
		2019–2021	2020–2022	2021–2023	2022–2024	2021	2022	2023	2024
East Graveyard	75	333	291	291	241	285	304	283	136
West Entrance	75	83	95	115	94	88	128	128	26

The EPA concludes that the measures relied on by the State to satisfy the requirement in CAA section 172(c)(1) to adopt and submit all RACM as needed to attain the standards as expeditiously as practicable meet the relevant CAA requirements and therefore the EPA proposes to approve this element of the state's attainment plan.

C. Nonattainment New Source Review

Section 172(c)(5) requires that the State's attainment plan provisions shall require permits for the construction and operation of new or modified major stationary sources anywhere in the nonattainment area, in accordance with section CAA section 173. The EPA most recently approved revisions to the State's nonattainment new source review provisions as part of the state's construction permits required rule, 10 Code of State Regulations (CSR) 10–6.060, on April 23, 2026. (91 FR 21724) These provisions provide for appropriate new source review for SO₂ sources undergoing construction or major modification in the New Madrid nonattainment area without need for modification of the SIP-approved rule. Therefore, the EPA concludes that the requirements of CAA section 172(c)(5) have been met and therefore proposes to approve this element of the State's SO₂ attainment plan.

D. Reasonable Further Progress

Section 172 of the CAA requires that attainment plans include provisions to address reasonable further progress (RFP). As discussed in the EPA's 2014 SO₂ Nonattainment Area SIP Guidance, this requirement is more practically relevant and important for NAAQS pollutants impacted by emissions from numerous and diverse sources, where the relationship between any individual source and overall air quality is not easily discernable, and where NAAQS attainment may require inventory-wide emissions reductions. The relationship between ambient SO₂ concentrations and SO₂ emission sources is more directly quantifiable as compared to other NAAQS pollutants, and there is frequently only one (or few) primary source of SO₂ emissions responsible for poor air quality in a nonattainment area.

Consequently, full progress to attainment is achieved as soon as the one (or few) emission source is subject to an enforceable emission limitation. Therefore, for SO₂ SIPs, which address a small number of affected sources, requiring expeditious compliance with attainment emission limits is sufficient to address the RFP requirement. CAA section 192(a) requires that SO₂ attainment plans provide for future attainment of the NAAQS as expeditiously as practicable, but no later than 5 years from the effective date of the area's designation as nonattainment. As noted in the State's attainment SIP, the EPA has interpreted that RFP is best construed as “adherence to an ambitious compliance schedule” in previous rulemakings.¹⁹

Table 3 in section V.B. RACM/RACT notes the SO₂ emission limits and application of control technologies established for M7M and AECI New Madrid. The State asserts that this plan requires that affected sources implement appropriate control measures as expeditiously as practicable in order to ensure attainment of the standard by the applicable attainment date. The State again relies on the consent agreements established for M7M and AECI New Madrid to satisfy the RFP requirements. The State concludes that its plan provides for RFP in accordance with the approach to RFP described in the EPA's 2014 SO₂ Nonattainment Area SIP guidance, and the EPA proposes that Missouri's plan meets the requirements for RFP as contained in CAA section 172(c)(2).

E. Contingency Measures

Section 172(c)(9) of the CAA requires that the state's attainment plan include additional measures, called contingency measures, which will take effect if an area fails to meet RFP or fails to attain the NAAQS by the applicable attainment date. The EPA's 2014 SO₂ Nonattainment Guidance describes special features of SO₂ attainment planning that influence the suitability of alternative means of addressing the requirement in CAA section 172(c)(9) for contingency measures for SO₂. That is, an SO₂ NAAQS attainment plan

contains the emission limitations and other control measures that are directly and quantifiably necessary to attain the SO₂ NAAQS in the area, and consequently, the area would be unlikely to fail to attain the NAAQS if the state implements such attainment plan requirements.²⁰ Therefore, the EPA's longstanding approach is that an appropriate means of satisfying the contingency measures requirement for the SO₂ NAAQS is for the state to have a comprehensive enforcement program that identifies sources of violations of the SO₂ NAAQS and for the state to undertake aggressive follow-up for compliance and enforcement. *See the Indiana, PA NFRM* (89 FR 74836, Sept. 13, 2024). States may additionally or alternatively include other forms of contingency measures as part of the attainment plan.

While the state's attainment plan contains specific contingency measures that apply to M7M, the State of Missouri submitted a clarification letter to the EPA on December 11, 2025, explaining that its enforcement program would also serve as a contingency measure. The letter is included in the docket for this action. In that letter, the State provides that the existing SIP-approved enforcement program is authorized to identify sources of violations of the SO₂ NAAQS and to undertake aggressive follow-up for compliance and enforcement. As noted previously, the EPA's policy is that a State may reference its comprehensive enforcement program as an appropriate means of satisfying the contingency measures requirement for the SO₂ NAAQS.

The State also included specific contingency measures in the M7M agreement. Paragraph 1.D.i. and ii. of the M7M agreement contains the contingency measure triggering language, which states, “*i. Beginning 60 calendar days after commencement of operation of the new Carbon Bake stack, Magnitude 7 shall be subject to contingency measures in the event the fourth highest 1-hour daily maximum SO₂ concentration recorded at any of the individual three ambient SO₂*

¹⁹ See 57 FR 13498, at 13547 (April 16, 1992).

²⁰ See 75 FR 35520 at 35576 (June 22, 2010) and the 2014 SO₂ Nonattainment Guidance.

monitors surrounding the facility exceeds 75 ppb in a single calendar year. ii. *Contingency Measure 1. Following Department notification to Magnitude 7 that the first triggering event has occurred, Magnitude 7 shall respond in writing within 14 calendar days of the notification acknowledging the triggering event and committing to the following contingency measure—*” Subparagraph 1.D.ii.a. contains the first measure which includes an enhanced leak detection plan including inspections and repair requirements. If another triggering event occurs nine months or more after implementation of this first measure, the facility must implement additional contingency measures, including purchasing anodes offsite and cessation of the carbon bake furnaces or more stringent sulfur limits either with or without installation of flue gas desulfurization control technology (see subparagraphs 1.D.iii. through vi. of the M7M consent agreement).

At the time of the State’s SIP development and negotiations with M7M, the triggering language specifying the measures would be triggered beginning 60 calendar days after commencement of operation of the new Carbon Bake stack, was reasonable. Specifically, the language was drafted under the assumption that M7M would fully implement and comply with the control strategy requirements of the attainment plan, such as constructing the new stack, on the established deadlines. However, due to events occurring after the State submitted its attainment plan to the EPA, the source curtailed operations and has not yet constructed the new Carbon Bake stack. Should the source restart operations, the source would immediately be subject to the requirements of the consent agreement including the prohibition to emit from the existing carbon bake furnace stacks unless the emissions are re-routed to the new carbon bake stack.²¹ In this situation where the source resumes operations and complies with the control strategy by constructing and operating the new carbon bake stack, the contingency measures and triggering language would apply as originally intended by the state.

If the source chose to resume operations without building the new Carbon Bake stack and instead purchases anodes offsite (which is listed as Contingency Measure Option A in 1.D.iii.a.), operation of the existing carbon back furnaces would not be

necessary.²² It is unclear as to whether an exceedance would trigger contingency measures since the new stack has not been constructed. In this hypothetical scenario, the requirements of the consent agreement alone would not satisfy the contingency measure requirements of CAA § 172(c)(9). However, the EPA finds that the robust enforcement program described in the State’s December 11, 2025, letter operates as an adequate contingency measure in any operating scenario.

The State’s December 11, 2025, clarification letter also commits to revising the M7M consent agreement and submitting a formal SIP revision should the company restart operations without building the stack. This subsequent agreement and associated SIP revision would then codify the revised control strategy requirements and commensurate contingency measures.

As explained previously, the EPA finds the control strategy contained in the state’s attainment plan, which primarily relies on construction of a new carbon bake stack and associated emissions limits, meets the relevant CAA requirements for attainment plans. The attainment plan includes contingency measures required by CAA section 172(c)(9) that are commensurate with the control strategy. In addition, the state’s December 11, 2025, clarification letter describes how its comprehensive enforcement program identifies sources of violations of the SO₂ NAAQS and the process it will undertake in the event the M7M facility resumes operations without constructing the new stack. The EPA proposes to approve the state’s robust enforcement program and the contingency measures provisions of the M7M consent agreement as meeting the requirements of CAA section 172(c)(9).

VI. Proposed Action

The EPA is proposing to approve Missouri’s SIP submission, which the state submitted to the EPA on May 3, 2023, as it provides for attainment of the 2010 1-hour SO₂ NAAQS for the New Madrid SO₂ nonattainment area and satisfies other nonattainment area planning requirements. This SO₂ attainment plan includes Missouri’s attainment demonstration for the New Madrid area. In addition to an attainment demonstration, Missouri’s plan addresses the requirements for meeting reasonable further progress

²² M7M requested to pursue this option of purchasing offsite anodes in January 2024, but did not pursue this and curtailed operations. See correspondence between M7M and MoDNR included in the docket for this action.

(RFP) toward attainment of the NAAQS, reasonably available control measures and reasonably available control technology (RACM/RACT), base-year and projection-year emission inventories, nonattainment new source review (NNSR), emission limitations necessary to provide for attainment, and contingency measures.

The EPA has determined that Missouri’s SO₂ attainment plan meets applicable requirements of section 172 of the CAA. The EPA’s analysis is discussed in this proposed rulemaking. In addition, the technical support document (TSD) is also available in the docket for this action. The TSD provides additional explanation of the EPA’s analysis supporting this proposal.

The EPA is soliciting public comments for 30 days following the publication of this proposed action in the **Federal Register** and will take these comments into consideration in its final action.

VII. Incorporation by Reference

In this document, the EPA is proposing to include regulatory text in an EPA final rule that includes incorporation by reference. In accordance with requirements of 1 CFR 51.5, the EPA is proposing to add incorporation by reference of the following source-specific consent agreements as requested by the State of Missouri: APCP–2022–047A and APCP–2022–048A. These agreements are discussed in sections III. through V. of this preamble and as set forth below in the proposed amendments to 40 CFR part 52. The EPA has made, and will continue to make, these materials generally available through <https://www.regulations.gov> and at the EPA Region 7 Office (please contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section of this preamble for more information).

VIII. Statutory and Executive Order Reviews

Under the CAA, the Administrator is required to approve a SIP submission that complies with the provisions of the CAA and applicable Federal regulations. 42 U.S.C. 7410(k); 40 CFR 52.02(a). Thus, in reviewing SIP submissions, the EPA’s role is to approve state choices, provided that they meet the criteria of the CAA. Accordingly, this action merely approves state law as meeting Federal requirements and does not impose additional requirements beyond those imposed by state law. For that reason, this action:

- Is not a significant regulatory action subject to review by the Office of Management and Budget under

²¹ See paragraph 1.A.v. of the M7M consent agreement.

Executive Order 12866 (58 FR 51735, October 4, 1993);

- Is not an Executive Order 14192 (90 FR 9065, February 6, 2025) regulatory action because this action is not significant under Executive Order 12866;

- Does not impose an information collection burden under the provisions of the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*);

- Is certified as not having a significant economic impact on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*);

- Does not contain any unfunded mandate or significantly or uniquely affect small governments, as described in the Unfunded Mandates Reform Act of 1995 (Pub. L. 104–4);

- Does not have federalism implications as specified in Executive Order 13132 (64 FR 43255, August 10, 1999);

- Is not subject to Executive Order 13045 (62 FR 19885, April 23, 1997) because it approves a state program;

- Is not a significant regulatory action subject to Executive Order 13211 (66 FR 28355, May 22, 2001); and

- Is not subject to requirements of section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note) because application of those requirements would be inconsistent with the CAA.

In addition, the SIP is not approved to apply on any Indian reservation land or in any other area where the EPA or an Indian Tribe has demonstrated that a Tribe has jurisdiction. In those areas of Indian country, the rule does not have Tribal implications and will not impose substantial direct costs on Tribal governments or preempt Tribal law as specified by Executive Order 13175 (65 FR 67249, November 9, 2000).

List of Subjects in 40 CFR Part 52

Environmental protection, Air pollution control, Incorporation by reference, Intergovernmental relations, Reporting and recordkeeping requirements, Sulfur oxides.

Dated: April 28, 2026.

James Macy,

Regional Administrator, Region 7.

For the reasons stated in the preamble, EPA proposes to amend 40 CFR part 52 as set forth below:

PART 52—APPROVAL AND PROMULGATION OF IMPLEMENTATION PLANS

■ 1. The authority citation for part 52 continues to read as follows:

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

Subpart AA—Missouri

■ 2. In § 52.1320:

■ a. The table in paragraph (d) is amended by adding the entries “(39)” and “(40)” in numerical order.

■ b. The table in paragraph (e) is amended by adding the entry “(86)” in numerical order.

The additions read as follows:

§ 52.1320 Identification of plan.

* * * * *

(d) * * *

EPA-APPROVED MISSOURI SOURCE-SPECIFIC PERMITS AND ORDERS

Name of source	Order/Permit number	State effective date	EPA Approval date	Explanation
(39) Magnitude 7 Metals ...	APCP–2022–047A	4/13/2023	[Date of publication of the final rule in the Federal Register , 91 FR [Federal Register page where the document begins of the final rule].	[EPA–R07–OAR–2026–2938; FRL–13334–01–R7].
(40) AECI New Madrid	APCP–2022–048A	4/13/2023	[Date of publication of the final rule in the Federal Register , 91 FR [Federal Register page where the document begins of the final rule].	[EPA–R07–OAR–2026–2938; FRL–13334–01–R7].

* St Louis County.

(e) * * *

EPA-APPROVED MISSOURI NONREGULATORY SIP PROVISIONS

Name of nonregulatory SIP provision	Applicable geographic or non-attainment area	State submittal date	EPA approval date	Explanation
(86) 2010 1-hour Primary SO ₂ National Ambient Air Quality Standard Attainment Plan for the New Madrid Nonattainment Area.	A portion of New Madrid County.	5/3/2023	[Date of publication of the final rule in the Federal Register , 91 FR [Federal Register page where the document begins of the final rule].	[EPA–R07–OAR–2026–2938; FRL–13334–01–R7].

DEPARTMENT OF DEFENSE**Defense Acquisition Regulations System****48 CFR Parts 212, 217, 240, and 252****[Docket DARS–2026–0133]****RIN 0750–AL30****Defense Federal Acquisition Regulation Supplement: Mitigating Risks Related to Foreign Ownership, Control, or Influence (DFARS Case 2021–D011)****AGENCY:** Defense Acquisition Regulations System, Department of Defense (DoD).**ACTION:** Proposed rule.

SUMMARY: DoD is proposing to amend the Defense Federal Acquisition Regulation Supplement (DFARS) to implement sections of the National Defense Authorization Act for Fiscal Years 2020 and 2021 to mitigate risks related to beneficial ownership or foreign ownership, control, or influence. This proposed rule also implements elements of a DoD policy.

DATES: Comments on the proposed rule should be submitted in writing to the address shown below on or before July 6, 2026, to be considered in the formation of a final rule.

ADDRESSES: Submit comments identified by DFARS Case 2021–D011, using either of the following methods:

- *Federal eRulemaking Portal:* <https://www.regulations.gov>. Search for DFARS Case 2021–D011. Select “Comment” and follow the instructions to submit a comment. Please include “DFARS Case 2021–D011” on any attached documents.

- *Email:* osd.dfars@mail.mil. Include DFARS Case 2021–D011 in the subject line of the message.

Comments received generally will be posted without change to <https://www.regulations.gov>, including any personal information provided. To confirm receipt of your comment(s), please check <https://www.regulations.gov>, approximately two to three days after submission to verify posting.

FOR FURTHER INFORMATION CONTACT: Ms. Heather Kitchens, telephone 571–296–7152.

SUPPLEMENTARY INFORMATION:**I. Background**

DoD is proposing to revise the DFARS to implement paragraphs (b)(2)(A), (b)(2)(C), and (c)(1) of section 847 of the National Defense Authorization Act

(NDAA) for Fiscal Year (FY) 2020 (Pub. L. 116–92) and paragraph (c)(2) of section 819 of the NDAA for FY 2021 (Pub. L. 116–283). Paragraph (b)(2)(A) of section 847 requires covered contractors and subcontractors to disclose to the Defense Counterintelligence and Security Agency (DCSA) their beneficial ownership and whether they are under foreign ownership, control, or influence (FOCI) with updates for any changes. Paragraph (b)(2)(A) also requires covered contractors and subcontractors, if determined to be under FOCI, to disclose contact information for each of their foreign owners that is a beneficial owner.

Paragraph (b)(2)(C) of section 847 requires contract clauses providing for and enforcing disclosures related to changes in FOCI or beneficial ownership during performance of the contract or subcontract and the effective mitigation of risks related to FOCI throughout the duration of the contract or subcontract.

Paragraph (c)(1) of section 847 establishes that the disclosure and risk mitigation requirements of the statute may apply to contracts for commercial products or commercial services when a designated senior DoD official makes a determination that the contract involves a risk or potential risk to national security because of sensitive data, systems, or processes.

Paragraph (c)(2) of section 819 adds a statutory deadline for DoD to revise relevant directives, guidance, training, and policies, including amending the DFARS to implement section 847 of the NDAA for FY 2020.

In addition, DoD is proposing to revise the DFARS to implement elements of a policy under DoD Instruction 5205.87, Mitigating Risks Related to Foreign Ownership, Control, or Influence for Covered DoD Contractors and Subcontractors, as required by section 847 of the NDAA for FY 2020. DoD Instruction 5205.87 establishes procedures related to the disclosure of beneficial ownership and FOCI information and mitigation of FOCI risk.

II. Discussion and Analysis

The rule proposes to amend the DFARS by creating part 240, Information Security and Supply Chain Security. In part 240, DoD proposes to create section 240.27X, Mitigation of Risks Related to Beneficial Ownership or Foreign Ownership, Control, or Influence, to implement paragraphs (b)(2)(A), (b)(2)(C), and (c)(1) of section 847 of the NDAA for FY 2020, paragraph (c)(2) of section 819 of the

NDAA for FY 2021, and elements of DoD Instruction 5205.87.

DoD proposes to add section 240.27X–1 to establish the scope of the section and adds the definition of “covered contractor or subcontractor” at 240.27X–2, to clarify which entities are impacted by the statutory requirements.

Section 240.27X–3, Policy, is proposed to describe the statutory requirements for disclosing information and mitigating FOCI risks throughout the duration of the contract or subcontract. This section also addresses exemption of the disclosure and risk mitigation requirements for commercial products and commercial services, unless the designated senior DoD official determines that the contract involves a risk or potential risk to national security. The senior DoD official has not yet been designated. The term “designated senior DoD official” is used in this proposed rule as a placeholder.

The requirements at 240.27X–4, Procedures, are proposed to establish the procedures necessary for contracting officers to implement the statutory disclosure and risk mitigation requirements. The section directs the contracting officer to not award, modify a contract, or exercise an option unless the offeror or contractor has a status of eligible in the National Industrial Security System (NISS), available at <https://niss.dcsa.mil>.

Section 240.27X–5 prescribes use of the provision and clause in solicitations and contracts with a value in excess of \$5 million. The language at 240.27X–5 clarifies that the provision and clause are only to be included in solicitations and contracts using FAR part 12 procedures for the acquisition of commercial products and commercial services if the designated senior DoD official determines that the contract involves a risk or potential risk to national security or potential compromise because of sensitive data, systems, or processes.

Updates are proposed in subpart 212.3 to include the provision and clause in the list of provisions and clauses that are applicable to commercial products and commercial services. In addition, updates in subpart 217.2 are proposed to clarify that, prior to exercising an option, the contracting officer must verify that the contractor has a status of eligible in NISS.

A new solicitation provision was added at 252.240–70XX, Disclosure of

Beneficial Ownership or Foreign Ownership, Control, or Influence—Representation. The new solicitation provision requires offerors to disclose their Standard Form (SF) 328, Certificate Pertaining to Foreign Interests, and supporting documents for DCSA review in NISS. The solicitation provision also requires offerors to represent by submission of the offer that the offeror has submitted the SF 328 and the contact information of each beneficial owner in NISS and that the information is current, accurate, and complete. In addition, the solicitation provision puts offerors on notice that if the requiring activity determines, based on input from DCSA, that FOCI or beneficial ownership poses a risk or potential risk of compromise to national security that may be mitigated, the offeror must agree at the time of award to implement a risk mitigation strategy within 90 days of award.

A new contract clause is proposed at 252.240–70YY, Disclosure of Beneficial Ownership or Foreign Ownership, Control, or Influence. The new contract clause requires contractors to—

(1) Disclose to DCSA their beneficial ownership and whether they are under FOCI by submitting an updated SF 328 in NISS;

(2) Update the SF 328 and supporting documents, to include the contact information of each beneficial owner in NISS.

III. Applicability to Contracts at or Below the Simplified Acquisition Threshold (SAT), for Commercial Products (Including Commercially Available Off-the-Shelf (COTS) Items), and for Commercial Services

This proposed rule includes a new solicitation provision and contract clause to implement the requirements of paragraphs (b)(2)(A), (b)(2)(C), and (c)(1) of section 847 of the NDAA for FY 2020 (Pub. L. 116–92) and paragraph (c)(2) of section 819 of the NDAA for FY 2021 (Pub. L. 116–283): (1) The provision at DFARS 252.240–70XX, Disclosure of Beneficial Ownership or Foreign Ownership, Control, or Influence—Representation; and (2) the clause at DFARS 252.240–70YY, Disclosure of Foreign Ownership, Control, or Influence or Beneficial Ownership.

The provision at DFARS 252.240–70XX is prescribed at DFARS 240.27X–5(a) for use in solicitations that include the clause at 252.240–70YY. The clause at DFARS 252.240–70YY is prescribed at DFARS 240.27X–5(b) for use in solicitations and contracts with a value in excess of \$5 million. The clause is also required in solicitations and contracts using FAR part 12 procedures

for the acquisition of commercial products and commercial services, if the designated senior DoD official determines that the contract involves a risk or potential risk to national security or potential compromise because of sensitive data, systems, or processes.

DoD does not intend to apply the proposed rule to contracts at or below the SAT, because the requirements of the proposed rule only apply to contracts valued above \$5 million. DoD intends to apply the proposed rule to contracts for the acquisition of commercial products including commercially available off-the-shelf (COTS) items and for the acquisition of commercial services, as prescribed.

A. Applicability to Contracts at or Below the Simplified Acquisition Threshold

The statute at 41 U.S.C. 1905 governs the applicability of laws to contracts or subcontracts in amounts not greater than the simplified acquisition threshold. It limits the applicability of laws to such contracts or subcontracts. The statute at 41 U.S.C. 1905 provides that if a provision of law contains criminal or civil penalties, or if the Federal Acquisition Regulatory Council makes a written determination that it is not in the best interest of the Federal Government to exempt contracts or subcontracts at or below the SAT, the law will apply to them. The Principal Director, Defense Pricing, Contracting, and Acquisition Policy (DPCAP), is the appropriate authority to make comparable determinations for regulations to be published in the DFARS, which is part of the Federal Acquisition Regulation system of regulations. DoD does not intend to make that determination. Therefore, this proposed rule will not apply at or below the simplified acquisition threshold.

B. Applicability to Contracts for the Acquisition of Commercial Products Including COTS Items and for the Acquisition of Commercial Services

The statute at 10 U.S.C. 3452 exempts contracts and subcontracts for the acquisition of commercial products including COTS items, and commercial services from provisions of law enacted after October 13, 1994, unless the Under Secretary of Defense (Acquisition and Sustainment) (USD(A&S)) makes a written determination that it would not be in the best interest of DoD to exempt contracts for the procurement of commercial products and commercial services from the applicability of the provision or contract requirement, except for a provision of law that—

- Provides for criminal or civil penalties;

- Requires that certain articles be bought from American sources pursuant to 10 U.S.C. 4862, or that strategic materials critical to national security be bought from American sources pursuant to 10 U.S.C. 4863; or

- Specifically refers to 10 U.S.C. 3452 and states that it shall apply to contracts and subcontracts for the acquisition of commercial products (including COTS items) and commercial services.

The statutes implemented in this proposed rule do not impose criminal or civil penalties, do not require purchase pursuant to 10 U.S.C. 4862 or 4863, and do not refer to 10 U.S.C. 3452.

Therefore, sections 847 and 819 will not apply to the acquisition of commercial services or commercial products including COTS items unless a written determination is made. Due to delegations of authority, the Principal Director, DPCAP is the appropriate authority to make this determination.

DoD intends to make the determination to apply the statutes to the acquisition of commercial products including COTS items and to the acquisition of commercial services. Therefore, this proposed rule will apply to the acquisition of commercial products including COTS items and to the acquisition of commercial services, if a designated official determines that the contract involves a risk or potential risk to national security because of sensitive data, systems, or processes.

C. Determinations

Given that section 847 of the NDAA for FY 2020 and section 819 of the NDAA for FY 2021 were enacted to promote the mitigation of FOCI or beneficial ownership risk in the supply chain, and FOCI or beneficial ownership risk is related to the ownership of the company and not necessarily what is being procured, it is in the best interest of DoD to apply the statute to contracts for the acquisition of commercial services and commercial products, including COTS items, as defined at Federal Acquisition Regulation 2.101. An exception for contracts for the acquisition of commercial services and commercial products, including COTS items, would exclude the contracts intended to be covered by the law, thereby undermining the overarching public policy purpose of the law.

IV. Expected Impact of the Rule

DoD is proposing to amend the DFARS to include the following solicitation and contractual requirements to implement the statutory requirements at paragraphs (b)(2)(A), (b)(2)(C), and (c)(1) of section 847 of the NDAA for FY 2020 (Pub. L. 116–92) and

paragraph (c)(2) of section 819 of the NDAA for FY 2021 (Pub. L. 116–283):

- Offeror and contractor requirements to disclose to DCSA their beneficial ownership and whether they are under FOCI.
- Contractor requirement to provide updates to their FOCI and beneficial ownership disclosures to DCSA for the life of the contract.
- Contractor requirement to disclose contact information for each of its foreign owners that is a beneficial owner, if determined to be under FOCI.
- Contractor requirement to mitigate risks related to FOCI within 90 days of contract award, modification, exercise of option, or identification of risks during contract performance.

As described in section VIII of this preamble, the costs associated with the technical requirements related to the FOCI risk mitigation are outside of the scope of this proposed rule. The costs associated with the requirements for offerors to disclose FOCI and beneficial ownership information to DCSA are covered by two information collection approvals completed by the Office of the Under Secretary of Defense for Intelligence and Security: (1) Certificate Pertaining to Foreign Interests, SF–328, OMB Control Number 0704–0579; and (2) National Industrial Security System (NISS), OMB Control Number 0705–0006. The burden calculated for OMB Control Number 0704–0579 for the SF 328 is \$7,352,560, and the burden calculated for OMB Control Number 0705–0006 for the NISS is \$712,281 (source: *reginfo.gov*).

This proposed DFARS rule, if finalized, will apply to contracts valued above \$5 million. The proposed rule may also apply to certain contracts for commercial products and commercial services if a designated senior DoD official determines that the contract involves a risk or potential risk to national security or potential compromise because of sensitive data, systems, or processes.

According to data from the Federal Procurement Data System (FPDS), the average number of unique entities for fiscal years 2022 through 2024 with awards above \$5 million, excluding awards using exclusively commercial procedures, is 3,774. Of those entities, 2,148 (57%) are unique small businesses. DoD has no way to know how many exclusively commercial awards will have an exception that applies the disclosure and reporting requirements to those offerors and contractors, so it assumes exclusively commercial awards will not include reporting and disclosure requirements.

To calculate the number of potential offerors and subcontractors impacted by this proposed rule, DoD assumes for every unique entity with awards above \$5 million, there are two offerors on average per award and that the entities awarded contracts have on average 5 subcontractors, for a total of 37,740 potentially impacted entities. Of those entities, 21,511 (57%) are estimated to be small businesses.

For updates to disclosures, DoD does not know the number of contractors who will need to make updates to their FOCI and beneficial ownership disclosure information, or the number of updates they will need to make. DoD assumes half of all contractors may have to update information during the performance of the contract. To estimate the number of impacted contractors, DoD used the average number of unique awardees with contracts valued above \$5 million, which is 3,774. DoD multiplied 3,774 by an assumed 5 subcontractors per unique awardee, which equals 18,870. DoD multiplied this number by 50 percent to arrive at an estimate of 9,435 contractors would need to update their disclosures.

In addition, prior to exercising an option or modifying a contract, contractors will need to disclose FOCI and beneficial ownership information to DCSA. DoD does not have a way to estimate the number of potential modifications or options exercised, so DoD assumes 10% of the assumed total number of impacted contractors (18,870) could be impacted. Therefore, DoD assumes that 1,887 contractors may be subject to modifications or the exercise of options that would result in disclosure update requirements.

The proposed rule includes a requirement for offerors to represent, by submission of an offer, that (1) they have submitted the SF 328 and contact information for each beneficial owner in the NISS and (2) the information is current, accurate, and complete. DoD estimates that, before submitting their offers, 7,548 offerors will verify submission of the required information and that the information provided is current, accurate, and complete. DoD further estimates these offerors may submit 2 offers per year in response to solicitations containing the representation requirement. The verification is expected to require about 10 minutes and to be performed by a journeyman employee equivalent to a General Schedule grade 12, step 5 (\$66.23, including overhead rate of 36.25%). The annual cost associated with the verification is \$168,534.

An important benefit of this proposed rule is that, if finalized, it will help

reduce the risk of foreign adversaries gaining unauthorized access to DoD information. The proposed rule provides for the implementation of statutory FOCI and beneficial ownership requirements, resulting in more secure DoD acquisitions. The proposed rule also reduces the risk of the introduction of contract performance risk and theft of DoD intellectual property by foreign adversaries. As a result, this proposed rule will support the underlying statutory requirement to reduce FOCI and beneficial ownership risk to national security.

V. Executive Orders 12866 and 13563

Executive Orders (E.O.s) 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). E.O. 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This is a significant regulatory action and, therefore, was subject to review under section 6(b) of E.O. 12866, Regulatory Planning and Review, as amended.

VI. Executive Order 14192

This proposed rule, if finalized as proposed, is not expected to be subject to E.O. 14192, because the proposed rule is being issued with respect to a national security function of the United States. The proposed rule implements the contractual requirements of section 847 of the NDAA for FY 2020 related to FOCI and beneficial ownership. The proposed rule is critical to the national security of the United States and directly supports DoD's mission of maintaining a secure and resilient defense industrial base (DIB). The implementation of the contractual requirements in this proposed rule is not merely an administrative action but a vital step in safeguarding the nation's military and technological advantage from FOCI risk.

The primary benefit of the section 847 requirement is the unprecedented level of visibility it provides into the ownership structures of offerors and contractors, particularly for contracts that do not involve access to classified information. Historically, this has been a significant vulnerability. Foreign adversaries have exploited this gap to gain access to sensitive, unclassified information, intellectual property, and critical technologies through various

ownership, control, and influence avenues of foreign interest. By mandating the disclosure of FOCI and beneficial ownership, this rule proposes to close that gap, directly reducing the risk of unauthorized access to DoD information and mitigating the potential for theft of intellectual property that underpins our warfighting capabilities. This directly enhances the security of DoD acquisitions and minimizes contract performance risks associated with contractors who may be subject to foreign adversary leverage.

This initiative is fully aligned with and supports a broader, Governmentwide strategy to secure the nation's critical supply chains, as articulated in recent Executive orders. For example, E.O. 14017, America's Supply Chains, directs a whole-of-Government approach to assessing and strengthening supply chain resilience, with a specific focus on the DIB. Section 847 is a direct and necessary implementation of this directive, providing the foundational data required to understand and mitigate foreign-based risks with the defense supply chain.

Furthermore, the proposed rule complements the objectives of E.O. 14028, Improving the Nation's Cybersecurity, which emphasizes the need to secure the software supply chain and improve the detection of cybersecurity vulnerabilities. By identifying potentially compromised or influenced offerors and contractors, section 847 serves as a critical upstream defense, preventing threats from entering the supply chain in the first place. This proactive stance is essential for protecting the integrity of the data and systems on which DoD relies.

In essence, this proposed rule is not an isolated regulatory burden but a cornerstone of DoD's strategy to counter pervasive threats from strategic competitors. It provides the necessary tools to ensure our partners in industry are secure, trustworthy, and free from the influence of those who seek to harm our national interests. Application of the requirements of E.O. 14192 to this proposed rule would unacceptably impede DoD's ability to meet the above objectives and limit the ability to meet congressionally managed, mission-critical security functions. For these reasons, DoD finds the implementation of the contractual requirements in this proposed rule critical to national security.

VII. Regulatory Flexibility Act

DoD does not expect this proposed rule, when finalized, to have a significant economic impact on a

substantial number of small entities within the meaning of the Regulatory Flexibility Act, 5 U.S.C. 601, *et seq.*, because the rule simply requires certain offerors and contractors to disclose information about FOCI and beneficial ownership and to conduct risk mitigation efforts, if applicable. However, an initial regulatory flexibility analysis has been performed and is summarized as follows:

This proposed rule is necessary to respond to the threat to U.S. national security posed by beneficial ownership and foreign ownership, control, or influence (FOCI) risks under contracts and subcontracts. The purpose of this proposed rule is to implement statutory disclosure and risk mitigation requirements related to information associated with FOCI and beneficial ownership. This proposed rule requires covered contractors and subcontractors to share their FOCI disclosures and beneficial ownership information with the Defense Counterintelligence and Security Agency (DCSA). This proposed rule also requires covered contractors to mitigate risks associated with being under FOCI within 90 days of contract award, modification, option exercise, or identification of risks during contract performance. Covered contractors and subcontractors are existing or prospective contractors or subcontractors, at any tier, of DoD with a contract or subcontract valued above \$5 million.

The proposed rule does not apply to commercial products and commercial services, unless the designated senior DoD official determines that the contract involves a risk or potential risk to national security or potential compromise because of sensitive data, systems, or processes.

One objective of this proposed rule is to partially implement section 847 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2020 (Pub. L. 116–92) and section 819 of the NDAA for FY 2021 (Pub. L. 116–283). This proposed rule also implements elements of DoD Instruction 5205.87, Mitigating Risks Related to Foreign Ownership, Control, or Influence for Covered DoD Contractors and Subcontractors.

This proposed rule will impact small businesses that are existing or prospective contractors or subcontractors of DoD on contracts valued above \$5 million. In addition, this proposed rule will impact commercial entities. According to data from the Federal Procurement Data System, the average number of unique entities for FY 2022 through FY 2024 with awards above \$5 million, excluding awards using exclusively

commercial procedures, is 3,774, of which 2,148 (57%) are unique small entities. DoD has no way to know how many exclusively commercial awards will have an exception that applies the disclosure and reporting requirements to those offerors and awardees. Therefore DoD assumes exclusively commercial awards will not include reporting and disclosure requirements.

To calculate the number of potential offerors and subcontractors impacted by this proposed rule, DoD assumes for every unique entity with awards above \$5 million, there are two offerors on average per award and that awardees have on average 5 subcontractors. The estimated total number of potentially impacted awardees is 37,740, of which 21,511 (57%) are estimated to be small entities.

This proposed rule does not impose new reporting, recordkeeping, or other compliance requirements for small entities beyond those approved in OMB Control Numbers 0704–0579, Certificate Pertaining to Foreign Interests, SF–328; and 0705–0006, National Industrial Security System (NISS). The projected reporting and compliance requirements associated with OMB Control Numbers 0704–0579 and 0705–0006 include the following: (1) disclosing to DCSA any FOCI and beneficial ownership information by submitting an updated SF 328, Certificate Pertaining to Foreign Interest, in NISS along with any supporting information; (2) maintaining the information in NISS for the duration of the contract; and (3) if determined to be under FOCI, disclosing to DCSA in NISS the contact information for all foreign owners that are beneficial owners. In addition, if there is a requirement for a contractor to complete a risk mitigation strategy, they will be required to do so within 90 days of contract award.

These reporting requirements would apply to any small entities that are existing or prospective contractors or subcontractors of DoD on contracts valued above \$5 million.

This proposed rule does not duplicate, overlap, or conflict with any other Federal rules.

There are no known alternatives that would accomplish the stated objectives of the applicable statute.

DoD invites comments from small business concerns and other interested parties on the expected impact of this proposed rule on small entities.

DoD will also consider comments from small entities concerning the existing regulations in subparts affected by this proposed rule in accordance with 5 U.S.C. 610. Interested parties must submit such comments separately

and should cite 5 U.S.C. 610 (DFARS Case 2021–D011), in correspondence.

VIII. Paperwork Reduction Act

This proposed rule contains information collection requirements that require the approval of the Office of Management and Budget under the Paperwork Reduction Act (44 U.S.C. chapter 35). However, the Office of the Under Secretary of Defense for Intelligence and Security completed two information collection approvals: (1) Certificate Pertaining to Foreign Interests, SF–328, OMB Control Number 0704–0579; and (2) National Industrial Security System (NISS), DCSA Form 147, OMB Control Number 0705–0006.

Accordingly, DoD has not submitted a request for approval of a new information collection requirement concerning DFARS Case 2020–D011, Mitigating Risks Related to Foreign Ownership, Control, or Influence, to the Office of Management and Budget.

List of Subjects in 48 CFR Parts 212, 217, 240, and 252

Government procurement.

Kimberly R. Ziegler,

Editor/Publisher, Defense Acquisition Regulations System.

Therefore, the Defense Acquisition Regulations System proposes to amend 48 CFR chapter 2 as follows:

PART 212—ACQUISITION OF COMMERCIAL PRODUCTS AND COMMERCIAL SERVICES

■ 1. The authority citation for part 212 continues to read as follows:

Authority: 41 U.S.C. 1303 and 48 CFR chapter 1.

■ 2. Amend section 212.301 by—

■ a. Redesignating paragraphs (f)(xvii) through (xxii) as (f)(xviii) through (xxiii); and

■ b. Adding new paragraph (f)(xvii).

The addition reads as follows:

212.301 Solicitation provisions and contract clauses for the acquisition of commercial products and commercial services.

* * * * *

(f) * * *

(xvii) *Part 240—Information Security and Supply Chain Security.*

(A) Insert the provision at 252.240–70XX, Disclosure of Beneficial Ownership or Foreign Ownership, Control, or Influence—Representation, as prescribed in 240.27X–5(a), to comply with section 847 of the National Defense Authorization Act for Fiscal Year 2020 and section 819 of the National Defense Authorization Act for Fiscal Year 2021.

(B) Insert the clause at 252.240–70YY, Disclosure of Beneficial Ownership or Foreign Ownership, Control, or Influence, as prescribed in 240.27X–5(b)(1) or (2), to comply with section 847 of the National Defense Authorization Act for Fiscal Year 2020 and section 819 of the National Defense Authorization Act for Fiscal Year 2021.

* * * * *

PART 217—SPECIAL CONTRACTING METHODS

■ 3. The authority citation for part 217 continues to read as follows:

Authority: 41 U.S.C. 1303 and 48 CFR chapter 1.

■ 4. Amend section 217.207 by adding paragraph (c)(3) to read as follows:

217.207 Exercise of options.

(c) * * *

(3) Verifying the contractor has an eligible status in the National Industrial Security System (see 240.27X–4).

■ 5. Add part 240 to read as follows:

PART 240—INFORMATION SECURITY AND SUPPLY CHAIN SECURITY

Subpart 240.1 [Reserved]

Subpart 240.2—Security Prohibitions and Exclusions

Sec.

240.27X Mitigation of risks related to beneficial ownership or foreign ownership, control, or influence.

240.27X–1 Scope.

240.27X–2 Definition.

240.27X–3 Policy.

240.27X–4 Procedures.

240.27X–5 Solicitation provision and contract clause.

Authority: 41 U.S.C. 1303 and 48 CFR chapter 1.

Subpart 240.1 [Reserved]

Subpart 240.2—Security Prohibitions and Exclusions

240.27X Mitigation of risks related to beneficial ownership or foreign ownership, control, or influence.

240.27X–1 Scope.

This section implements—

(a) Paragraphs (b)(2)(A), (b)(2)(C), and (c)(1) of section 847 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2020 (Pub. L. 116–92);

(b) Paragraph (c)(2) of section 819 of the NDAA for FY 2021 (Pub. L. 116–283); and

(c) Elements of DoD Instruction 5205.87, Mitigating Risks Related to Foreign Ownership, Control, or Influence for Covered DoD Contractors and Subcontractors.

240.27X–2 Definition.

Covered contractor or covered subcontractor, as used in this section, means a company that is an existing or prospective contractor or subcontractor, at any tier, of DoD for a contract valued in excess of \$5 million.

240.27X–3 Policy.

(a) Section 847 of the NDAA for FY 2020 requires covered contractors and covered subcontractors to—

(1) Disclose to the Defense Counterintelligence and Security Agency (DCSA) their beneficial ownership and whether they are under foreign ownership, control, or influence (FOCI);

(2) Update such disclosures when changes occur; and

(3) If under FOCI, disclose contact information for each of its foreign owners that is a beneficial owner.

(b) Section 819 of the NDAA for FY 2021 requires effective mitigation of FOCI risks throughout the duration of the contract or subcontract.

(c) The requirements in paragraphs (a) and (b) of this section do not apply to commercial products and commercial services, unless the designated senior DoD official determines that the contract involves a risk or potential risk to national security or potential compromise because of sensitive data, systems, or processes.

240.27X–4 Procedures.

(a) Contracting officers must not award, modify, or exercise an option or otherwise extend a contract, task order, or delivery order with a value in excess of \$5 million unless the contractor or prospective contractor has an eligible status in the National Industrial Security System or an exception applies (see 240.27X–3(c)).

(b) See PGI 240.27X–4 for additional procedures.

240.27X–5 Solicitation provision and contract clause.

(a) Insert the provision at 252.240–70XX, Disclosure of Beneficial Ownership or Foreign Ownership, Control, or Influence—Representation, in solicitations that include the clause at 252.240–70YY.

(b)(1) Insert the clause at 252.240–70YY, Disclosure of Beneficial Ownership or Foreign Ownership, Control, or Influence, in solicitations and contracts valued in excess of \$5 million.

(2) Insert the clause in solicitations and contracts valued in excess of \$5 million for the acquisition of commercial products and commercial services, if the designated senior DoD

official determines that the contract involves a risk or potential risk to national security or potential compromise because of sensitive data, systems, or processes.

PART 252—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

■ 6. The authority citation for part 252 continues to read as follows:

Authority: 41 U.S.C. 1303 and 48 CFR chapter 1.

■ 7. Add sections 252.240–70XX and 252.240–70YY to read as follows:

252.240–70XX Disclosure of Beneficial Ownership or Foreign Ownership, Control, or Influence—Representation.

As prescribed in 240.27X–5(a), use the following provision:

DISCLOSURE OF BENEFICIAL OWNERSHIP OR FOREIGN OWNERSHIP, CONTROL, OR INFLUENCE—REPRESENTATION (DATE)

(a) *Definitions.* As used in this provision, *beneficial owner*, *company*, *foreign ownership*, *control*, or *influence*, and *foreign interest* are defined in the Defense Federal Acquisition Regulation Supplement 252.240–70YY, Disclosure of Beneficial Ownership or Foreign Ownership, Control, or Influence, clause of this solicitation.

(b) *Disclosure and risk mitigation requirements.* In accordance with section 847 of Public Law 116–92 and section 819 of Public Law 116–283, DoD is prohibited from awarding a contract with a value in excess of \$5 million to an offeror unless the Offeror—

(1) Makes the foreign ownership, control, or influence (FOCI) or beneficial ownership disclosures described in paragraph (c) of this provision; and

(2)(i) Is determined to not have risk related to FOCI or beneficial ownership; or

(ii) Agrees to execute and implement the risk mitigation strategies identified by the program office or requiring activity within 90 calendar days of contract award.

(c) *Disclosures.* (1) The Offeror shall submit for Defense Counterintelligence and Security Agency (DCSA) review the Standard Form (SF) 328, Certificate Pertaining to Foreign Interests, and supporting documents to include the contact information for each of its foreign owners that is a beneficial owner in the National Industrial Security System, available at <https://niss.dcsa.mil>.

(2) If the requiring activity determines, based on input from DCSA, that FOCI or beneficial ownership poses a risk or potential risk of compromise to national security that may be mitigated, the Offeror shall—

(i) Agree to the risk mitigation strategies at time of award; and

(ii) Implement the risk mitigation strategies within 90 calendar days of contract award.

(d) *Representation.* By submission of its offer, the Offeror represents that—

(1) It has submitted the SF 328, Certificate Pertaining to Foreign Interests, and the contact information of each beneficial owner in the National Industrial Security System; and

(2) The information is current, accurate, and complete.

(End of provision)

252.240–70YY Disclosure of Beneficial Ownership or Foreign Ownership, Control, or Influence.

As prescribed in 240.27X–5(b)(1) or (2), use the following clause:

DISCLOSURE OF BENEFICIAL OWNERSHIP OR FOREIGN OWNERSHIP, CONTROL, OR INFLUENCE (DATE)

(a) *Definitions.* As used in this clause—
Beneficial owner is defined at 17 CFR 240.13d–3.

Company means any corporation, limited liability company, limited partnership, business trust, business association, or other similar entity.

Foreign interest means any foreign government, agency of a foreign government, or representative of a foreign government; any form of business enterprise or legal entity organized, chartered, or incorporated under the laws of any country other than the United States or its territories; and any person who is not a citizen or national of the United States.

Foreign ownership, control, or influence is defined at 32 CFR part 117.11.

(b) *Contractor under foreign ownership, control, or influence (FOCI).* The Contractor is under FOCI if it—

(1) Has a current facility clearance and meets the standards at 32 CFR 117.11(a)(1);

(2) Is in the process of obtaining a facility clearance and meets the standards at 32 CFR 117.11(a)(1); or

(3) Has not been granted a facility clearance and is not in the process of obtaining a facility clearance; and

(4) A foreign interest has the power, directly or indirectly, regardless of whether the power is exercised or is exercisable through the ownership of the U.S. company's securities, to—

(i) Direct or decide matters affecting the management or operations of that company in a manner that may result in a risk or potential risk to national security or potential compromise of sensitive data, systems, or processes; or

(ii) Otherwise control or influence the business or management of the Contractor in a manner that could adversely affect its ability to perform the contract or subcontract.

(c) *Procedures.* In accordance with section 847 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2020 and section 819 of the NDAA for FY 2021, the Contractor shall—

(1) Agree to the risk mitigation strategies identified in the National Industrial Security System at the time of contract award, option

exercise, modification, or identification of postaward changes;

(2) Implement the risk mitigation strategies within 90 calendar days of contract award, option exercise, modification, or the identification of risks during contract performance;

(3) Complete, update, and verify the currency of the Standard Form (SF) 328, Certificate Pertaining to Foreign Interests, and supporting documents, to include the contact information of each beneficial owner in the National Industrial Security System available at <https://niss.dcsa.mil>, prior to contract modification or renewal, or when changes occur to information previously provided; and

(4) Ensure all subcontractors and suppliers that are subcontractors awarded subcontracts that exceed \$5 million have an eligible status in the National Industrial Security System prior to subcontract award and maintain the status of eligible in the National Industrial Security System for the duration of subcontract performance.

(d) *Reporting.*

(1) If the Contractor has any changes in FOCI or beneficial ownership during performance of the contract, or if the Contractor is notified of such by a subcontractor at any tier or supplier, the Contractor shall report the changes by submitting an updated SF 328, Certificate Pertaining to Foreign Interests, in the National Industrial Security System.

(2) If the Contractor determines that the changes may place it or the subcontractor at any tier under FOCI—

(i) Within 3 business days from the date of such identification or notification, if applicable, the Contractor shall report the foreign owner's name or the beneficial owner's name; relevant information about the foreign owner or beneficial owner; and any readily available information about risk mitigation actions undertaken or recommended; and

(ii) Within 10 business days of being notified by DCSA that FOCI or beneficial ownership poses a risk or potential risk of compromise to national security, the Contractor shall initiate a plan of action to implement DCSA's recommendations; submit additional information; describe any risk mitigation efforts undertaken to date; and confirm in the National Industrial Security System that it will comply with the identified risk mitigation recommendations.

(e) *Subcontracts.* The Contractor shall insert the substance of this clause, including this paragraph (e), in subcontracts and other contractual instruments that exceed \$5 million.

(End of clause)

[FR Doc. 2026–09067 Filed 5–6–26; 8:45 am]

BILLING CODE 6001–FR–P

DEPARTMENT OF COMMERCE**National Oceanic and Atmospheric Administration****50 CFR Part 635****[Docket No. 260430–0121]****RIN 0648–BN60****Atlantic Highly Migratory Species; North Atlantic Swordfish, South Atlantic Swordfish, North Atlantic Albacore, and Atlantic Bluefin Tuna Quotas**

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

ACTION: Proposed rule; request for comments.

SUMMARY: NMFS is proposing to implement recent binding recommendations of the International Commission for the Conservation of Atlantic Tunas (ICCAT) on quotas for North Atlantic swordfish, South Atlantic swordfish, North Atlantic albacore tuna (northern albacore), and Atlantic bluefin tuna. While this action does not propose to change the existing baseline quotas for North Atlantic swordfish, South Atlantic swordfish, and northern albacore, this action proposes to implement the management procedure for North Atlantic swordfish, describes the existing management procedure for northern albacore, and considers the possibility of future quota changes for swordfish and northern albacore consistent with their respective management procedures and ICCAT recommendations. For bluefin tuna, this action also proposes to implement the increased U.S. baseline quota adopted by ICCAT in 2025, divide it among the established regulatory domestic subquota categories, and implement changes to the bluefin tuna quota associated with longline bycatch adopted by ICCAT in 2025. This proposed rule also describes the annual quota adjustment procedures for North Atlantic swordfish, South Atlantic swordfish, northern albacore, and bluefin tuna and requests public comment on them. This action is required by the Atlantic Tunas Convention Act (ATCA) and to achieve domestic management objectives under the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act).

DATES: Written comments must be received by June 8, 2026. NMFS will hold a public hearing webinar for this proposed rule on May 28, 2026, from 2

p.m. to 4 p.m. EDT. For webinar registration information, see the **SUPPLEMENTARY INFORMATION** section of this document.

ADDRESSES: A plain language summary of this proposed rule is available at <https://www.regulations.gov/docket/NOAA-NMFS-2025-0053>. You may submit comments on this document, identified by NOAA–NMFS–2025–0053, by electronic submission. Submit all electronic public comments via the Federal e-Rulemaking Portal. Visit <https://www.regulations.gov> and type “NOAA–NMFS–2025–0053” in the search box. Click on the “Comment” icon, complete the required fields, and enter or attach your comments.

Instructions: Comments sent by any other method, to any other address or individual, or received after the close of the comment period, may not be considered by NMFS. All comments received are a part of the public record and will generally be posted for public viewing on <https://www.regulations.gov> without change. All personal identifying information (e.g., name, address), confidential business information, or otherwise sensitive information submitted voluntarily by the sender will be publicly accessible. NMFS will accept anonymous comments (enter “N/A” in the required fields if you wish to remain anonymous).

Copies of this proposed rule and supporting documents are available from the Highly Migratory Species (HMS) Management Division website at <https://www.fisheries.noaa.gov/action/comments-requested-proposed-quotas-atlantic-swordfish-northern-albacore-and-bluefin-tuna> or by contacting Steve Durkee at steve.durkee@noaa.gov or 301–427–8503.

FOR FURTHER INFORMATION CONTACT: Carrie Soltanoff (carrie.soltanoff@noaa.gov), Steve Durkee (steve.durkee@noaa.gov), or Larry Redd, Jr., (larry.redd@noaa.gov) at 301–427–8503.

SUPPLEMENTARY INFORMATION: Federal Atlantic HMS fisheries (tunas, billfish, swordfish, and sharks) are managed under the 2006 Consolidated HMS Fishery Management Plan, as amended (HMS FMP) pursuant to the Magnuson-Stevens Act (16 U.S.C. 1801 *et seq.*) and consistent with ATCA (16 U.S.C. 971 *et seq.*). HMS are defined at section 3(21) of the Magnuson-Stevens Act (16 U.S.C. 1802(21)), and the provisions for their management are at section 304(g)(1) (16 U.S.C. 1854(g)(1)). ATCA is the implementing statute for binding recommendations of ICCAT. Regulations implementing the HMS FMP are at 50 CFR part 635. Section 635.27(a) divides the U.S. bluefin tuna

quota as recommended by ICCAT and implemented by the United States among domestic fishing categories as established under the HMS FMP, provides the annual bluefin tuna quota adjustment process, and implements an incidental catch quota for pelagic longline vessels fishing in the Northeast Distant gear restricted area (NED). Section 635.27(c) implements the ICCAT-recommended U.S. North and South Atlantic swordfish quotas and provides the annual adjustment process. Section 635.27(e) implements the ICCAT-recommended U.S. northern albacore quota and provides the annual northern albacore quota adjustment process. NMFS is required under the Magnuson-Stevens Act to provide U.S. fishing vessels with a reasonable opportunity to harvest quotas established pursuant to relevant international fishery agreements such as the ICCAT Convention.

Through this action, NMFS proposes to implement various management measures, including quotas, consistent with measures adopted by ICCAT for North Atlantic swordfish, South Atlantic swordfish, northern albacore, and Atlantic bluefin tuna. NMFS also seeks public comment on the existing process NMFS uses to adjust the baseline quotas of these species when applying any overharvest or the allowable level of any carryover of previous year’s quota underharvest to baseline quotas. A summary of background information and the alternatives considered is provided below. Additionally, NMFS has prepared a comprehensive document that presents the alternatives considered for this proposed rule and analyzes their anticipated environmental, social, and economic impacts (“supporting document”). This supporting document consolidates the requirements of a number of Federal statutes and executive orders and includes, among other sections, an Environmental Assessment (EA), Regulatory Impact Review (RIR), and an Initial Regulatory Flexibility Analysis (IRFA). A copy of the supporting document prepared for this proposed rule is available from NMFS (see **ADDRESSES**).

Consistent with how the quotas are established at ICCAT, weight information for northern albacore and bluefin tuna is shown in metric tons (mt) whole weight (ww), and weight information for swordfish is shown in both dressed weight (dw) and ww. The conversion factor between dw and ww for swordfish is 1.33 and the conversion follows the following formula: $dw \times 1.33 = ww$.

Statutory Authority

Under section 971d(c)(1)(A) of ATCA, NMFS must promulgate such regulations as may be necessary and appropriate to carry out binding recommendations of ICCAT. Further, regulations promulgated shall, to the extent practicable, be consistent with FMPs prepared and implemented under the Magnuson-Stevens Act (see section 971d(c)(1)(C)).

The Magnuson-Stevens Act requires measures necessary for the conservation and management of the fishery to be consistent with the 10 National Standards set forth in section 301(a)(16 U.S.C. 1851(a)). The National Standards state, among other things, that conservation and management measures must: prevent overfishing while achieving, on a continuing basis, optimum yield from the fishery (National Standard 1); be based on the best scientific information available (National Standard 2); and take into account and allow for variations among fisheries, fishery resources, and catches (National Standard 6). Furthermore, the Magnuson-Stevens Act authorizes measures to promote the long-term health and stability of the fisheries (303(a)(1) or 16 U.S.C. 1853). Measures such as annual adjustments of quotas for under- or overharvests are important in achieving these goals. Section 102 of the Magnuson-Stevens Act also provides for management actions to be coordinated through appropriate international organizations to promote conservation and achievement of optimum yield of such species throughout their range, both within and beyond the exclusive economic zone, and to take into account the traditional participation of U.S. fishermen (16 U.S.C. 1812(a) and (b)). Section 304(g)(1), among other things, provides NMFS the authority to implement fishery management plans and plan amendments that provide fishing vessels fishing for Atlantic HMS with a reasonable opportunity to harvest an allocation or quota authorized under an international fishing agreement, such as ICCAT's recommendations, and to ensure that conservation and management measures promote international conservation of HMS fisheries.

Overall Quota-Setting Process

Regulations at 50 CFR 635.27(c), (e), and (a) set forth the ICCAT-established U.S. baseline quotas for North and South Atlantic swordfish, northern albacore, and Atlantic bluefin tuna, respectively, as well as the requirements and processes for annual adjustments of the quotas for underharvest or

overharvest required by ICCAT. The process for annually adjusting the baseline quotas for each stock is described in detail below. When the current baseline quotas for each stock were originally implemented, NMFS took public comment on this annual process. After considering public comment, NMFS stated that the annual adjustments to those baseline quotas could be made through temporary final rules as long as the adjustments were consistent with the implementing regulations (87 FR 33049, June 1, 2022, for northern albacore and bluefin tuna; 81 FR 48719, July 26, 2016, for North and South Atlantic swordfish).

In this rulemaking, NMFS is once again providing an opportunity for the public to comment on this annual process. Taking into consideration public comment received, in the future NMFS could continue making annual quota adjustments by proceeding straight to temporary final rules as long as the adjustments are consistent with the implementing regulations as applied in the calculations below NMFS would publish a temporary final rule to adjust quotas in 2026, which could be combined with the final rule for this action.

North Atlantic Swordfish Annual Quota and Adjustment Process

For certain species, ICCAT has adopted an approach to fisheries management decision-making known as a "management procedure." Under management procedures, ICCAT adopts new TACs based on the application of scientifically derived formulas and models unique to each species. These formulas and models, which use inputs from stock assessments and reflect various management objectives, are used by ICCAT's scientific body to develop a range of possible TACs and advise ICCAT on the adoption of particular TACs for specific time periods. Management objectives could include meeting conservation targets and providing for stability in fisheries so that catch does not increase or decrease in the extreme over a particular time period. Put differently, a management procedure is a transparent, science-based framework that ICCAT uses to consider and set catch limits. It facilitates ICCAT catch negotiations by better aligning current stock conditions with pre-agreed management objectives and actions.

This proposed rule would implement Recommendation 25–10, which describes the management procedure for North Atlantic swordfish, by adding a reference to that procedure in the swordfish quota regulations at

§ 635.27(c)(1). The supporting document analyzes the range of TACs, described below, that might be derived from the new North Atlantic swordfish management procedure. The following discussion describes the current quota, domestic quota allocations, and annual quota adjustment procedures per current regulatory processes for North Atlantic swordfish. In this rulemaking, NMFS is not proposing any changes to the current U.S. baseline quota, quota adjustment provisions, and domestic quota allocations. These processes are codified at § 635.27(c)(1)(i) and (3) (77 FR 45273, July 31, 2012).

Recommendation 25–10 describes a management procedure (originally established in Recommendation 24–10) that provides for 11 possible North Atlantic-wide total allowable catches (TACs) that range from 4,764 mt ww to 17,628 mt ww. These annual TACs are constant for each 3-year management period but may fluctuate between management periods. Recommendation 24–10 previously set the TAC for 2025–2027 at 14,769 mt. While the management procedure does not prescribe ICCAT Party quota allocations under each TAC level, the supporting document for this proposed rule analyzes future changes to the U.S. baseline quota under the different North Atlantic-wide swordfish TACs. Under Recommendation 25–10, as under the previous Recommendation 24–10 the United States continues to be allocated approximately 26 percent of the TAC, resulting in a 3,907 mt allocation out of a 14,769 mt TAC for 2025–2027. Applying this percentage and assuming the portion provided to the United States under future ICCAT recommendations remains the same, an increase in the TAC to the maximum allowed under the management procedure (17,628 mt ww) would result in a maximum U.S. baseline quota of 3,446.1 mt dw (4,583.3 mt ww) (17,628 mt ww * 0.26 = 4,583.3 mt ww). Recommendation 25–10 also maintains an underharvest carryover limit of 15 percent of the baseline quota from one year to the next. Considering this 15-percent underharvest carryover limit, the maximum adjusted U.S. quota would be 3,963.0 mt dw (5,270.8 mt ww) (3,446.1 mt dw + (0.15 * 3,446.1) mt dw). These maximum quota amounts are calculated here for the purpose of providing a reasonable anticipated range of potential quotas for use in impact analyses under the management procedure and do not presuppose TAC levels resulting from future application of the management procedure or that any changes to the U.S. quota would be

adopted under future ICCAT recommendations.

In the future, if ICCAT modifies the North Atlantic-wide swordfish TAC for the next 3-year management period consistent with the management procedure in Recommendation 25–10, NMFS may codify the resulting U.S. baseline quota up to a maximum of 3,446.1 mt dw through a final rulemaking if consistent with the analyses in this action's associated supporting document and if no new circumstances are present or management measures introduced that require additional analysis or opportunity for public comment. If a new TAC is adopted and resulting U.S. quota codified, NMFS could continue to annually adjust the new U.S. baseline quota through a temporary final rule reflecting underharvest carryover (up to a 3,963.0 mt dw maximum adjusted quota) or overharvest per the process discussed below if consistent with analyses in the supporting document and there are no new circumstances. NMFS would evaluate the need for any additional environmental analyses or proposed and final rulemaking when implementing any new management procedure-derived swordfish TACs and associated quotas adopted by ICCAT.

Consistent with the regulations at 50 CFR 635.27(c)(3), NMFS annually provides notice to the public in the **Federal Register** of the baseline North Atlantic swordfish quota with any annual adjustments as allowable for over- or underharvest. Consistent with § 635.27(c)(1)(i)(A) and (c)(3), the annual adjusted quota is calculated using the following formulas:

- *Underharvest in previous year:* Baseline quota + underharvest limited to 15 percent of the baseline quota.

- *Overharvest in previous year:* Baseline quota – overharvest. The overharvest amount may be subtracted from the quota categories or subcategories that are described below.

Annual adjusted quota calculations also take into account applicable international quota transfer(s) equal to any international quota transfer provisions as established by ICCAT. Such transfers are generally adopted at ICCAT to help other countries joining the fishery or creating new fisheries and/or to assist with scientific research.

In accordance with the current regulatory formula established at 50 CFR 635.27(c)(1)(i) in 2012 (77 FR 45273, July 31, 2012), the adjusted quota is then allocated among the domestic quota categories as follows:

- Reserve quota = 50 mt.
- Incidental category quota = 300 mt.

- Annual directed quota = Adjusted quota – Reserve quota – Incidental quota.

- Semi-annual directed quota (January through June; June through December) = Annual directed quota/2.

Any fishing under exempted fishing permits (EFP), scientific research permits (SRP), and display permits per the regulations at 50 CFR 635.32 is accounted for under the reserve category quota. NMFS is not proposing any changes to these allocations or accounting for 2026 or for future years.

Specifically for 2026–2027, consistent with the management procedure, Recommendation 25–10 maintains the U.S. baseline quota of 2,937.6 mt dw (3,907 mt ww). This is the same baseline quota that the United States has had for a number of years and is codified at § 635.27(c); thus, no changes to the regulations regarding the U.S. baseline quota are necessary in this rule. As described above, if ICCAT modifies the U.S. allocation consistent with the management procedure, NMFS may implement that quota modification in a final rule without additional public comment.

South Atlantic Swordfish Annual Quota and Adjustment Process

In this rulemaking, NMFS is not proposing any changes to the current South Atlantic swordfish quota or adjustment procedures for 2026 or for future years. Instead, NMFS describes the current quota and annual quota adjustment procedures per current regulatory processes for South Atlantic swordfish and provides updated analyses in the supporting document. These processes are codified at § 635.27(c) (72 FR 56929, October, 5, 2007).

While these processes are similar to those described above for North Atlantic swordfish, there are some differences. Specifically, Recommendation 22–04 provides for an underharvest carryover allowance of 100 percent of the U.S. baseline quota (75.2 mt dw) (100 mt ww) and for three annual international transfers from the United States to other ICCAT Parties totaling 75.2 mt dw (100 mt ww). These quota transfers were first established in 2010 and are currently in place through 2026. Each year, the quota could continue to be adjusted via temporary final rule. The supporting document for this rulemaking updates the analyses for the U.S. quota and any potential adjustments. Additionally, per Recommendation 21–03 as amended by Recommendation 22–04, up to 150.4 mt dw (200 mt ww) of swordfish landed between 5° N latitude and 5° S latitude can be counted toward the North

Atlantic swordfish quota instead of the South Atlantic swordfish quota.

Consistent with the regulations at 50 CFR 635.27(c)(3), NMFS annually provides notice to the public of the baseline South Atlantic swordfish quota with any annual adjustments as allowable for over- and underharvest in the **Federal Register** as appropriate. Consistent with the same regulations, the adjusted South Atlantic swordfish quota is calculated as follows:

- *Underharvest in previous year:* Baseline quota + underharvest, limited to 100 percent of the baseline quota.

- *Overharvest in previous year:* Baseline quota – overharvest.

Annual adjusted quota calculations also take into account applicable international quota transfer(s) equal to any international quota transfer provisions as established by ICCAT.

Northern Albacore Annual Quota and Adjustment Process

In this rulemaking, NMFS describes the current quota, ICCAT management procedure, and annual quota adjustment procedures per current regulations for northern albacore. No changes are being proposed regarding the U.S. baseline quota and quota adjustment provisions codified at 50 CFR 635.27(e) as no regulatory changes are necessary for U.S. implementation of the current ICCAT recommendation on northern albacore. Rather, NMFS explains the range of quota adjustments possible under the existing management procedure and provides updated analyses in the supporting document. Implementation of the management procedure and the current quota adjustment processes for northern albacore are codified at § 635.27(e)(2) (87 FR 33049, June 1, 2022).

As discussed in the 2022 final rule, in the future, if ICCAT modifies the northern albacore TAC for the next 3-year management period consistent with the management procedure in Recommendation 21–04, as amended by Recommendation 23–05, NMFS may codify the resulting U.S. annual baseline quota through a final rulemaking up to a maximum of 950 mt if consistent with the analyses in the supporting document and if no new circumstances are present or management measures introduced that require additional analysis or opportunity for comment. Under Recommendation 23–05, the limit on underharvest carryover is 25 percent of the baseline quota. The accompanying supporting document for this rulemaking further analyzes the range of potential adjusted quotas for northern albacore, with a maximum adjusted quota of 1,187.5 mt based on

the maximum baseline quota of 950 mt. These analyses would support future quota changes up to the maximum analyzed adjusted quota if consistent with the current management procedure and if no new circumstances are present or management measures introduced that require additional analysis or opportunity for comment. Inclusion of the northern albacore quota in this document further provides the opportunity for updated impact analyses based on updated data and fishery conditions and the higher maximum adjusted quota. NMFS would evaluate the need for any additional environmental analyses or proposed and final rulemaking when implementing a new management procedure-derived TAC and associated quota adopted by ICCAT.

This action would not change the current U.S. baseline northern albacore quota of 889.4 mt that was adopted for 2024 through 2026 in Recommendation 23–05. NMFS had previously implemented the northern albacore management procedure in 2022 after analyzing the range of potential baseline quotas for the United States based on the range of possible TACs and considering public comment by adding reference to the procedure in the relevant quota regulations at 50 CFR 635.27(e). As discussed above, the maximum baseline quota analyzed was 950 mt. Because the new baseline quota established in Recommendation 23–05 fell within the range of analyzed quotas and there were no changes in circumstances or new management measures introduced that required additional analysis or opportunity for comment, NMFS implemented the new baseline quota of 889.4 mt in 2024 (89 FR 77029, September 20, 2024).

Consistent with the regulations at 50 CFR 635.27(e)(2), NMFS annually provides notice to the public of the baseline northern albacore quota with any annual adjustments as allowable for over- and underharvest in the **Federal Register** as appropriate. Consistent with these same regulations, the annual adjusted quota is calculated as follows:

- *Underharvest in previous year:* Baseline quota + underharvest, limited to 25 percent of the baseline quota.
- *Overharvest in previous year:* Baseline quota – overharvest.

Annual adjusted quota calculations also take into account applicable international quota transfer(s) equal to any international quota transfer provisions as established by ICCAT.

Any fishing under EFPs, SRPs, and display permits per the regulations at 50 CFR 635.32 is accounted for under the quota. NMFS is not proposing any changes to this northern albacore quota adjustment process or accounting for 2026 or for future years. As described above, if ICCAT modifies the U.S. allocation consistent with the management procedure, NMFS may implement that quota modification in a final rule without additional public comment.

Bluefin Tuna Annual Quota, Subquotas, and Adjustment Process

In this rulemaking, NMFS proposes to implement a U.S. bluefin tuna baseline quota of 1,509.98 mt, reflecting adoption of the new quota at ICCAT in Recommendation 25–05. In implementing the new baseline quota, NMFS would modify the codified quotas and subquotas at § 635.27(a), using the currently codified percentages. In this rulemaking, NMFS also proposes to increase the pelagic longline bycatch set-aside quota from 25 mt to 62.5 mt, as well as modify how it is accounted, consistent with Recommendation 25–05. Further, NMFS describes the annual quota adjustment procedures for Atlantic bluefin tuna per current regulations. The current quota adjustment processes and domestic quota allocations for Atlantic bluefin tuna were codified in Amendment 13 to the HMS FMP (87 FR 59966, October 3, 2022) at § 635.27(a). NMFS is not proposing to make any changes to the current regulatory formula codified at § 635.27(a) that distributes the U.S. baseline quota among domestic quota categories or the quota adjustment process.

In 2025, ICCAT adopted Recommendation 25–05, which increased the bluefin tuna TAC to 3,081.6 mt and increased the U.S. quota to 1,509.98 mt for 2026–2028. The current U.S. percentages of the bluefin tuna TAC were first established in Recommendation 10–03. If the overall TAC is greater than 2,660 mt, as is currently the case, the U.S. receives 49 percent of that TAC. Recommendation

25–05 further increased the U.S. allocation for longline bycatch of bluefin tuna from 25 mt to 62.5 mt. The Recommendation states that the 62.5 mt allocation is for bycatch related to longline fisheries in the vicinity of the management area boundary and adjacent areas and that this allocation is derived from the eastern Atlantic and Mediterranean bluefin tuna TAC. Recommendation 25–05 removed a provision from a prior recommendation that provided for subtracting the longline bycatch allocation from the TAC before calculating the individual country quotas. As such, the overall U.S. quota under Recommendation 25–05 is 1,572.48 mt, of which 62.5 mt can be used only by pelagic longline fishermen. Recommendation 25–05 further describes current provisions for quota underharvest and overharvest. Relevant to the United States, the recommendation states that any underharvest of an ICCAT Party’s total quota in a given year may be carried forward to the next year. However, in no event shall the underharvest that is carried forward exceed 10 percent of the ICCAT Party’s initial quota allocation as established in Recommendation 10–03. Regarding the overharvest provisions, which were first established in Recommendation 06–06, if, in a given year, any ICCAT Party has an overharvest of its total quota, its initial quota for the next year will be reduced by 100 percent of the overharvest, and ICCAT may authorize other appropriate actions. Further, if an ICCAT Party has an overharvest of its total quota during any two consecutive years, ICCAT will recommend appropriate measures, which may include, but are not limited to, reduction in the ICCAT Party’s total quota equal to a minimum of 125 percent of the overharvest amount and, if necessary, trade restrictive measures.

Section 635.27(a) details the current regulatory quota formulas for dividing the baseline bluefin tuna quota among domestic categories. The baseline category quotas and subquotas that result from applying the regulatory formulas under the proposed quota increase are shown in Table 1. The proposed changes to the text of § 635.27(a) are to insert the new quota and resulting category and subquota numbers.

TABLE 1—PROPOSED ANNUAL BASELINE BLUEFIN TUNA QUOTAS AND SUBQUOTAS

Category	Annual baseline quota (mt)	Subquotas	Subquota amounts (mt)
General	815.4	January–March	43.2

TABLE 1—PROPOSED ANNUAL BASELINE BLUEFIN TUNA QUOTAS AND SUBQUOTAS—Continued

Category	Annual baseline quota (mt)	Subquotas	Subquota amounts (mt)
		June–August	407.7
		September	216.1
		October–November	106.0
		December	42.4
Harpoon	67.9		
Longline	240.1		
Trap	1.5		
Angling	341.3		
		School	157.2
		Reserve	29.1
		North of 39°18' N lat	60.5
		South of 39°18' N lat	67.7
		Large School/Small Medium	173.4
		North of 39°18' N lat	81.9
		South of 39°18' N lat	91.6
		Trophy	10.6
		North of 42° N lat	2.6
		North of 39°18' N lat	2.6
		South of 39°18' N lat	2.6
		Gulf of America	2.6
Reserve	43.8		
U.S. Baseline Quota			1,509.98
Bycatch set-aside (for use by Longline category)			62.5
Annual Total U.S. quota			1,572.48

Note: Totals subject to rounding.

Under the current regulations at § 635.27(a), NMFS may subtract the most recent, complete, and available estimate of dead discards from the annual U.S. quota and make the remainder available to vessels subject to U.S. jurisdiction. However, Amendments 7 and 13 to the HMS FMP implemented changes to the bluefin tuna quota category calculations so that the codified category percentages are applied directly to the baseline quota. When making those changes, some parts of the regulatory text were not modified to remove the outdated language. Accordingly, this proposed rule would also modify paragraph § 635.27(a) by removing this outdated language from the regulations.

Under the regulations at 50 CFR 635.27(a)(9) governing annual adjustments of category quotas, on an annual basis if NMFS determines based on landing, catch statistics, and other available information that catches from the previous year indicate that a bluefin tuna quota for any category or, as appropriate, subcategory has been exceeded (overharvest), NMFS may subtract all or a portion of the overharvest from that quota category or subcategory for the following fishing year. Similarly, if NMFS determines that catches from the previous year indicate that a bluefin tuna quota for any category or, as appropriate, subcategory

has not been reached (underharvest), NMFS may add all or a portion of the underharvest to that quota category or subcategory and/or the Reserve category. The underharvest that is carried forward may not exceed 100 percent of each category's baseline allocation, and the total of the adjusted fishing category quotas and the Reserve category quota must be consistent with ICCAT recommendations. Consistent with these regulations, the annual adjusted quota is thus calculated as follows:

- *Underharvest in previous year:*
 - Baseline quota + pelagic longline bycatch set-aside + underharvest, limited to 10 percent of the baseline quota.
 - The underharvest carryforward may be added to the corresponding quota categories or subcategories and/or Reserve category as described above.
 - *Overharvest in previous year:*
 - Baseline quota + pelagic longline bycatch set-aside – total amount of overharvest of previous year's adjusted quota.
 - The overharvest amount may be subtracted from the quota categories or subcategories as described above.
- Annual adjusted quota calculations also take into account applicable international quota transfer(s) equal to any international quota transfer provisions as established by ICCAT. Any fishing under EFPs, SRPs, and

display permits per the regulations at § 635.32 is counted against the school reserve or Reserve quota (§ 635.27(a)(6)) depending on the size of the fish.

Implementation of Pelagic Longline Bycatch Set-Aside Quota for Bluefin Tuna

In this rulemaking, NMFS would allocate the pelagic longline bycatch set-aside quota to pelagic longline individual bluefin tuna quota (IBQ) shareholders with IBQ shares designated for the Atlantic region as defined at § 635.15(c)(3). That section defines the Gulf of America region as all waters of the U.S. exclusive economic zone west and north of the boundary stipulated at § 600.105(c) and the Atlantic region as all other waters of the Atlantic Ocean including the Northeast Distant gear restricted area (NED), a large area whose coordinates are set forth in § 635.2.

As described above, this rulemaking would increase the pelagic longline bycatch set-aside quota from 25 mt to 62.5 mt consistent with ICCAT Recommendation 25–05. In recognition of new information regarding increased mixing between the western Atlantic and eastern Atlantic bluefin tuna stocks in the western Atlantic bluefin tuna management area, Recommendation 25–05 modifies the area where the set-aside applies for longline fisheries from “in

the vicinity of the management area boundary” as specified in Recommendation 22–10 (and previous iterations of western Atlantic bluefin tuna management measures) to “in the vicinity of the management area boundary and adjacent areas.” Additionally, Recommendation 25–05 now specifies that the set-aside comes from the eastern Atlantic bluefin tuna TAC as opposed to the western Atlantic TAC. The management area boundary refers to the boundary between the western Atlantic bluefin tuna management area and the eastern Atlantic bluefin tuna management area. As the boundary runs through the NED, existing § 635.27(a)(3) has long provided for a 25 mt incidental catch allocation for pelagic longline vessels fishing in the NED to account for the original geographic scope of where the bycatch set-aside applies. Given Recommendation 25–05’s expansion of where the bycatch set-aside allocation applies and where it is derived from, NMFS also proposes via this rulemaking to change how NMFS accounts for the pelagic longline set-aside quota and which vessels may utilize it. NMFS would no longer account for bluefin tuna catch in the NED separately from bluefin tuna catch in the rest of the Atlantic region. Instead, NMFS would allocate the pelagic longline bycatch set-aside quota to pelagic longline vessels that have fishing history in the Atlantic region and annually distribute Atlantic allocation to each IBQ shareholder based on their IBQ share percentage. The Atlantic region would constitute the “adjacent areas” that ICCAT added to the scope of where the set-aside applies in Recommendation 25–05. IBQ shareholders with shares designated for the Gulf region would not receive allocation from the set-aside quota, and Atlantic IBQ allocation cannot be used in the Gulf under existing regulations, which would be maintained. The existing gear and bait requirements at § 635.21(c)(2) and (4) specific to pelagic longline vessels fishing in the NED would remain in place.

To implement these changes to the pelagic longline bycatch set-aside quota, the proposed regulations would move existing § 635.15(d) to § 635.15(d)(1) without any modifications to that text. This action would add the language proposed as § 635.15(d)(2).

Other Alternatives Analyzed

In addition to the proposed measures described above, in the supporting document for this action, NMFS analyzed three no action alternatives that would maintain the status quo quota regulations and analyses for North

and South Atlantic swordfish (Alternative A1), northern albacore (Alternative B1), and bluefin tuna (Alternative C1). NMFS does not prefer the no action alternatives because they do not meet the objectives of the rule, including implementing recent ICCAT recommendations and management procedures. NMFS also analyzed two additional alternatives for the implementation of the pelagic longline bycatch set-aside quota for bluefin tuna (Alternatives D1 and D2). Alternative D1 would maintain applicability of the pelagic longline set-aside quota exclusively in the NED and is not preferred because it is not consistent with the updated language in ICCAT Recommendation 25–05 describing the areas where the set-aside quota applies. Alternative D2 would increase applicability of the pelagic longline set-aside quota to some but not all other portions of the Atlantic that are frequently fished by the U.S. pelagic longline fleet. Alternative D2 is not preferred because it would provide bluefin tuna quota in heavily fished areas separate from the individual bycatch quotas provided under the IBQ program, potentially undermining goals of program, including limiting derby-style fishing. Further, Alternative D2 would not provide the set-aside quota to the full extent of areas in which eastern Atlantic and Mediterranean bluefin tuna are found in western Atlantic waters, as described in the supporting document, and would therefore not meet the intended purpose of the set-aside quota under Recommendation 25–05.

Request for Comments

NMFS is requesting comments on this proposed rule which may be submitted via <https://www.regulations.gov> or at a public webinar. NMFS solicits comments on this action by June 8, 2026 (see **DATES** and **ADDRESSES** sections).

During the comment period, NMFS will hold a public hearing via webinar for this proposed action. Requests for sign language interpretation or other auxiliary aids should be directed to Carrie Soltanoff at carrie.soltanoff@noaa.gov or 301–427–8503 at least 7 days prior to the meeting.

The webinar will take place on May 28, 2026, from 2 p.m. to 4 p.m. EDT. Information for registering and accessing the webinar can be found at <https://www.fisheries.noaa.gov/action/comments-requested-proposed-quotas-atlantic-swordfish-northern-albacore-and-bluefin-tuna>.

The public is reminded that NMFS expects participants at public conference calls and webinars to conduct themselves appropriately. At

the beginning of each conference call and webinar, the moderator will explain how the conference call and webinar will be conducted and how and when participants can provide comments. NMFS will structure the conference call and webinars so that all members of the public will be able to comment if they so choose. Participants are expected to respect the ground rules, and those that do not may be asked to leave the conference call and webinars.

Classification

The NMFS Assistant Administrator has determined that the proposed rule is consistent with the HMS FMP and its amendments, other provisions of the Magnuson-Stevens Act, ATCA, and other applicable law, subject to further consideration after public comment. This proposed rule has been determined to be not significant for purposes of Executive Order 12866.

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

An IRFA was prepared as required by section 603 of the Regulatory Flexibility Act (RFA). The IRFA describes the economic impact this proposed rule, if adopted, would have on small entities. A description of the action, why it is being considered, and the legal basis for this action are contained at the beginning of this section in the preamble and in the **SUMMARY** section of the preamble. A summary of the analysis follows. A copy of this analysis is available from NMFS (see **ADDRESSES**).

Section 603(b)(1) requires agencies to describe the reasons why the action is being considered. The purpose of this action is to implement the ICCAT recommendations adopting management procedures and current TACs, quotas, transfers, and carryforward provisions for North and South Atlantic swordfish, northern albacore, and bluefin tuna (Recommendations 25–10, 22–04, 23–05, and 25–05, respectively) as necessary and appropriate pursuant to ATCA and to achieve domestic management objectives under the Magnuson-Stevens Act.

Section 603(b)(2) of the RFA requires agencies to state the objectives of, and legal basis for, the proposed action. The objective of this proposed rulemaking is to implement binding ICCAT Recommendations 25–10, 22–04, 23–05, and 25–05. NMFS is issuing this proposed rule pursuant to the ATCA section 971d(c)(1)(A) and the Magnuson-Stevens Act section 305(d).

Section 603(b)(3) of the RFA requires agencies to provide an estimate of the

number of small entities to which the rule would apply. The Small Business Administration (SBA) has established size criteria for all major industry sectors in the United States, including fish harvesters. Provision is made under SBA's regulations for an agency to develop its own industry-specific size standards after consultation with Advocacy and an opportunity for public comment (see 13 CFR 121.903(c)). Under this provision, NMFS may establish size standards that differ from those established by the SBA Office of Size Standards, but only for use by NMFS and only for the purpose of conducting an analysis of economic effects in fulfillment of the agency's obligations under the RFA. To utilize this provision, NMFS must publish such size standards in the **Federal Register**, which NMFS did on December 29, 2015 (80 FR 81194). In that final rule, effective on July 1, 2016, NMFS established a small business size standard of \$11 million in annual gross receipts for all businesses in the commercial fishing industry (NAICS 11411) for RFA compliance purposes. NMFS completed a review of the small business size standard on November 24, 2025 (90 FR 52917) that resulted in maintaining the existing size standard. NMFS considers all HMS permit holders to be small entities because they had average annual receipts of less than \$11 million for commercial fishing. SBA has established size standards for all other major industry sectors in the United States, including the scenic and sightseeing transportation (water) sector (NAICS code 487210, for-hire), which includes charter/party boat entities. SBA has defined a small charter/party boat entity as one with average annual receipts (revenue) of less than \$14 million.

NMFS considers all HMS permit holders, both commercial and for-hire, to be small entities because they had average annual receipts of less than their respective sector's standard of \$11 million and \$14 million. Regarding those entities that would be directly affected by the preferred alternatives, the average annual revenue per pelagic longline vessel that received IBQ shares is estimated to be \$211,842, based on approximately 76 vessels that produced an estimated \$16.1 million in revenue in 2024, well below the NMFS small business size standard for commercial fishing businesses of \$11 million. No single pelagic longline vessel has exceeded \$11 million in revenue in recent years, and all pelagic longline vessel owners have identified

themselves as small entities on their permit renewal applications.

Other non-longline HMS commercial fishing vessels typically earn less revenue than pelagic longline vessels and, thus, would also be considered small entities. Based on 2025 permit information, NMFS predicts that the preferred alternatives would apply to the following numbers of non-pelagic longline permit holders that fish commercially or engage in commercial or for-hire activities: 2,420 Atlantic Tunas General category, 4,409 HMS Charter/Headboat, 37 Atlantic Tunas Harpoon category, 73 Swordfish Handgear, 616 Swordfish General Commercial, and 109 Commercial Caribbean Small Boat permits. The total number of small entities affected is 7,664.

This action would apply to all participants in the Atlantic swordfish and tuna fisheries. This proposed rule is expected to directly affect commercial and for-hire fishing vessels that possess an Atlantic swordfish, Atlantic tunas, Commercial Caribbean Small Boat, or Atlantic HMS Charter/Headboat permit. It is unknown what portion of HMS Charter/Headboat permit holders actively participate in the swordfish, bluefin tuna, and northern albacore fisheries or provide fishing services for recreational anglers. This constitutes the best available information regarding the universe of permits and permit holders. Impacts on these small entities is provided in the alternative analysis below.

NMFS has determined that the preferred alternatives would not likely directly affect any small organizations or small government jurisdictions defined under RFA, nor would there be disproportionate economic impacts between large and small entities.

Section 603(b)(4) of the RFA requires Agencies to describe any new reporting, record-keeping and other compliance requirements. The action does not contain any new collection of information, reporting, or record-keeping requirements.

Under section 603(b)(5) of the RFA, Agencies must identify, to the extent practicable, relevant Federal rules which duplicate, overlap, or conflict with the proposed rule. Fishermen, dealers, and managers in these fisheries must comply with a number of international agreements, domestic laws, and other FMPs. These include, but are not limited to, the Magnuson-Stevens Act, ATCA, the High Seas Fishing Compliance Act, the Marine Mammal Protection Act, the Endangered Species Act, the National Environmental Policy Act, the

Paperwork Reduction Act, and the Coastal Zone Management Act. This proposed action has been determined not to duplicate, overlap, or conflict with any relevant regulations, Federal or otherwise.

Under section 603(c) of the RFA, agencies must describe any significant alternatives to the proposed rule that accomplish the stated objectives of applicable statutes and minimize any significant economic impact of the proposed rule on small entities. The analysis shall discuss significant alternatives such as: (1) establishment of differing compliance or reporting requirements or timetables that take into account the resources available to small entities; (2) clarification, consolidation, or simplification of compliance and reporting requirements under the rule for such small entities; (3) use of performance rather than design standards; and (4) exemptions from coverage of the rule, or any part thereof, for small entities. These categories of alternatives are described at 5 U.S.C. 603(c)(1)–(4). NMFS examined each of these categories of alternatives. Regarding the first, second, and fourth categories, NMFS cannot establish differing compliance or reporting requirements for small entities or exempt small entities from coverage of the rule or parts of it because all of the businesses impacted by this rule are considered small entities, and thus the requirements are already designed for small entities. NMFS considered performance standards for this proposed rule. Specifically, Alternative D3 would allocate the pelagic longline bycatch set-aside quota to IBQ shareholders in this catch share program, and catch share programs are considered performance-based regulations. As described below, NMFS analyzed several alternatives in this proposed rulemaking; the discussion provides rationales for identifying the preferred alternative to achieve the desired objectives. The alternatives considered and analyzed are described below. The IRFA assumes that each vessel will have similar catch and gross revenues to show the relative impact of the proposed action on vessels. Under Alternative A1, the no action alternative for North and South Atlantic swordfish, NMFS would not implement the ICCAT North Atlantic swordfish management procedure and would maintain implementation of relevant South Atlantic swordfish quota measures. NMFS has estimated the average impact maintaining the North Atlantic swordfish and South Atlantic swordfish quotas for all domestic quota categories would have on individual

categories and the permit holders within those categories. For North Atlantic swordfish, the United States is unlikely to achieve 100-percent quota utilization in the short term. In the long term, however, the U.S. swordfish fishery could near 100-percent quota utilization and calculating the impacts of the alternatives under 100-percent utilization allows for comparison of the alternatives. The maximum adjusted quota considered under Alternative A1 is 3,378.2 mt dw. Assuming the 2024 average ex-vessel price of \$4.48 per pound and 100-percent quota utilization, total possible gross revenues across the domestic North Atlantic swordfish fishery would be estimated to be \$33,365,000 under Alternative A1. In 2025, there were 150 swordfish directed permit holders, 56 swordfish incidental permit holders, 73 swordfish handgear permit holders, 616 swordfish general commercial permit holders, and 65 incidental squid trawl permit holders. Due to quota tracking complexities, NMFS does not have a proportional breakdown of the total landings by permit type; however, the average annual ex-vessel revenue across all swordfish permit types is \$34,755 per vessel (\$33,365,000/960 permit holders). Since retention limits are higher for directed permit holders than incidental permit holders, actual per vessel revenue would likely be higher for directed permit holders and lower for incidental permit holders. There would be no change in economic impacts on vessels in the short term under this no action alternative.

For South Atlantic swordfish, the United States is unlikely to achieve 100-percent quota utilization in the short term. In the long term, however, the U.S. swordfish fishery could near 100-percent quota utilization. The maximum adjusted quota considered under Alternative A1 is 75.2 mt dw. There are no recent landings of South Atlantic swordfish and, thus, no recent ex-vessel prices for the stock, but North Atlantic swordfish prices can be used as a proxy. Assuming the 2024 average ex-vessel price of \$4.48 per pound for North Atlantic swordfish and 100-percent quota utilization, total possible gross revenues across the domestic South Atlantic swordfish fishery would be estimated to be \$743,000 under Alternative A1. Due to the distance from the U.S. mainland, only pelagic longline vessels operating under a swordfish directed permit are likely to fish for South Atlantic swordfish, and in 2025 there were 150 swordfish directed permits. The long-term estimated potential average annual ex-vessel

revenue from South Atlantic swordfish across all swordfish directed permit holders is \$4,953 per vessel (\$743,000/150 swordfish directed permit holders). Similar to North Atlantic swordfish, there would be no change in economic impacts on vessels in the short term under this no action alternative.

Under preferred Alternative A2, NMFS would implement the ICCAT North Atlantic swordfish management procedure and would not make changes to implementation of relevant South Atlantic swordfish quota measures. NMFS has estimated the average impact of the North Atlantic swordfish and South Atlantic swordfish quotas under the most recent ICCAT recommendations for all domestic quota categories on individual categories and the permit holders within those categories. For North Atlantic swordfish, the United States is unlikely to achieve 100-percent quota utilization in the short term. In the long term, however, the U.S. swordfish fishery could near 100-percent quota utilization. The maximum adjusted quota considered under Alternative A2 is 3,963.0 mt dw. Assuming the 2024 average ex-vessel price of \$4.48 per pound and 100-percent quota utilization, total possible gross revenues across the domestic North Atlantic swordfish fishery would be estimated to be \$39,141,000 under Alternative A2. In 2025, there were 150 swordfish directed permit holders, 56 swordfish incidental permit holders, 73 swordfish handgear permit holders, 616 swordfish general commercial permit holders, and 65 incidental squid trawl permit holders. Due to quota tracking complexities, NMFS does not have a proportional breakdown of the total landings by permit type, however, the average annual ex-vessel revenue across all swordfish permit types is \$40,772 per vessel (\$39,141,000/960 permit holders). This would be a gain of an estimated \$6,017 per vessel in revenue as compared to the no action alternative, A1. Since retention limits are higher for directed permit holders than incidental permit holders, actual per vessel revenue would likely be higher for directed permit holders and lower for incidental permit holders.

Since there is no change in the South Atlantic quota under Alternative A2, there would be no change in impacts on small entities associated with the South Atlantic swordfish quota under Alternative A2 as compared to the status quo under Alternative A1.

Under Alternative B1, the no action alternative for northern albacore, NMFS would maintain implementation of the ICCAT northern albacore management

procedure. NMFS has estimated the average impact of maintaining the northern albacore quota for all permit holders. For northern albacore, the United States is unlikely to achieve 100-percent quota utilization in the short term. In the long term, however, the U.S. northern albacore fishery could near 100-percent quota utilization. The maximum adjusted quota considered under Alternative B1 is 1,111.8 mt. Assuming the 2024 average ex-vessel price of \$2.12 per pound and 100-percent quota utilization, total possible gross revenues across the domestic northern albacore fishery would be estimated to be \$4,519,000 (1,111.8 mt/1.15 dw conversion factor * \$2.12) under Alternative B1. The total number of permit holders that would potentially land northern albacore is 2,662 (2,420 in the Atlantic Tunas General category; 37 in the Atlantic Tunas Harpoon category; 205 in the Atlantic Tunas Longline category). If the entire quota is harvested under this no action alternative, average annual revenue across all permit holders would be \$1,698 (\$4,519,000/2,662 permit holders). Under this no action alternative, there would be no short-term economic impact on these vessel owners.

Under preferred Alternative B2, NMFS would maintain implementation of the ICCAT northern albacore management procedure, including a maximum adjusted quota. NMFS has estimated the average impact of the northern albacore quota under the most recent ICCAT recommendation for all permit holders. For northern albacore, the United States is unlikely to achieve 100-percent quota utilization in the short term. In the long term, however, the U.S. northern albacore fishery could near 100-percent quota utilization. The maximum adjusted quota considered under Alternative B2 is 1,187.5 mt. Assuming the 2024 average ex-vessel price of \$2.12 per pound and 100-percent quota utilization, total possible gross revenues across the domestic northern albacore fishery would be estimated to be \$4,826,000 (1,187.5 mt/1.15 dw conversion factor * \$2.12) under Alternative B2. The total number of permit holders that would potentially land northern albacore is 2,662 (2,420 in the Atlantic Tunas General category; 37 in the Atlantic Tunas Harpoon category; 205 in the Atlantic Tunas Longline category). If the entire quota is harvested under this no action alternative, average annual revenue across all permit holders would be \$1,813 (\$4,826,000/2,662 permit holders). This is an increase of \$115 per vessel in average

annual revenue as compared to the no action alternative, B1.

Under Alternative C1, the no action alternative for bluefin tuna, NMFS would not implement the increased bluefin tuna quota adopted under Recommendation 25–05. NMFS has estimated the average impact maintaining the bluefin tuna quota for all domestic quota categories would have on individual categories and the permit holders within those categories. For bluefin tuna, to calculate the average ex-vessel bluefin tuna revenues under Alternative C1, NMFS first estimated potential category-wide revenues. The 2024 ex-vessel average price per pound information for each commercial quota category is used to estimate potential ex-vessel gross revenues under the current subquotas. The current baseline subquotas could result in estimated gross revenues of \$13.9 million annually, if fully utilized, broken out by quota category. Revenues in each category are as follows: General category: \$9.3 million (710.7 mt * \$5.92/lb); Harpoon category: \$753,056 (59.2 mt * \$5.77/lb); Longline category: \$3.4 million (209.3 mt * \$7.46/lb); the pelagic longline bycatch set-aside: \$411,158 (25 mt * \$7.46/lb); and the Trap category: \$17,540 (1.3 mt * \$6.12/lb). Note that these revenues are likely an underestimation for the General and Harpoon categories, which typically receive additional quota from the Reserve category (*i.e.*, from the baseline Reserve subquota, and from the up to 10 percent of the U.S. baseline quota that could be carried forward from the previous year's underharvest). These revenues are likely an overestimation for the Longline and Trap categories, which do not typically land their entire quotas allocated for incidental bluefin tuna catch. Additionally, there has been substantial interannual variability in ex-vessel revenues in each category in recent years, due to recent changes in bluefin tuna availability and other factors.

To estimate the potential average ex-vessel revenues for each permit holder that could result from Alternative C1, NMFS divided the potential annual gross revenues for the General, Harpoon, and Trap category by the number of permit holders. For the Longline category, NMFS divided the potential annual gross revenues by the number of permit holders that received IBQ shares in 2026. This is an appropriate approach for bluefin tuna fisheries, because available landings data (weight and ex-vessel value of the fish in price-per-pound) allow NMFS to calculate the gross revenue earned by a permit holder on a successful trip. The available data

(particularly from non-Longline permit holders) do not, however, allow NMFS to calculate the effort and cost associated with each successful trip (*e.g.*, the cost of gas, bait, ice, *etc.*), so net revenue for each permit holder cannot be calculated. As a result, NMFS analyzes the average impact of the proposed alternatives among all permit holders in each category using gross revenues.

Success rates for catching and landing bluefin tuna vary widely across permit holders in each category (due to extent of vessel effort and availability of commercial-sized bluefin tuna to permit holders where they fish), but for the sake of estimating potential revenues per permit holder, category-wide revenues can be divided by the number of permits in each category. In 2025, there were 2,420 Atlantic Tunas General category permits, 37 Atlantic Tunas Harpoon category permit, and no Atlantic Tunas Trap category permits. For the longline fishery, category-wide revenue is divided by the number of permit holders who received IBQ shares in 2026 to determine potential revenue per the 76 permit holders, as indicated below. Actual vessel level revenues would depend, in part, on each permit holder's effort. It is unknown what portion of HMS Charter/Headboat permit holders actively participate in the bluefin tuna fishery. HMS Charter/Headboat vessels may fish commercially under the General category quota and retention limits. Therefore, NMFS is estimating potential General category ex-vessel revenue changes using the number of General category permit holders only.

Estimated potential bluefin tuna revenues on a per permit holder basis under Alternative C1, the no action alternative, considering the number of permit holders and estimated gross revenues listed above, under the current subquotas, could be \$3,833 for the General category permit holders; \$20,353 for the Harpoon category permit holders; and \$50,702 for the Longline category, including the pelagic longline bycatch-set aside quota (using 76 permit holders). Under this no action alternative, there would be no short-term economic impact on these vessel owners.

Under preferred Alternative C2, NMFS would implement the U.S. bluefin tuna quota and distribute it to domestic categories in accordance with ICCAT Recommendation 25–05 and currently codified quota regulations. NMFS has estimated the average impact of the bluefin tuna quota under the most recent ICCAT recommendations for all domestic quota categories on individual

categories and the permit holders within those categories. For bluefin tuna, to calculate the average ex-vessel bluefin tuna revenues under Alternative C2, NMFS first estimated potential category-wide revenues under the maximum potential baseline subquotas. The 2024 ex-vessel average price per pound information for each commercial quota category is used to estimate potential ex-vessel gross revenues under the proposed subquotas. The proposed baseline subquotas could result in estimated gross revenues of \$15.4 million annually, if finalized and fully utilized, broken out by quota category. Revenues in each category are as follows: General category: \$10.6 million (815.4 mt * \$5.92/lb); Harpoon category: \$863,725 (67.9 mt * \$5.77/lb); Longline category: \$3.9 million (240.1 mt * \$7.46/lb); and pelagic longline bycatch set-aside: \$1.2 million (62.5 mt * \$7.46/lb); and Trap category: \$20,238 (1.5 mt * \$6.12/lb). Note that these revenues are likely an underestimation for the General and Harpoon categories, which typically receive additional quota from the Reserve category (*i.e.*, from the baseline Reserve subquota, and from the up to 10 percent of the U.S. baseline quota that could be carried forward from the previous year's underharvest). These revenues are likely an overestimation for the Longline and Trap categories, which do not typically land their entire quotas allocated for incidental bluefin tuna catch. Additionally, there has been substantial interannual variability in ex-vessel revenues in each category in recent years due to recent changes in bluefin tuna availability and other factors.

To estimate the potential average ex-vessel revenues for each permit holder that could result from this action for bluefin tuna, NMFS divided the potential annual gross revenues for the General, Harpoon, and Trap category by the number of permit holders. For the Longline category, NMFS divided the potential annual gross revenues by the number of permit holders that received IBQ shares in 2026. This is an appropriate approach for bluefin tuna fisheries, in particular, because available landings data (weight and ex-vessel value of the fish in price-per-pound) allow NMFS to calculate the gross revenue earned by a permit holder on a successful trip but not the costs incurred (*e.g.*, the cost of gas, bait, ice), so net revenue for each permit holder cannot be calculated. As a result, NMFS analyzes the average impact of the proposed alternatives among all permit holders in each category using gross revenues.

Success rates for catching and landing bluefin tuna vary widely across permit holders in each category (due to extent of vessel effort and availability of commercial-sized bluefin tuna to permit holders where they fish), but for the sake of estimating potential revenues per permit holder, category-wide revenues can be divided by the number of permits in each category. In 2025, there were 2,420 Atlantic Tunas General category permits, 37 Atlantic Tunas Harpoon category permit, and no Atlantic Tunas Trap category permits. For the Longline fishery, category-wide revenue is divided by the number of permit holders who received IBQ shares in 2026 to determine potential revenue per the 76 permit holders, as indicated below, and actual revenues would depend, in part, on each permit holder's effort. It is unknown what portion of HMS Charter/Headboat permit holders actively participate in the bluefin tuna fishery. HMS Charter/Headboat vessels may fish commercially under the General category quota and retention limits. Therefore, NMFS is estimating potential General category ex-vessel revenue changes using the number of General category permit holders only.

Estimated potential 2026 bluefin tuna revenues on a per permit holder basis under Alternative C2, the preferred alternative, considering the number of permit holders and estimated gross revenues listed above, under the maximum potential subquotas, could be \$4,398 for the General category permit holders; \$23,344 for the Harpoon category permit holders; and \$65,482 for the Longline category, including the pelagic longline bycatch-set aside quota (using 76 permit holders). If the entire quota was harvested under Alternative C2, permit holders could expect an increase in gross revenues when compared to the no action alternative. For instance, General category permit holders could experience an increase of \$565; \$2,991 for the Harpoon category permit holders; and \$14,780 for the Longline category, including the pelagic longline bycatch set-aside quota (using 76 permit holders).

Under Alternative D1, NMFS would maintain the area status quo (*i.e.*, the NED) and allocate the pelagic longline bycatch set-aside quota for use by pelagic longline vessels fishing specifically in the NED. This alternative would likely result in neutral economic impacts as few vessels currently fish in the NED and catch bluefin tuna. NMFS does not anticipate a change in fishing effort and thus economic impacts under this alternative.

Under Alternative D2, NMFS would allocate the pelagic longline bycatch set-

aside quota for use by pelagic longline vessels fishing in the NED area and the adjacent pelagic longline statistical reporting areas of the Northeast Coastal (NEC), North Central Atlantic, and Sargasso Sea as shown in Figure 1 in Section 2.4. Under Alternative D2, direct economic and social impacts would be neutral to minor beneficial in the short term and long term. As described above, Alternative C2 would increase the pelagic longline bycatch set-aside quota from 25 mt to 62.5 mt consistent with ICCAT

Recommendation 25–05. Within these areas, pelagic longline vessels would not have to use IBQ allocation to account for bluefin tuna catch until the ICCAT-designated pelagic longline bycatch set-aside quota has been caught. Alternative D2 allows pelagic longline vessels greater flexibility to catch bluefin tuna incidentally without using IBQ allocation in areas with more frequent effort. For instance, pelagic longline vessels are more likely to catch bluefin tuna incidentally in the NEC as effort for target species is higher in this area compared to the NED. A possible reason for this increased effort is that some vessels would be able to travel shorter distances to reach this area versus the longer distance to reach the NED. Additionally, Alternative D2 may result in derby-style fishing for bluefin tuna since individual accounting of bluefin tuna under the IBQ program would not be enforced until the bycatch set-aside quota of 62.5 mt is reached. As such, pelagic longline fishermen may be more inclined to rush to fish more sets while the set-aside quota is available resulting in increased fuel costs and potentially lower-quality market conditions. Thus, pelagic longline fishermen may not be inclined to avoid interacting with or catching bluefin tuna as they would not have to use their IBQ allocation to offset catches. Thus, the pelagic longline bycatch set-aside quota could be fully utilized by a small number of vessels before other pelagic longline fishermen could fish in these areas. In this scenario, pelagic longline fishermen that have access to these areas would be able to land target species and bluefin tuna without needing to use or lease IBQ. Furthermore, these vessels would have additional opportunities to generate revenue as they could potentially catch and sell additional bluefin tuna, and catch and sell additional target species, due to the flexibility for more fishing effort. However, pelagic longline fishermen that could not access these areas and utilize the set-aside quota due to the set-aside quota being reached or

being located prohibitively far from these areas would likely have neutral impacts as they would have to use their annual IBQ allocations for catches of bluefin tuna. Lastly, Alternative D2 would create an additional cost and administrative burden to NMFS, compared to Alternatives D1 and D3. Catch of bluefin tuna by pelagic longline vessels is reported through the online IBQ system and through VMS. Currently, the areas available for reporting in both programs are Atlantic, Gulf, and NED. With the addition of new areas under this alternative, NMFS and partners would need to update and/or add reporting areas to the online IBQ system and VMS or manually track the locations of bluefin tuna catches in the Atlantic region.

Under Alternative D2, indirect economic and social impacts to supporting businesses such as seafood dealers and bait/tackle suppliers are expected to be neutral to minor beneficial in the short and long term. Supporting businesses and bait/tackle suppliers may see positive impacts as pelagic longline fishermen could have more fishing opportunities for target and incidental species.

Under preferred Alternative D3, NMFS would allocate the pelagic longline bycatch set-aside quota to pelagic longline IBQ shareholders with IBQ shares designated for the Atlantic region as defined at § 635.15(c)(3). Under Alternative D3, direct economic and social impacts would be neutral to minor beneficial in the short term and long term for IBQ shareholders with IBQ shares designated for the Atlantic region but neutral for IBQ shareholders with only IBQ shares designated for the Gulf region. As described above, Alternative C2 would increase the pelagic longline bycatch set-aside quota from 25 mt to 62.5 mt consistent with ICCAT Recommendation 25–05. Under this alternative, NMFS would no longer account for bluefin tuna catch in the NED separately from bluefin tuna catch in the rest of the Atlantic. Instead, NMFS would allocate the pelagic longline bycatch set-aside quota to pelagic longline vessels that have fishing history in the Atlantic and annually distribute Atlantic allocation to each IBQ shareholder based on their IBQ share percentage to account for bluefin tuna catches. IBQ shareholders with shares designated for the Gulf region would not receive allocation from the set-aside quota, and Atlantic IBQ allocation cannot be used in the Gulf of America under existing regulations, which would be maintained. Shareholders with IBQ shares designated for the Atlantic region

could be based in the Atlantic or in the Gulf of America, as long as they have fishing history in the Atlantic, as described at § 635.15(c). Under Alternative D3, Atlantic and Gulf pelagic longline vessels with Atlantic IBQ shares may be more willing to fish for target species and incidentally catch additional bluefin tuna compared to current levels. Furthermore, these vessels may be more willing to lease IBQ to other vessels through the IBQ system. Thus, direct impacts for those vessels are likely to have minor beneficial economic and social impacts in the short term and long term. Pelagic longline vessels that only fish in the Gulf of America are expected to have neutral impacts as they would not receive an increase to their IBQ shares designated for the Gulf region.

Distributing the pelagic longline bycatch set-aside quota through the IBQ program is anticipated to maintain the objectives and benefits of the IBQ program, compared to Alternative D2. The IBQ program is described in Amendments 7 and 13, and the program objectives include providing incentives for pelagic longline vessel operators to avoid bluefin tuna interactions and thus reduce bluefin tuna dead discards and providing flexibility in the IBQ system to minimize constraints on fishing for target species. In addition, the IBQ program was selected over other quota management alternatives in Amendment 7 to promote safety at sea under National Standard 10, since individual quotas were expected to facilitate vessel operators deciding when and how to fish their quotas independently from one another, and therefore reduce somewhat the potential for derby-style fishing behavior (where there is the incentive for individual vessels to fish sooner rather than later).

Under Alternative D3, indirect economic and social impacts to supporting businesses such as seafood dealers and bait/tackle suppliers are expected to be neutral to minor beneficial in the short and long term. Supporting businesses and bait/tackle suppliers may see positive impacts as pelagic longline fishermen could have more fishing opportunities for target and incidental species.

This proposed rule contains no information collection requirements under the Paperwork Reduction Act of 1995.

List of Subjects in 50 CFR Part 635

Fisheries, Fishing, Fishing vessels, Foreign relations, Imports, Penalties, Reporting and recordkeeping requirements, Statistics, Treaties.

Dated: May 4, 2026.

Samuel D. Rauch III,

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

For the reasons set out in the preamble, NMFS proposes to amend 50 CFR part 635 as follows:

PART 635—ATLANTIC HIGHLY MIGRATORY SPECIES

■ 1. The authority citation for part 635 continues to read as follows:

Authority: 16 U.S.C. 971 *et seq.*; 16 U.S.C. 1801 *et seq.*

■ 2. In § 635.15, revise paragraphs (d) and (f)(3)(i), and remove paragraph (f)(6) to read as follows:

§ 635.15 Individual bluefin tuna quotas (IBQs).

(d) *Annual IBQ allocations.* (1) *Annual IBQ allocation from the baseline Longline category quota.* An annual IBQ allocation is the amount of BFT (whole weight) in metric tons corresponding to an IBQ shareholder's share percentage, distributed to their vessel to account for incidental landings and dead discards of BFT during a specified calendar year. NMFS will distribute IBQ allocations only when there is a valid Atlantic Tunas Longline category LAP associated with a vessel. Unless otherwise required under paragraph (f)(4) of this section, an IBQ allocation is derived by multiplying the IBQ share percentage (calculated under paragraph (c)(1) of this section) by the baseline Longline category quota for that year. If the baseline quota is adjusted during the fishing year, the annual IBQ allocation may also be adjusted as specified in paragraph (e)(2) of this section.

(2) *The IBQ Program and the pelagic longline bycatch set-aside quota.* In addition to the annual IBQ allocation described in paragraph (d)(1) of this section, NMFS will annually allocate the pelagic longline bycatch set-aside quota under § 635.27(a)(3) to IBQ shareholders with ATL shares. The allocation of the pelagic longline bycatch set-aside quota will be derived by multiplying the IBQ share percentage (calculated under paragraph (c)(1) of this section) by the pelagic longline bycatch set-aside quota. The IBQ shares and resultant allocations of the pelagic longline bycatch set-aside quota will be designated as only ATL shares. If the pelagic longline bycatch set-aside quota is adjusted during the fishing year, the annual IBQ allocation may also be adjusted as specified under paragraph (e)(2) of this section. The BFT

accounting requirement of paragraph (f)(3) of this section is applicable.

* * * * *

(f) * * *

(3) * * *

(i) *Catch deduction from IBQ allocations.* All BFT landings must be deducted from the vessel's IBQ allocation at the end of each trip by providing information to, and coordinating with the dealer. Dead discards will be deducted from the vessel's IBQ allocation by the Catch Shares Online System, when the vessel operator reports dead discards through VMS as required under § 635.69(e)(4)(i).

* * * * *

■ 3. In § 635.27, revise paragraphs (a) introductory text, (a)(1)(i) introductory text, (a)(2) introductory text, (a)(2)(ii), (a)(3), (a)(4), (a)(5), (a)(6)(i), and (c)(1) introductory text to read as follows:

§ 635.27 Quotas.

(a) *BFT.* Consistent with ICCAT recommendations, the baseline annual U.S. BFT quota will be allocated among the General, Angling, Harpoon, Longline, Trap, and Reserve categories, as described in this section. BFT quotas are specified in whole weight. The baseline annual U.S. BFT quota is 1,509.98 mt, not including an additional annual 62.5-mt pelagic longline bycatch set-aside quota provided in paragraph (a)(3) of this section. This baseline BFT quota is divided among the categories according to the following percentages: General—54 percent (815.4 mt); Angling—22.6 percent (341.3 mt), which includes the school BFT held in reserve as described under paragraph (a)(6)(ii) of this section; Longline—15.9 percent (240.1 mt) (total not including the 62.5-mt pelagic longline bycatch set-aside quota from paragraph (a)(3) of this section); Harpoon—4.5 percent (67.9 mt); Trap—0.1 percent (1.5 mt); and Reserve—2.9 percent (43.8 mt). NMFS may make inseason and annual adjustments to quotas as specified in paragraphs (a)(8) and (9) of this section.

(1) * * *

(i) Catches from vessels for which Atlantic Tunas General category permits have been issued and certain catches from vessels for which an HMS Charter/Headboat permit has been issued are counted against the General category quota in accordance with § 635.23(c)(3). Pursuant to paragraph (a) of this section, the amount of large medium and giant BFT that may be caught, retained, possessed, landed, or sold under the General category quota is 815.4 mt, and is apportioned as follows, unless modified as described under paragraph (a)(1)(ii) of this section:

* * * * *

(2) *Angling category quota.* In accordance with the framework procedures as described under § 635.34, prior to each fishing year, or as early as feasible, NMFS will establish the Angling category daily retention limits. In accordance with paragraph (a) of this section, the total amount of BFT that may be caught, retained, possessed, and landed by anglers aboard vessels for which an HMS Angling permit or an HMS Charter/Headboat permit has been issued is 341.3 mt. No more than 3.1 percent of the annual Angling category quota may be large medium or giant BFT. In addition, no more than 10 percent of the baseline annual U.S. BFT quota, inclusive of the allocation specified in paragraph (a)(3) of this section, may be school BFT. The Angling category quota includes the amount of school BFT held in reserve under paragraph (a)(6)(ii) of this section. The size class subquotas for BFT are further subdivided as follows:

* * * * *

(ii) After adjustment (Angling category quota minus school and large medium/giant subquotas), resulting in a large school/small medium subquota of 173.4 mt, an amount equal to 52.8 percent may be caught, retained, possessed, or landed south of 39°18' N lat. The remaining large school/small medium BFT Angling category quota

may be caught, retained, possessed, or landed north of 39°18' N lat.

* * * * *

(3) *Longline category quota.* Pursuant to paragraph (a) of this section, the total amount of large medium and giant BFT that may be caught, discarded dead, or retained, possessed, or landed by vessels that possess Atlantic Tunas Longline category permits is 240.1 mt. In addition, pelagic longline vessels with ATL IBQ are allocated, as described in § 635.15(d)(2), a pelagic longline bycatch set-aside quota of 62.5 mt. For purposes of the closure authority under § 635.28(a)(1), regional IBQ allocations under § 635.15(c)(3) and the BFT catch cap for fishing in the Gulf of America (§ 635.15(c)(3)(iii)) are considered quotas.

(4) *Harpoon category quota.* The total amount of large medium and giant BFT that may be caught, retained, possessed, landed, or sold by vessels that possess Atlantic Tunas Harpoon category permits is 67.9 mt. The Harpoon category fishery commences on June 1 of each year, and closes on November 15 of each year.

(5) *Trap.* The total amount of large medium and giant BFT, that may be caught, retained, possessed, or landed by vessels that possess Atlantic Tunas Trap category permits is 1.5 mt.

(6) * * *

(i) The total amount of BFT that is held in reserve is 43.8 mt, which may

be augmented by allowable underharvest from the previous year. Consistent with paragraphs (a)(7) through (a)(9) of this section, NMFS may allocate any portion of the Reserve category quota for inseason or annual adjustments to any fishing category quota. NMFS may also use any portion of the Reserve category quota for adjustments to, or appeals of, IBQ allocations (see § 635.15(e)(1)(i)) and research using quota or subquotas (see § 635.32).

* * * * *

(c) * * *

(1) *Categories.* Consistent with ICCAT recommendations, the ICCAT North Atlantic swordfish management procedure, and domestic management objectives, the fishing year's total amount of swordfish that may be caught, retained, possessed, or landed by persons and vessels subject to U.S. jurisdiction is divided into quotas for the North Atlantic swordfish stock and the South Atlantic swordfish stock. The quota for the North Atlantic swordfish stock is further divided into equal semi-annual directed fishery quotas, an annual incidental catch quota for fishermen targeting other species or taking swordfish recreationally, and a reserve category.

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Notices

Federal Register

Vol. 91, No. 88

Thursday, May 7, 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

Agricultural Marketing Service

[Document Number AMS–SC–25–0586]

United States Standards for Grades of Nectarines

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Notice; request for comments.

SUMMARY: The Agricultural Marketing Service (AMS) of the Department of Agriculture (USDA) proposes to revise the United States (U.S.) Standards for Grades of Nectarines. AMS is proposing to remove “speckling”, as a type of defect when grading nectarines, since speckling is strictly a cosmetic issue and does not affect the internal quality, shelf life, or lead to any negative flavors of the affected nectarines. In fact, nectarines with higher sugar content, or sweetness, have been correlated with increased amounts of speckling. These changes would bring the grade standards in line with the present quality levels being marketed today and would provide guidance in the effective utilization of this commodity.

DATES: Comments must be submitted on or before July 6, 2026.

ADDRESSES: Interested persons are invited to submit comments to the Standardization Branch, Specialty Crops Inspection Division, Specialty Crops Program, Agricultural Marketing Service, U.S. Department of Agriculture, National Training and Development Center; 100 Riverside Parkway, Suite 101, Fredericksburg, Virginia 22406; fax: (540) 361–1199, or via the internet at: <https://www.regulations.gov>. Comments should reference the docket number and the date and page numbers of this issue of the **Federal Register**. All comments submitted in response to this notice will

become a part of the public record and be made available to the public without change, including any personal information submitted with your comment, at <https://www.regulations.gov>.

FOR FURTHER INFORMATION CONTACT:

Andrew Buss, at the address above, by phone (231) 260–5913; fax (540) 361–1199; or email at andrew.buss@usda.gov. Copies of the proposed U.S. Standards for Grades of Nectarines are available at <http://www.regulations.gov>. Copies of the current U.S. Standards for Grades of Nectarines are available at <https://www.ams.usda.gov/grades-standards/fruits>.

SUPPLEMENTARY INFORMATION: Section 203(c) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627), as amended, directs and authorizes the Secretary of Agriculture “to develop and improve standards of quality, condition, quantity, grade, and packaging, and recommend and demonstrate such standards in order to encourage uniformity and consistency in commercial practices.”

AMS is committed to carrying out this authority in a manner that facilitates the marketing of agricultural commodities and makes copies of official standards available upon request. The U.S. Standards for Grades of Fruits and Vegetables that no longer appear in the Code of Federal Regulations are maintained by USDA, AMS, Specialty Crops Program at the following website: <http://www.ams.usda.gov>. AMS is proposing revisions to the U.S. Standards for Grades of Nectarines using the procedures that appear in part 36 of Title 7 of the Code of Federal Regulations (7 CFR part 36).

Background

On August 29, 2025, AMS received a petition from the California Fresh Fruit Association (CFFA), a voluntary, nonprofit agricultural trade association that advocates on behalf of its members within the California fresh fruit industry. CFFA consists of more than 300 members, which include growers, shippers, and marketers of several different types of fruit. The petitioners represent over 95 percent of the producers of nectarines. AMS has

worked closely with CFFA throughout the development of the proposed revisions, soliciting their comments and suggesting about the standards through discussion drafts and presentations.

AMS is proposing to revise the U.S. Standards for Grades of Nectarines by removing speckling as a type of defect affecting the quality of nectarines from sections § 51.3156 Injury (§ 51.3156(h)(2)), § 51.3157 Damage (§ 51.3157(g)(3)), and § 51.3159 Serious Damage (§ 51.3159(h)(2)). Under these sections in the current standards, any nectarines which possess speckling on more than 50 percent of the surface can be scored as a defect. Speckling is the occurrence of numerous yellow spots densely concentrated and distinctly contrasting with the surface of a dark red colored fruit. The designation of speckling as a defect under the current standards has had a negative impact on California growers due to the fruit being rejected due to speckling, despite meeting all other quality and safety standards. A letter dated July 22, 2023, to Family Tree Farms from Dr. Ioannis S. Minas, Associate Professor of Pomology at the Department of Horticulture & Landscape Architecture at Colorado State University was included with CFFA’s petition. This letter describes nectarine skin speckling as a natural characteristic of nectarines in which scientific evidence shows fruit with higher sugar content (an indicator of sweetness) is correlated with higher amounts of speckling on the skin of the nectarine. This condition does not affect the internal quality, shelf life, or lead to any negative flavors of the fruit. With recent developments in breeding as a means to prioritize flavor, it would be expected that speckling would increase along with any new varieties of nectarines with higher sugar content (Brix). The proposed revisions to the grade standards to remove speckling as a defect will better reflect the current and foreseen future marketing of nectarines as consumer preferences are favoring fruit with higher sugar content.

The following reflects AMS’s proposed revisions to the definition section of the U.S. Standards for Grades of Nectarines:

Section	Current text	Proposed text
51.3156(h)(2) Injury	Fairly smooth or smooth russetting or staining when the area exceeds 10 percent of the fruit surface: Provided, That speckling characteristic of certain varieties shall not be considered as russetting or discoloration.	Fairly smooth or smooth russetting or staining when the area exceeds 10 percent of the fruit surface.
51.3157(g)(3) Damage	Fairly smooth or smooth russetting when the area exceeds 15 percent of the fruit surface: Provided, That discoloration occurring as yellow to brown staining of the skin shall not be considered as russetting and shall be considered as causing damage only when materially detracting from the appearance of the nectarine, and that speckling characteristic of certain varieties shall not be considered as russetting or discoloration.	Fairly smooth or smooth russetting when the area exceeds 15 percent of the fruit surface: Provided, That discoloration occurring as yellow to brown staining of the skin shall not be considered as russetting and shall be considered as causing damage only when materially detracting from the appearance of the nectarine.
51.3159(h)(2) Serious Damage	Fairly smooth or smooth russetting when the area exceeds 50 percent of the fruit surface: Provided, That discoloration occurring as yellow to brown staining of the skin shall not be considered as russetting and shall be considered as causing serious damage only when seriously detracting from the appearance of the nectarine, and that speckling characteristic of certain varieties shall not be considered as russetting or discoloration.	Fairly smooth or smooth russetting when the area exceeds 50 percent of the fruit surface: Provided, That discoloration occurring as yellow to brown staining of the skin shall not be considered as russetting and shall be considered as causing serious damage only when seriously detracting from the appearance of the nectarine.

A 60-day period is provided for interested persons to submit comments on the proposed revisions to the grade standards. Copies of the proposed revised standards are available on the internet at <http://www.regulations.gov>. After the 60-day comment period, AMS would proceed in accordance with 7 CFR 36.3(a)(1–3).

Authority: 7 U.S.C. 1621–1627.

Erin Morris,
Administrator, Agricultural Marketing Service.

[FR Doc. 2026–09063 Filed 5–6–26; 8:45 am]

BILLING CODE 3410–02–P

DEPARTMENT OF AGRICULTURE

Foreign Agricultural Service

Notice of Request for an Extension of a Currently Approved Information Collection

AGENCY: Foreign Agricultural Service, USDA.

ACTION: Notice and request for comments.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, this notice announces the intention of the Foreign Agricultural Service (FAS) to request an extension for a currently approved information collection for USDA's Cochran Fellowship Program.

DATES: Comments on this notice must be received by July 6, 2026 to be assured of consideration.

ADDRESSES: You may send comments, identified by OMB Control Number

0551–0051, by any of the following methods:

- *Federal eRulemaking Portal:* <http://www.regulations.gov>. This portal enables respondents to enter short comments or attach a file containing lengthier comments.

- *Email:* CochranFellowship@usda.gov. Include OMB Control Number 0551–0051 in the subject line of the message.

- *Mail, Courier, or Hand Delivery:* Adam Scheinkman, U.S. Department of Agriculture, Foreign Agricultural Service, 1400 Independence Avenue SW, Room 6628, Washington, DC 20250.

Instructions: All submissions received must include the agency names and OMB Control Number for this notice. All comments received will be posted without charge to <http://www.regulations.gov>, including any personal information provided.

FOR FURTHER INFORMATION CONTACT:

Adam Scheinkman, 202–205–9824, CochranFellowship@usda.gov.

SUPPLEMENTARY INFORMATION:

Title: Cochran Fellowship Program.
OMB Number: 0551–0051.

Expiration Date of Approval: Three years from approval date.

Type of Request: Existing collection in use without an OMB control number.

Abstract: Since 1984, U.S. Congress has made funds available to USDA's Cochran Fellowship Program to provide short-term training to Fellows from middle-income and emerging market countries in order to expose agricultural officials and industry representatives to U.S. agriculture products and policies, helping facilitate lasting, global relationships. The Cochran Fellowship

Program is implemented by USDA's Foreign Agricultural Service, Global Programs, Fellowship Programs, and has hosted U.S.-based trainings for over 19,500 international participants from 127 countries worldwide.

To achieve its objectives, the Cochran Fellowship Program relies on the solicitation for qualified program applicants through a written application. FAS Posts across the globe provide this application to potential Fellows to assist in determining the adequacy of their candidacy alongside FAS Washington. The application is designed to capture the professional status of the applicant, the applicant's personal contact information, and the applicant's suitability for the program. Thus, the Cochran Fellowship Program application is an integral tool to Fellowship Programs Division and FAS' strategic goals at large.

In summary, excluding discrete questions related to program objectives, the Cochran Fellowship Program application collects the following personal information (that may be considered Personal Identifiable Information (PII)): first name, middle name, last name, sex, salutation, birth date, birth city, birth country, citizenship country, country of residence, home phone, work phone, mobile phone, permanent home address, work address, personal email, work email, passport information, U.S. contacts information (name, title, address, phone number, email), emergency contact information (US implementer), and emergency contact information (family contact: name,

relationship, home phone, cell phone, and email).

Estimate of Burden: The public reporting burden for each respondent resulting from information collection under the Cochran Fellowship Program varies in direct relation to the number of fellowships that each respondent participates in.

Type of Respondents: Individuals.

Estimated Number of Respondents: 620 per annum.

Estimated Number of Responses per Respondent: 1 per annum.

Estimated Total Annual Burden of Respondents: 207 hours per annum.

Copies of this information collection can be obtained from Kenneth Vernon, the Agency Information Collection Coordinator, at Kenneth.Vernon@usda.gov.

Request for Comments: Send comments regarding (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 collection of information including validity of the methodology and assumption 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 through 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 available without change, including any personal information provided, for inspection online at <http://www.regulations.gov> and at the mail address listed above between 8:00 a.m. and 4:30 p.m., Monday through Friday, except holidays.

Comments will be summarized and included in the submission for Office of Management and Budget approval.

Persons with disabilities who require an alternative means for communication of information (Braille, large print, audiotope, etc.) should contact FAS-ReasonableAccommodation@usda.gov.

Daniel Whitley,

Administrator, Foreign Agricultural Service.

[FR Doc. 2026-09097 Filed 5-6-26; 8:45 am]

BILLING CODE 3410-10-P

DEPARTMENT OF AGRICULTURE

Rural Utilities Service

[Docket No. RUS-25-TELECOM-0266]

Notice of Funding Opportunity for the Distance Learning and Telemedicine Grant Program for Fiscal Year 2026

AGENCY: Rural Utilities Service, U.S. Department of Agriculture (USDA).

ACTION: Notice of funding opportunity.

SUMMARY: The Rural Utilities Service (RUS or the Agency), a Rural Development (RD) agency of the United States Department of Agriculture (USDA) is issuing a Notice of Funding Opportunity (NOFO) to announce acceptance of applications under the Distance Learning and Telemedicine (DLT) grant program for fiscal year (FY) 2026. In future years this funding opportunity will only be announced on the Agency website and [grants.gov](https://www.grants.gov), without a **Federal Register** notice. Therefore in future years, neither the funding opportunity nor reference to the funding opportunity in [grants.gov](https://www.grants.gov) will appear in the **Federal Register**. Please make a note of this change in location of the funding announcement in your records.

DATES: May 7, 2026.

ADDRESSES: Full funding notice is available on [grants.gov](https://www.grants.gov). Program guidance and application forms may be obtained at www.rd.usda.gov/programs-services/telecommunications-programs/distance-learning-telemedicine-grants.

FOR FURTHER INFORMATION CONTACT:

Shekinah Pepper, Acting Deputy Assistant Administrator, Loan Origination and Approval Division, RUS, USDA, 1400 Independence Avenue SW, Mail Stop 1590, Room 4121-S, Washington, DC 20250-1590, telephone: (202) 720-0800, email: shekinah.pepper@usda.gov.

SUPPLEMENTARY INFORMATION: The full text of the Notice of Funding Opportunity (NOFO) is available on the Agency website and on [grants.gov](https://www.grants.gov) using Funding Opportunity Number RUS-26-01-DLT or Assistance Listing Number 10.855.

(Authority: 5 U.S.C. 301.)

Christopher McLean,

Acting Administrator, Rural Utilities Service.

[FR Doc. 2026-08991 Filed 5-6-26; 8:45 am]

BILLING CODE 3410-15-P

DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

[B-43-2026]

Foreign-Trade Zone 102—St. Louis, Missouri; Application for Reorganization (Expansion of Service Area) Under Alternative Site Framework

An application has been submitted to the Foreign-Trade Zones (FTZ) Board by the St. Louis County Port Authority, grantee of Foreign-Trade Zone 102, requesting authority to reorganize the zone to expand its service area under the alternative site framework (ASF) adopted by the FTZ Board (15 CFR 400.2(c)). The ASF is an option for grantees for the establishment or reorganization of zones and can permit significantly greater flexibility in the designation of new subzones or "usage-driven" FTZ sites for operators/users located within a grantee's "service area" in the context of the FTZ Board's standard 2,000-acre activation limit for a zone. The application was submitted pursuant to 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 May 4, 2026.

FTZ 102 was approved by the FTZ Board on April 27, 1984 (Board Order 251, 49 FR 19540, May 8, 1984) and reorganized under the ASF on June 22, 2011 (Board Order 1772, 76 FR 38357, June 30, 2011). The zone currently has a service area that includes the City of St. Louis and St. Louis County, Missouri.

The applicant is now requesting authority to expand the service area of the zone to include St. Charles County, as described in the application. If approved, the grantee would be able to serve sites throughout the expanded service area based on companies' needs for FTZ designation. The application indicates that the proposed expanded service area is adjacent to the St. Louis Customs and Border Protection Port of Entry.

In accordance with the FTZ Board's regulations, Camille Evans of the FTZ Staff is designated examiner to evaluate and analyze the facts and information presented in the application and case record and to report findings and 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 July 6, 2026. Rebuttal comments in response to material submitted during the foregoing

period may be submitted through July 21, 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: May 4, 2026.

Elizabeth Whiteman,
Executive Secretary.

[FR Doc. 2026–09019 Filed 5–6–26; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–351–856]

Certain Aluminum Foil From Brazil:
Preliminary Results of Antidumping
Duty Administrative Review; 2023–
2024

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily finds that certain aluminum foil (aluminum foil) from Brazil was sold in the United States at prices below normal value (NV) during the period of review (POR) November 1, 2023, through October 31, 2024. Interested parties are invited to comment on these preliminary results.

DATES: Applicable May 7, 2026.

FOR FURTHER INFORMATION CONTACT: Robert Hedberg, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–0955.

SUPPLEMENTARY INFORMATION:

Background

On November 12, 2021, Commerce published in the **Federal Register** the antidumping duty (AD) order on aluminum foil from Brazil.¹ On November 1, 2024, based on timely requests for review, in accordance with 19 CFR 351.221(c)(1)(i), we published in the **Federal Register** a notice of opportunity to request an administrative review of the *Order* for the POR.² On

December 18, 2024, based on timely requests for an administrative review,³ Commerce initiated an administrative review of the *Order*⁴ with respect to CBA Itapissuma Ltda. and Companhia Brasileira de Alumínio (collectively, CBA).⁵

On December 9, 2024, Commerce tolled the deadline to issue the preliminary results in this administrative review by 90 days.⁶ Due to the lapse in appropriations and Federal Government shutdown, on November 14, 2025, Commerce tolled all deadlines in administrative proceedings by 47 days.⁷ 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.⁸ On December 29, 2025, Commerce extended the deadline for the preliminary results until April 17, 2026.⁹ On April 2, 2026, Commerce extended the deadline for the

To Request Administrative Review and Join Annual Inquiry Service List, 89 FR 87338 (November 1, 2024).

³ See CBA’s Letter, “Request for Administrative Review,” dated December 2, 2024; *see also* Petitioners’ Letter, “Petitioners’ Request for Initiation of Second Administrative Review,” dated November 27, 2024.

⁴ *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 89 FR 102856 (December 18, 2024) (*Initiation Notice*).

⁵ In the less-than-fair-value investigation of aluminum foil from Brazil, Commerce determined that CBA Alumínio and CBA Itapissuma were affiliated, within the meaning of sections 771(33)(E) and (G) of the Tariff Act of 1930, as amended (the Act), and should be treated as a single entity, in accordance with 19 CFR 351.401(f). *See Certain Aluminum Foil from Brazil: Final Affirmative Determination of Sales at Less Than Fair Value*, 86 FR 52886 (September 23, 2021) at footnote 13.

Based on the information reported in this administrative review, we continue to make the same determination of affiliation and treatment as a single entity for CBA Alumínio and CBA Itapissuma. *See* Memorandum, “Certain Aluminum Foil from Brazil: Decision Memorandum for the Preliminary Results of Antidumping Duty Administrative Review; 2023–2024,” dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁶ *See* Memorandum, “Tolling of Deadlines for Antidumping and Countervailing Duty Proceedings,” dated December 9, 2024.

⁷ *See* Memorandum, “Deadlines Affected by the Shutdown of the Federal Government,” dated November 14, 2025.

⁸ *See* Memorandum, “Tolling of all Case Deadlines,” dated November 24, 2025.

⁹ *See* Memorandum, “Extension of Deadline for Preliminary Results of 2023–2024 Antidumping Duty Administrative Review,” dated December 29, 2025.

preliminary results until April 30, 2026.¹⁰

For a complete description of the events that followed the initiation of this administrative review, *see* the Preliminary Decision Memorandum.¹¹ A list of topics included in the Preliminary Decision Memorandum is included in Appendix I to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via 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/frnotices>.

Scope of the Order¹²

The product covered by the *Order* is aluminum foil from Brazil. For a complete description of the scope of the *Order*, *see* the Preliminary Decision Memorandum.

Methodology

Commerce is conducting this administrative review in accordance with section 751(a)(1)(B) of the Act. Export price and NV are calculated in accordance with sections 772 and 773 of the Act, respectively. For a complete description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum.

Preliminary Results of Review

Commerce preliminarily determines that the following estimated weighted-average dumping margin exists for the period of November 1, 2023, through October 31, 2024:

Exporter/producer	Weighted-average dumping margin (percent)
Companhia Brasileira de Alumínio/CBA Itapissuma	16.61

Disclosure

Commerce intends to disclose the calculations and analyses performed for these preliminary results of review to interested parties within five days of any public announcement or, if there is no public announcement, within five days of the date of publication of this notice in the **Federal Register** in accordance with 19 CFR 351.224(b).

¹⁰ *See* Memorandum, “Extension of Deadline for Preliminary Results of 2023–2024 Antidumping Duty Administrative Review,” dated April 2, 2026.

¹¹ *See* Preliminary Decision Memorandum.

¹² *See Order*, 86 FR at 62790.

¹ *See Certain Aluminum Foil from the Republic of Armenia, Brazil, the Sultanate of Oman, the Russian Federation, and the Republic of Turkey: Antidumping Duty Orders*, 86 FR 62790 (November 12, 2021) (*Order*).

² *See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity*

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance. Pursuant to 19 CFR 351.309(c)(1)(ii), we have modified the deadline for interested parties to submit case briefs to Commerce to no later than 21 days after the date of the publication of this notice in the **Federal Register**.¹³ Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than five days after the date for filing case briefs.¹⁴ Parties who submit case briefs or rebuttal briefs in this proceeding are encouraged to submit with each argument: (1) a statement of the issue; and (2) a table of authorities.¹⁵ All briefs must be filed electronically using ACCESS. An electronically filed document must be received successfully in its entirety in ACCESS by 5:00 p.m. Eastern Time on the established deadline.

As provided under 19 CFR 351.309(c)(2)(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.¹⁶ Further, we request that interested parties limit their executive summary of each issue to no more than 450 words, not including citations. We intend to use the executive summaries as the basis of the comment summaries included in the issues and decision memorandum that will accompany the final results in this administrative review. We request that interested parties include footnotes for relevant citations in the executive summary of each issue. Note that Commerce has amended certain of its requirements pertaining to the service of documents in 19 CFR 351.303(f).¹⁷

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically via ACCESS, by 5 p.m. Eastern time, within 30 days after the date of publication of this notice in the **Federal Register**. Requests should contain: (1) the requesting 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 the issues the party intends to discuss at the hearing. 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 and time of the hearing.¹⁸ Parties should confirm the date and time of the hearing two days before the scheduled date.

All submissions, including case and rebuttal briefs, as well as hearing requests, should be filed using ACCESS.¹⁹ An electronically filed document must be received successfully in its entirety by ACCESS by 5:00 p.m. Eastern Time on the established deadline.

Assessment Rate

In accordance with section 751(a)(2)(C) of the Act, upon completion of the administrative review, Commerce shall determine, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries of subject merchandise covered by this review.²⁰ If CBA'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, we will calculate importer-specific *ad valorem* AD 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).²¹ If CBA's weighted-average dumping margin or an importer-specific assessment rate is zero or *de minimis* in the final results of review, we will instruct CBP not to assess duties on any of its entries in accordance with the *Final Modification for Reviews*, i.e., “[w]here the weighted-average margin of dumping for the exporter is determined to be zero or *de minimis*, no antidumping duties will be assessed.”²²

In accordance with Commerce's “automatic assessment” practice, for entries of subject merchandise during the POR produced by CBA for which it did not know that the merchandise was destined to the United States, we will instruct CBP to liquidate those entries at the all-others rate if there is no rate for

the intermediate company(ies) involved in the transaction.

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.²³ 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 upon publication in the **Federal Register** of the notice of final results of this administrative review for all shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication, as provided by section 751(a)(2) of the Act: (1) the cash deposit rate for subject merchandise exported by CBA will be equal to the weighted-average dumping margin established in the final results of the review (except, if that rate is *de minimis* within the meaning of 19 CFR 351.106(c)(1), then the cash deposit rate will be zero); (2) for merchandise exported by a company not covered in this review but covered in a prior completed segment of the 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, a prior review, or the less-than-fair-value (LTFV) investigation, but the manufacturer is, then the cash deposit rate will be the rate established for the most recent segment for the manufacturer of the merchandise; and (4) the cash deposit rate for all other producers or manufacturers or exporters will continue to be 13.93 percent, the all-others rate established in the LTFV investigation.²⁴ These cash deposit requirements, when imposed, shall remain in effect until further notice.

Final Results of Review

Unless otherwise extended, Commerce intends to issue the final results of this administrative review, including the results of its analysis of

¹³ See 19 CFR 351.309(c)(1)(ii).

¹⁴ See 19 CFR 351.309(d); see also *Administrative Protective Order, Service, and Other Procedures in Antidumping and Countervailing Duty Proceedings*, 88 FR 67069, 67077 (September 29, 2023) (APO and Service Final Rule).

¹⁵ See 19 CFR 351.309(c)(2) and (d)(2).

¹⁶ We use the term “issue” here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

¹⁷ See APO and Service Final Rule.

¹⁸ See 19 CFR 351.310(d).

¹⁹ See 19 CFR 351.303.

²⁰ See 19 CFR 351.212(b)(1).

²¹ See *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

²² See *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings; Final Modification*, 77 FR 8101, 8102 (February 14, 2012) (*Final Modification for Reviews*).

²³ See section 751(a)(2)(C) of the Act.

²⁴ See *Order*, 86 FR at 62791.

issues raised in any written briefs, not later than 120 days after the date of publication of this notice in the **Federal Register**, pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h)(1).

Notification to Importers

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this POR. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

Notification to Interested Parties

We are issuing and publishing these preliminary results of administrative review in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.213(h) and 351.221(b)(4).

Dated: April 30, 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

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Discussion of the Methodology
- V. Currency Conversion
- VI. Recommendation

[FR Doc. 2026-09017 Filed 5-6-26; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

[RTID 0648-XF741]

Fisheries of the Gulf of America; Southeast Data, Assessment, and Review; Public Meeting

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

ACTION: Notice of webinar.

SUMMARY: The Southeast Data, Assessment and Review (SEDAR) 98 assessment process for Gulf red snapper will consist of a Data Workshop, a series of assessment webinars, and a Review

Workshop. See **SUPPLEMENTARY INFORMATION**.

DATES: The SEDAR 98 Assessment Webinar IX will be held June 9, 2026, from 10 a.m. until 1 p.m., Eastern Time.

ADDRESSES:

SEDAR address: 4055 Faber Place Drive, Suite 201, North Charleston, SC 29405. <https://www.sedarweb.org>.

Meeting address: The meeting will be held via webinar. The webinar is open to members of the public. Those interested in participating should contact Julie A. Neer at SEDAR (**FOR FURTHER INFORMATION CONTACT**) to request an invitation providing webinar access information. Please request webinar invitations at least 24 hours in advance of each webinar.

FOR FURTHER INFORMATION CONTACT: Julie A. Neer, SEDAR Coordinator; (843) 571-4366; email: Julie.neer@safmc.net.

SUPPLEMENTARY INFORMATION: The Gulf, South Atlantic, and Caribbean Fishery Management Councils, in conjunction with the National Marine Fisheries Service and the Atlantic and Gulf States Marine Fisheries Commissions have implemented the SEDAR process. SEDAR is a participatory process for developing, evaluating and reviewing information used for fisheries management advice. This multi-step process for determining the status of fish stocks in the Southeast Region may include (1) a Data stage, and (2) an Assessment stage, and (3) a Review stage. Each stage produces a report summarizing decisions made during that stage. A final stock assessment report is produced at the end of a SEDAR process documenting data sets used, model configurations and opinions from the independent peer review. Participants for SEDAR projects are appointed by the Gulf, South Atlantic, and Caribbean Fishery Management Councils and National Marine Fisheries Service Southeast Regional Office, Highly Migratory Species Management Division, and Southeast Fisheries Science Center. Participants may include data collectors and database managers; stock assessment scientists, biologists, and researchers; constituency representatives including fishermen, environmentalists, and non-governmental organizations (NGO's); International experts; and staff of Councils, Commissions, and state and Federal agencies.

The items of discussion during the Assessment Webinar IX are as follows:

Participants will review the assessment modelling work to date and make final recommendations.

Although non-emergency issues not contained in this agenda may come before this group for discussion, those issues may not be the subject of formal action during this meeting. Action will be restricted to those issues specifically identified in this notice and any issues arising after publication of this notice that require emergency action under section 305(c) of the Magnuson-Stevens Fishery Conservation and Management Act, provided the public has been notified of the intent to take final action to address the emergency.

Special Accommodations

The meeting is physically accessible to people with disabilities. Requests for sign language interpretation or other auxiliary aids should be directed to the Council office (see **ADDRESSES**) at least 5 business days prior to each workshop.

Note: The times and sequence specified in this agenda are subject to change.

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

Dated: May 5, 2026.

Rey Israel Marquez,

Acting Deputy Director, Office of Sustainable Fisheries, National Marine Fisheries Service.

[FR Doc. 2026-09061 Filed 5-6-26; 8:45 am]

BILLING CODE 3510-22-P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

Agency Information Collection Activities; Submission to the Office of Management and Budget (OMB) for Review and Approval; Comment Request; Reporting Requirements for Sea Otter Interactions With the Pacific Sardine Fishery; Coastal Pelagic Species Fishery Management Plan

AGENCY: National Oceanic & Atmospheric Administration (NOAA), 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 July 6, 2026.

ADDRESSES: Interested persons are invited to submit written comments to Adrienne Thomas, NOAA PRA Officer, at NOAA.PRA@noaa.gov. Please reference OMB Control Number 0648–0566 in the subject line of your comments. All comments received are part of the public record and will generally be posted on <https://www.regulations.gov> without change. Do not submit Confidential Business Information or otherwise sensitive or protected information.

FOR FURTHER INFORMATION CONTACT: Requests for additional information or specific questions related to collection activities should be directed to Louis Forristall, Fishery Management Specialist, National Oceanic and Atmospheric Administration, 1201 NE Lloyd Blvd. #1100, Portland, OR 97232, (503) 230–5410, and louis.forristall@noaa.gov.

SUPPLEMENTARY INFORMATION:

I. Abstract

This is a request for renewal of an approved information collection. This collection is necessary under the regulations implementing the Coastal Pelagic Species (CPS) Fishery Management Plan (FMP) at 50 CFR 660.520.

On May 30, 2007, NOAA's National Marine Fisheries Service (NMFS) published a final rule (72 FR 29891) implementing a requirement under the CPS FMP to report any interactions that may occur between a CPS vessel and/or fishing gear and sea otters. In accordance with the regulations implementing the Endangered Species Act (ESA), NMFS initiated an ESA section 7 consultation with the United States Fish and Wildlife Service (USFWS) regarding the effects of implementing the final rule (72 FR 29891), which codified Amendment 11 to the CPS FMP. USFWS determined that formal consultation was necessary on the possible effects to the threatened southern sea otter. USFWS completed a biological opinion for this action and although it was concluded that fishing activities were not likely to jeopardize the continued existence of the southern sea otter, that there remained the potential to incidentally take southern sea otters. USFWS determined that certain measures should be put in place to ensure the continued protection of the species, including certain reporting requirements.

Specifically, these reporting requirements are:

(1) If a southern sea otter is entangled in a net, regardless of whether the animal is injured or killed, the vessel operator must report this interaction within 24 hours to the Regional Administrator.

(2) While fishing for CPS, vessel operators must record all observations of other interactions (defined as otters within encircled nets or coming into contact with nets or vessels, including but not limited to entanglement) with their purse seine net(s) or vessel(s). With the exception of an entanglement, which must be initially reported as described in paragraph (1) of this section, all other observations must be reported within 20 days to the Regional Administrator.

(3) When contacting NMFS after an interaction, vessel operators must provide the location (latitude and longitude) of the interaction and a description of the interaction itself. If available, location information should also include water depth, distance from shore, and relation to port or other landmarks. Descriptive information of the interaction should include: whether or not the otters were seen inside or outside the net; if inside the net, had the net been completely encircled; whether any otters came in contact with either the net or the vessel; the number of otters present; duration of interaction; the otter's behavior during interaction; measures taken to avoid interaction.

II. Method of Collection

The information will be collected by mail to the Regional Administrator, as defined under 50 CFR 660.

III. Data

OMB Control Number: 0648–0566.

Form Number(s): None.

Type of Review: Regular submission (extension of a current information collection).

Affected Public: Business or other for-profit organizations.

Estimated Number of Respondents: 2.

Estimated Time per Response: 15 minutes.

Estimated Total Annual Burden Hours: 0.5 hours.

Estimated Total Annual Cost to Public: \$10 reporting costs.

Respondent's Obligation: Mandatory.

Legal Authority: 50 CFR 660.520(a).

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 information collection request. 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. 2026–09091 Filed 5–6–26; 8:45 am]

BILLING CODE 3510–22–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

[RTID 0648–XF162]

Endangered and Threatened Species; File No. 27490

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

ACTION: Notice; issuance of permit.

SUMMARY: Notice is hereby given that the University of Massachusetts Dartmouth School for Marine Science and Technology (SMASST) has been issued a permit for the incidental take of Endangered Species Act (ESA) listed sea turtles and sturgeon associated with the otherwise lawful fisheries survey activities.

ADDRESSES: The incidental take permit, final Environmental Assessment, and other related documents are available on the NMFS Office of Protected Resources website at <https://www.fisheries.noaa.gov/national/endangered-species-conservation/incidental-take-permits>

under the section heading Related Documents for the Incidental Take Permit to the University of Massachusetts Dartmouth School for Marine Science and Technology (Sea Turtles and Sturgeon).

FOR FURTHER INFORMATION CONTACT: Celeste Stout, NMFS, Office of Protected Resources at Celeste.stout@noaa.gov, 301–427–8436.

SUPPLEMENTARY INFORMATION: Section 9 of the ESA and Federal regulations prohibit the ‘taking’ of a species listed as endangered or threatened. The ESA defines “take” to mean harass, harm, pursue, hunt, shoot, wound, kill, trap, capture, or collect, or to attempt to engage in any such conduct. NMFS may issue permits, under limited circumstances, to take listed species incidental to, and not the purpose of, otherwise lawful activities. Section 10(a)(1)(B) of the ESA provides a mechanism for authorizing incidental take of listed species. NMFS regulations governing permits for threatened and endangered species are located at 50 CFR 222.307.

Species Covered in This Permit

The following species are included in this permit:

Endangered

Kemp’s ridley (*Lepidochelys kempii*) and leatherback (*Dermochelys coriacea*) sea turtles, and the New York Bight, Chesapeake, Carolina, and South Atlantic distinct population segments (DPSs) of Atlantic sturgeon (*Acipenser oxyrinchus oxyrinchus*).

Threatened

North Atlantic DPSs of green (*Chelonia mydas*) and Northwest

Atlantic Ocean DPS of loggerhead (*Caretta caretta*) sea turtles, and the Gulf of Maine DPS of Atlantic sturgeon (*Acipenser oxyrinchus oxyrinchus*).

Background

NMFS received a draft permit application and conservation plan from SMAST on September 29, 2022. Based on our review of the draft application, we requested further information and clarification. After several draft submissions and reviews, on June 13, 2023, SMAST submitted a revised application and NMFS determined SMAST’s application to be adequate and complete. On July 6, 2023, we published a notice of receipt (88 FR 43082) of the application and conservation plan from SMAST for an incidental take permit. In that notice, we made the Incidental Take Permit (ITP) application and associated conservation plan available for a 30-day public comment period. Two requests to extend the comment period were submitted on August 7, 2023, the last day of the open comment period. In response to the extension requests, on August 16, 2023, NMFS published a notice in the **Federal Register** (88 FR 55668) reopening the comment period for 15 days. The second public comment period ended on August 31, 2023, and three comments were received. The comments received and their accompanying responses are located in Appendix A of the Environmental Assessment (EA). In response to public comments and after additional discussions between NMFS and the applicant, additional revisions were made to the application and conservation plan to address these

comments, as appropriate, and a revised application was submitted to NMFS for review on November 30, 2023. The application and conservation plan were further revised to remove a project from the “covered activities,” and an updated version was submitted to NMFS on December 3, 2024. Revisions applicable to the SMAST’s proposed action and conservation plan were included in the draft EA. On January 8, 2025, NMFS published a **Federal Register** notice to inform the public of the availability of and request for comments on the draft EA (90 FR 1448). The public comment period ended on February 7, 2025, and no comments were received. Revisions applicable to SMAST’s proposed action and conservation plan are included in the Final EA. SMAST agreed to implement additional monitoring and avoidance measures, and NMFS updated the EA, as well as the findings of the section 7 Biological Opinion, to incorporate those measures.

NMFS has issued the requested incidental take permit under the authority of the ESA, as amended (16 U.S.C. 1531 *et seq.*) and the section 10 implementing regulations (50 CFR part 222).

Incidental take by species in rolling 2-year (ITP year) intervals for the 10-year ITP duration that are authorized under the permit were based on calculated interaction rates using observed takes in similar fisheries surveys (*i.e.*, Northeast Fisheries Science Center (NEFSC) trawl surveys), and sea turtle takes were further informed by observed sea turtle takes in commercial fisheries (please see section 2.2.2.2, Requested number of incidental takes in the final EA) see table 1 below.

TABLE 1—AUTHORIZED NON-LETHAL INCIDENTAL TAKE BY SPECIES

Species	Authorized 2-year rolling take	Maximum authorized take for 10-year ITP duration
Atlantic Sturgeon (Gulf of Maine, Carolina, Chesapeake Bay, New York Bight, South Atlantic DPSs)	10	50
Green (North Atlantic DPS)	2	10
Kemp’s Ridley	2	10
Leatherback	2	10
Loggerhead (Northwest Atlantic Ocean DPS)	2	10

Incidental take of Atlantic sturgeon is allocated based on their respective DPS. Below, we describe the approximate assignment of DPS from the estimated Atlantic sturgeon take across the 10 years of the requested ITP, based on proportions provided in Kazyk *et al.* (2021) for the geographic area “MID Offshore.” The approximate assignment

by DPS from the estimated Atlantic sturgeon takes for the 2-year intervals across the 10 years of the ITP are indicated in table 2 below. Take of Atlantic sturgeon will affect five DPSs, at a rate of up to 55.3 percent of the New York Bight DPS, 22.9 percent of the Chesapeake Bay DPS, 13.6 percent of the South Atlantic DPS, 5.8 percent of

the Carolina DPS, and 2.4 percent of the Gulf of Maine DPS. Due to uncertainty about the exact proportion of each DPS in the offshore waters of the MA/RI WEA, the estimated breakdown may not perfectly represent the actual proportion of each DPS. This expected variation is influenced by natural seasonal and annual fluctuations in the proportions

of each DPS. Therefore, it is not possible to precisely estimate the exact number of individual takes and proportion of each DPS to be taken.

TABLE 2—ANTICIPATED ASSIGNMENT OF DPS IN SMAST TRAWL SURVEY DERIVED FROM NEFSC TRAWL SURVEYS ¹

Atlantic Sturgeon Disp.	Maximum authorized take for 10-year ITP duration	New York Bight DPS (55.3%)	Chesapeake DPS (22.9%)	South Atlantic DPS (13.6%)	Carolina DPS (5.8%)	Gulf of Maine DPS (2.4%)
Live	50	10	10	10	10	10

¹ DPS percentages listed are the percentage values representing the genetics mixed stock analysis results above (Kazyak *et al.*, 2021). Rounding up fractions of animals to a whole number, this results in one Atlantic sturgeon captured per year from each DPS.

Conservation Plan

As part of their conservation plan, SMAST will implement measures to monitor, minimize, and mitigate take of ESA-listed species. These measures include the use of trained observers aboard the research vessel, adherence to safe handling and release procedures for captured ESA-listed species, and commitment to data collection and reporting protocols for any ESA-listed species observed or taken during covered activities (please see Section 4.2 Measures to minimize, mitigate and monitor protected species in the SMAST conservation plan and 2.2.2.1 Monitoring, Minimization, and Mitigation of Potential Interactions and Impacts of Interactions in the EA).

SMAST assures that funds will be available to conduct the proposed work and associated monitoring, minimization, and mitigation strategies. The estimated cost for implementing the conservation plan is \$100,000. The associated project developer provides funding for the surveys and the implementation of the conservation plan to SMAST. SMAST has committed to ensuring the availability of funding to process all genetic samples acquired from Atlantic sturgeon and has committed to having trained observers on board the vessel with proper training in handling protocols for protected species.

Criteria for Issuing an Incidental Take Permit

Issuance criteria are described in ESA section 10(a)(2)(B) and associated implementing regulations (50 CFR 222.307(c)(2)). Under section 10(a)(2)(B) of the ESA, NMFS shall issue the requested incidental take permit, if NMFS finds that the following criteria are met:

- (i) The taking will be incidental;
- (ii) The applicant will, to the maximum extent practicable, monitor, minimize, and mitigate the impacts of such taking;
- (iii) The taking will not appreciably reduce the likelihood of the survival and recovery of the species in the wild;

(iv) The applicant has amended the conservation plan to include any measures (not originally proposed by the applicant) that the Assistant Administrator determines are necessary or appropriate; and

(v) There are adequate assurances that the conservation plan will be funded and implemented, including any measures required by the Assistant Administrator.

NMFS found that SMAST met the criteria for the issuance of an incidental take permit, and as such, NMFS issued an incidental take permit to SMAST for the incidental take of ESA-listed sea turtles and sturgeon associated with the otherwise lawful fisheries survey activities within and adjacent to the MA/RI WEA in southern New England offshore waters.

Dated: May 5, 2026.

Kimberly Damon-Randall,

*Director, Office of Protected Resources,
National Marine Fisheries Service.*

[FR Doc. 2026–09076 Filed 5–6–26; 8:45 am]

BILLING CODE 3510–22–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

[RTID 0648–XF436]

Taking and Importing Marine Mammals; Taking Marine Mammals Incidental to Geophysical Surveys Related to Oil and Gas Activities in the Gulf of America

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

ACTION: Notice; issuance of Letters of Authorization.

SUMMARY: In accordance with the Marine Mammal Protection Act (MMPA), as amended, its implementing regulations, and NMFS' MMPA regulations for taking marine mammals incidental to geophysical surveys related to oil and gas activities in the

Gulf of America (GOA), notification is hereby given that NMFS has issued six separate Letters of Authorization (LOAs) to WesternGeco, LLC (WesternGeco), TGS, Future Energy Consultants (FEC), bp Exploration & Production Inc. (bp), Viridien, and LLOG Exploration Offshore, L.L.C. (LLOG), for the take of marine mammals incidental to geophysical survey activity in the GOA.

DATES: The LOA issued to WesternGeco is effective from April 20, 2026, through August 31, 2026. The LOA issued to TGS is effective from April 20, 2026, through May 31, 2026. The LOA issued to FEC is effective from June 1, 2026, through December 31, 2026. The LOA issued to bp is effective from May 1, 2026, through August 31, 2026. The LOA issued to Viridien is effective from June 1, 2026, through May 31, 2027. The LOA issued to LLOG is effective from June 1, 2026, through April 19, 2031.

ADDRESSES: The LOAs, LOA requests, and supporting documentation are available online at: <https://www.fisheries.noaa.gov/action/incidental-take-authorization-oil-and-gas-industry-geophysical-survey>. In case of problems accessing these documents, please call the contact listed below (see **FOR FURTHER INFORMATION CONTACT**).

FOR FURTHER INFORMATION CONTACT: Jenna Harlacher, Office of Protected Resources, NMFS, (301) 427–8401.

SUPPLEMENTARY INFORMATION:

Background

Sections 101(a)(5)(A) and (D) of the MMPA (16 U.S.C. 1361 *et seq.*) direct the Secretary of Commerce to allow, upon request, the incidental, but not intentional, taking of small numbers of marine mammals by U.S. citizens who engage in a specified activity (other than commercial fishing) within a specified geographical region if certain findings are made and either regulations are issued or, if the taking is limited to harassment, a notice of a proposed authorization is provided to the public for review.

An authorization for incidental takings shall be granted if NMFS finds

that the taking will have a negligible impact on the species or stock(s), will not have an unmitigable adverse impact on the availability of the species or stock(s) for subsistence uses (where relevant), and if the permissible methods of taking and requirements pertaining to the mitigation, monitoring and reporting of such takings are set forth. NMFS has defined “negligible impact” in 50 CFR 216.103 as an impact resulting from the specified activity that cannot be reasonably expected to, and is not reasonably likely to, adversely affect the species or stock through effects on annual rates of recruitment or survival.

Except with respect to certain activities not pertinent here, the MMPA defines “harassment” as: any act of pursuit, torment, or annoyance which (i) has the potential to injure a marine mammal or marine mammal stock in the wild (Level A harassment); or (ii) has the potential to disturb a marine mammal or marine mammal stock in the wild by causing disruption of behavioral patterns, including, but not limited to, migration, breathing, nursing, breeding, feeding, or sheltering (Level B harassment).

On January 19, 2021, we issued a final rule with regulations to govern the unintentional taking of marine mammals incidental to geophysical survey activities conducted by oil and gas industry operators, and those persons authorized to conduct activities on their behalf (collectively “industry operators”), in U.S. waters of the GOA¹ over the course of 5 years (86 FR 5322, January 19, 2021). The rule was based on our findings that the total taking from the specified activities over the 5-year period will have a negligible impact on the affected species or stock(s) of marine mammals and will not have an unmitigable adverse impact on the availability of those species or stocks for subsistence uses, and became effective on April 19, 2021.

The regulations at 50 CFR 217.180 allow for the issuance of LOAs to industry operators for the incidental take of marine mammals during geophysical survey activities and prescribe the permissible methods of taking and other means of effecting the least practicable adverse impact on marine mammal species or stocks and their habitat (often referred to as mitigation), as well as requirements pertaining to the monitoring and reporting of such taking. Under 50 CFR

217.186(e), issuance of an LOA shall be based on a determination that the level of taking will be consistent with the findings made for the total taking allowable under these regulations and a determination that the amount of take authorized under the LOA is of no more than small numbers.

NMFS subsequently discovered that the 2021 rule was based on erroneous take estimates. We conducted another rulemaking using correct take estimates and other newly available and pertinent information relevant to the analyses supporting some of the findings in the 2021 final rule and the taking allowable under the regulations. We issued a final rule in April 2024, effective May 24, 2024 (89 FR 31488, April 24, 2024).

On August 28, 2025, NMFS Office of Protected Resources (OPR) received a request from NMFS Office of Policy (Policy) for reimplementing of the current Incidental Take Regulation (ITR) to avoid a lapse in ITRs offering incidental take coverage for GOA geophysical survey activities. On October 20, 2025, Bureau of Ocean Energy Management (the original petitioner for the current ITRs) submitted a request to be included in the process as a co-petitioner. In response to these requests, NMFS issued a new final rule, effective April 20, 2026, through April 19, 2031 (91 FR 20784, April 17, 2026).

The reimplementing of the regulations continues the established framework for authorization of incidental take through LOAs. The final rule made no changes to the specified activities or the specified geographical region in which those activities would be conducted, and there are no changes to the associated mitigation, monitoring, and reporting requirements.

Summary of Requests and Analysis

WesternGeco

On December 3, 2025, NMFS previously issued a LOA to WesternGeco under the 2021 ITR (90 FR 56734, December 8, 2025) to take marine mammals incidental to a planned geophysical survey. WesternGeco’s survey was not completed by the expiration of the 2021 ITR and required issuance of a new LOA to cover survey activity through August 31, 2026. WesternGeco plans to conduct a three-dimensional (3D) ocean bottom node (OBN) survey over 200 lease blocks in the Green Canyon and Walker Ridge areas, with water depths ranging from approximately 1,400 to 3,200 meters (m). WesternGeco will use one of the following source configurations: a conventional airgun array source

consisting of 28 elements with a total volume of 5,000 cubic inches (in³) or a combination of the conventional airgun array source and a low-frequency tuned pulse source (TPS). The TPS was not included in the acoustic exposure modeling used for the rule. However, NMFS previously reviewed these sources as “new and unusual technologies” and determined that use of TPS is not expected to cause effects beyond those considered in the rulemaking, and that use of modeling results from a traditional airgun array as a proxy for take that may occur incidental to use of the TPS is conservative. Please see WesternGeco’s application and original notice of issuance (90 FR 56734, December 8, 2025) for additional details.

The current LOA will cover 92 days of sound source operation, with 11 days planned in Zone 5 and 81 days planned in Zone 7. The monthly distribution of survey days is not known in advance, though we assume that the planned 92 days of source operation would occur contiguously. Take estimates for each species are based on the time period that produces the greatest value and have been updated based on the revised survey plan. There are no other changes to the previously planned survey.

TGS

On December 20, 2024, NMFS issued a LOA to TGS (89 FR 105536, December 27, 2024) to take marine mammals incidental to a planned geophysical survey, effective December 20, 2024, through December 19, 2025. Please see the **Federal Register** notice of issuance for additional detail regarding the LOA and the survey activity.

On July 22, 2025, TGS informed NMFS that its planned survey area and timing had shifted and, accordingly, they requested a modification to the LOA to reflect the new survey area and dates. No survey activity had begun. TGS requested the expiration date be extended to April 19, 2026, and increase the survey to 105 total days of sound source operation in Zone 6. On August 19, 2025, NMFS issued a modified LOA to TGS (90 FR 41060; August 22, 2025).

On November 26, 2025, TGS notified NMFS that the survey area had changed again based on market interest. TGS requested an increase of survey days to 140 total days of sound source operation with 139 days in zone 6 and 1 day in zone 7. On December 29, 2025, NMFS issued a second modified LOA (90 FR 60651) to reflect another change to the survey area. There were no other changes to the planned survey.

TGS’ survey was not completed by the expiration of the 2021 ITR and required

¹ Pursuant to Executive Order 14172, “Restoring Names That Honor American Greatness,” and Department of the Interior Secretarial Order 3423, “The Gulf of America,” the body of water formerly known as the Gulf of Mexico is now called the Gulf of America.

issuance of a new LOA to cover survey activity through May 31, 2026.

TGS plans to conduct a 3D OBN survey over 453 lease blocks in the East Breaks area, with water depths ranging from approximately 1,200 to 2,000 m. TGS anticipates using two source vessels with a low-frequency airgun source known as Gemini (also referred to as a dual barbell source). The Gemini source was not included in the acoustic exposure modeling used for the rule. However, NMFS previously reviewed these sources as “new and unusual technologies” and determined that it is not expected to cause effects beyond those considered in the rulemaking, and that use of modeling results from a traditional airgun array as a proxy for take that may occur incidental to use of the Gemini is conservative. Please see TGS’s application and original notice for additional details (89 FR 105536, December 27, 2024).

The current LOA will cover 18 days of sound source operation in Zone 6. The monthly distribution of survey days is not known in advance, though we assume that the planned 18 days of source operation would occur contiguously. Take estimates for each species are based on the time period that produces the greatest value and have been updated based on the revised survey plan. There are no other changes to the previously planned survey.

FEC

FEC plans to conduct a FloatSeis seismic field trial survey in the lease block LA5A, with water depths ranging from approximately 50–180 m. See section F of the LOA application for a map of the area. FEC plans to use both a 2,450 in³ airgun array, and a 220 in³ airgun array. Please see the LOA application for additional details.

Consistent with the preamble to the final rule, the survey effort proposed by FEC in its LOA request was used to develop LOA-specific take estimates based on the acoustic exposure modeling results described in the preamble (91 FR 20784, April 17, 2026). In order to generate the appropriate take number for authorization, the following information was considered: (1) survey type; (2) location (by modeling zone ⁱ); (3) number of days; (4) source; and (5) month.ⁱⁱ The acoustic exposure modeling performed in support of the rule provides 24-hour exposure estimates for each species, specific to each modeled source and survey type in each zone and month.

FEC’s survey type was not included in the modeled survey types, and use of existing proxies (*i.e.*, two-dimensional (2D), 3D narrow-azimuth (NAZ), 3D

wide-azimuth (WAZ), Coil) is generally conservative for use in evaluation of both types of survey efforts (*i.e.*, survey effort using the 2,450 in³ and 220 in³ airgun arrays), largely due to the greater area covered by the modeled proxies. Summary descriptions of these modeled survey geometries are available in the preamble to the proposed rule (91 FR 9014, 9018, February 24, 2026). For the survey effort using the 2,450 in³ airgun array, the 4,130 in³ airgun array was selected as the best proxy and coil was selected as the best available proxy survey type in this case because the spatial coverage of the planned survey is most similar to the coil survey pattern.

For the survey effort using the 220 in³ airgun array, the above proxies are conservative, therefore the exposure modeling results were generated using the single airgun proxy. Because these results assume use of a 90-in³ airgun, the take numbers authorized for this part of the survey activity are considered the most similar to the 220 in³ sound source planned for use by FEC, as compared to the other proxies modeled for the rule.

The survey will take place over approximately 5 days, all within Zone 2. The monthly distribution of survey days is not known in advance, though we assume that the planned 5 days of source operation would occur contiguously. Take estimates for each species are based on the time period that produces the greatest value.

bp

Bp plans to conduct a 3D OBN and distributed acoustic sensing (DAS) survey in the Garden Banks and Walker Ridge areas, with water depths ranging from approximately 700 to 2,400 m. See section F of the LOA application for a map of the area. Bp anticipates using a single source vessel towing a triple source airgun array. Each source would have a maximum of 28 elements, and total volume up to 5,110 in³. Please see the LOA application for additional details.

Consistent with the preamble to the final rule, the survey effort proposed by bp in its LOA request was used to develop LOA-specific take estimates based on the acoustic exposure modeling results described in the preamble (91 FR 20784, April 17, 2026). In order to generate the appropriate take number for authorization, the following information was considered: (1) survey type; (2) location (by modeling zone ⁱ); (3) number of days; (4) source; and (5) month.ⁱⁱ In this case, because bp plans to use up to a 5,110 in³ airgun array, the 5,110 in³ airgun array proxy was

selected. The acoustic exposure modeling performed in support of the rule provides 24-hour exposure estimates for each species, specific to each modeled source and survey type in each zone and month.

No 3D OBN or DAS surveys were included in the modeled survey types, and use of existing proxies (*i.e.*, 2D, 3D NAZ, 3D WAZ, Coil) is generally conservative for use in evaluation of 3D OBN or DAS survey effort, largely due to the greater area covered by the modeled proxies. Summary descriptions of these modeled survey geometries are available in the preamble to the proposed rule (91 FR 9014, 9018, February 24, 2026). Coil was selected as the best available proxy survey type in this case because the spatial coverage of the planned survey is most similar to the coil survey pattern. The planned survey will involve a single source vessel, with total survey area coverage of approximately 2,321 kilometers squared (km²), similar to that assumed for the coil survey proxy of 3,364 km². Among the different parameters of the modeled survey patterns (*e.g.*, area covered, line spacing, number of sources, shot interval, total simulated pulses), NMFS considers area covered per day to be most influential on daily modeled exposures exceeding Level B harassment criteria. Although bp is not proposing to perform a survey using the coil geometry, the coil proxy is most representative of the effort planned by bp in terms of predicted Level B harassment exposures.

The survey is estimated to include 106 days of sound source operation, with 69 days planned in Zone 5 and 37 days planned in Zone 7. The monthly distribution of survey days is not known in advance, though we assume that the planned 106 days of source operation would occur contiguously. Take estimates for each species are based on the time period that produces the greatest value.

For the Rice’s whale, take estimates based on the modeling yielded results that are not realistically likely to occur when considered in light of other relevant information concerning Rice’s whale habitat preferences considered during the rulemaking process. NMFS’ 2026 proposed rule provided detailed discussion regarding Rice’s whale habitat (see, *e.g.*, 91 FR 9014, 9026, February 24, 2026). In summary, recent survey data, sightings, and acoustic data support Rice’s whale occurrence in waters throughout the GOA between approximately 100 m and 400 m depth along the continental shelf break, and associated habitat-based density modeling has identified similar habitat

(i.e., approximately 100 to 400 m water depths along the continental shelf break) as being Rice's whale habitat (Garrison *et al.*, 2023; Soldevilla *et al.*, 2022, 2024).

Although Rice's whales may occur outside of the general depth range expected to provide suitable habitat, we expect that any such occurrence would be rare. Bp's planned activities will occur in water depths of approximately 1,400 to 3,200 m in the central GOA. Thus, NMFS does not expect that take of Rice's whale is likely in association with this survey and, accordingly, does not authorize take of Rice's whale through the LOA.

Viridien

Viridien plans to conduct a long offset sparse OBN survey over 1,061 lease blocks in the Central GOA, with water depths ranging from approximately 600 to 1,500 m. See section F of the LOA application for a map of the area.

Viridien anticipates using two dual-source vessels and would preferentially use the low-frequency TPS. Alternatively, Viridien may use a conventional airgun array source consisting of 42 elements with a total volume of 5,220 in³. Please see Viridien's application for additional details.

The TPS was not included in the acoustic exposure modeling developed in support of the rule. However, the TPS was previously described and evaluated in support of previous LOAs and we rely on those analyses here (86 FR 37309, 37310, July 15, 2021; 87 FR 55790, 55791, September 12, 2022). For additional details regarding sources, see section C of the LOA application. Based on this information we have determined there will be no effects of a magnitude or intensity different from those evaluated in support of the rule. NMFS therefore expects that use of modeling results supporting the final rule relating to use of airgun arrays is expected to be conservative as a proxy for use in evaluating potential impacts of use of the TPS.

Consistent with the preamble to the final rule, the survey effort proposed by Viridien in its LOA request was used to develop LOA-specific take estimates based on the acoustic exposure modeling results described in the preamble (91 FR 20784, April 17, 2026). In order to generate the appropriate take number for authorization, the following information was considered: (1) survey type; (2) location (by modeling zoneⁱ); (3) number of days; (4) source; and (5) month.ⁱⁱ To determine the most appropriate proxy array from the exposure modeling, the directionally

dependent source level in a plane parallel to the sea surface was compared to the three airgun array sources which were originally modeled, including the 4,130, 5,110, and 8,000 in³ arrays. Out of these three proxies, the source which had the smallest relative error (arithmetic mean difference taken over the azimuthal or vessel bearing angle) was chosen as the most representative proxy. In this case, the 5,110 in³ had the lowest mean error (0.3 dB) and was the airgun array proxy that was selected. In this case, because Viridien may also elect to use the specified 42-element, 5,220 in³ airgun array source, this was used to determine the appropriate proxy. The acoustic exposure modeling performed in support of the rule provides 24-hour exposure estimates for each species, specific to each modeled source and survey type in each zone and month.

No OBN surveys were included in the modeled survey types, and use of existing proxies (i.e., 2D, 3D NAZ, 3D WAZ, Coil) is generally conservative for use in evaluation of 3D OBN survey effort, largely due to the greater area covered by the modeled proxies. Summary descriptions of these modeled survey geometries are available in the preamble to the proposed rule (91 FR 9014, 9018, February 24, 2026). Coil was selected as the best available proxy survey type in this case because the spatial coverage of the planned survey is most similar to the coil survey pattern. The planned OBN survey will involve two source vessels sailing along closely spaced survey lines, with daily survey area coverage of approximately 144 km² per day, similar to that assumed for the coil survey proxy. Among the different parameters of the modeled survey patterns (e.g., area covered, line spacing, number of sources, shot interval, total simulated pulses), NMFS considers area covered per day to be most influential on daily modeled exposures exceeding Level B harassment criteria. Although Viridien is not proposing to perform a survey using the coil geometry, the coil proxy is most representative of the effort planned by Viridien in terms of predicted Level B harassment exposures.

The survey will take place over approximately 115 days with 65 days of sound source operation, including 55 days in Zone 6 and 10 days in Zone 7. The monthly distribution of survey days is not known in advance, though we assume that the planned 65 days of source operation would occur contiguously. Take estimates for each species are based on the time period that produces the greatest value.

For the Rice's whale, take estimates based on the modeling yielded results that are not realistically likely to occur when considered in light of other relevant information concerning Rice's whale habitat preferences considered during the rulemaking process. NMFS' 2026 proposed rule provided detailed discussion regarding Rice's whale habitat (see, e.g., 91 FR 9014, 9026, February 24, 2026). In summary, recent survey data, sightings, and acoustic data support Rice's whale occurrence in waters throughout the GOA between approximately 100 m and 400 m depth along the continental shelf break, and associated habitat-based density modeling has identified similar habitat (i.e., approximately 100 to 400 m water depths along the continental shelf break) as being Rice's whale habitat (Garrison *et al.*, 2023; Soldevilla *et al.*, 2022, 2024).

Although Rice's whales may occur outside of the general depth range expected to provide suitable habitat, we expect that any such occurrence would be rare. Viridien's planned activities will occur in water depths of approximately 600 to 1,500 m in the central GOA. Thus, NMFS does not expect that take of Rice's whale is likely in association with this survey and, accordingly, does not authorize take of Rice's whale through the LOA.

LLOG

LLOG plans to conduct survey effort at multiple platform locations in the GOA. Survey effort could be conducted as Zero Offset, Offset, or Walkaway vertical seismic profile (VSP), Salt Proximity Survey, and/or Checkshot surveys. Water depths at the locations where LLOG plans to conduct survey effort range from approximately 366 to 2,300 m. LLOG plans to use either a 12-element, 2,400 in³ airgun array, or a 6-element, 1,500 in³ airgun array.

Consistent with the preamble to the final rule, the survey effort proposed by LLOG in its LOA request was used to develop LOA-specific take estimates based on the acoustic exposure modeling results described in the preamble (91 FR 20784, April 17, 2026). In order to generate the appropriate take number for authorization, the following information was considered: (1) survey type; (2) location (by modeling zoneⁱ); (3) number of days; (4) source; and (5) month.ⁱⁱ In this case, the 4,130 in³ airgun array was selected. This proxy selection represents the least impactful modeled airgun array but remains conservative for purposes of evaluating LLOG's planned survey effort (i.e., maximum 12-element, 2,400 in³ array). The acoustic exposure modeling

performed in support of the rule provides 24-hour exposure estimates for each species, specific to each modeled source and survey type in each zone and month.

No VSP surveys were included in the modeled survey types, and use of existing proxies (*i.e.*, 2D, 3D NAZ, 3D WAZ, Coil) is generally conservative for use in evaluation of VSP survey effort, largely due to the greater area covered by the modeled proxies. Summary descriptions of these modeled survey geometries are available in the preamble to the proposed rule (91 FR 9014, 9018, February 24, 2026). Coil was selected as the best available proxy survey type in this case because the spatial coverage of the new survey activity is most similar to the coil survey pattern.

For the survey activity, the seismic source array will be deployed in one of the following forms: Zero Offset VSP—deployed from a drilling rig at or near the borehole, with the seismic receivers (*i.e.*, geophones) deployed in the borehole on wireline at specified depth intervals; Offset VSP—in a fixed position deployed from a supply vessel on an offset position; Walkaway VSP—attached to a line, or a series of lines, towed by a supply vessel; 3D VSP—source moves along a spiral or line swaths towed by a supply vessel; Salt-Proximity—consists typically of a combination of both Zero Offset VSP plus a fixed Offset VSP; or Checkshot—similar to Zero Offset VSP, typically hung from a platform and a sensor placed at a few depths in the well, where only the first energy arrival is recorded. The coil survey pattern in the model was assumed to cover approximately 144 km² per day (compared with approximately 795 km², 199 km², and 845 km² per day for the 2D, 3D NAZ, and 3D WAZ survey patterns, respectively). Among the different parameters of the modeled survey patterns (*e.g.*, area covered, line spacing, number of sources, shot interval, total simulated pulses), NMFS considers area covered per day to be

most influential on daily modeled exposures exceeding Level B harassment criteria. Because LLOG's planned survey is expected to cover no additional area as a stationary source, the coil proxy is most representative of the effort planned by LLOG in terms of predicted Level B harassment.

The survey will take place over approximately 26 days total, including 9 days in zone 5, 9 days in zone 6, and 8 days in zone 7. The monthly distribution of survey days is not known in advance. Take estimates for each species are based on the month that produces the greatest value.

Based on the results of our analysis, NMFS has determined that the level of taking expected for each survey and authorized through each of the LOAs is consistent with the findings made for the total taking allowable under the regulations. See table 1 in this notice and table 7 of the rule (91 FR 20784, April 17, 2026).

Small Numbers Determination

Under the rule, NMFS may not authorize incidental take of marine mammals in an LOA if it will exceed "small numbers." In short, when an acceptable estimate of the individual marine mammals taken is available, if the estimated number of individual animals taken is up to, but not greater than, one-third of the best available abundance estimate, NMFS will determine that the numbers of marine mammals taken of a species or stock are small (see 91 FR 20784, April 17, 2026). For more information please see NMFS' discussion of small numbers in the 2026 final rule (91 FR 20784, April 17, 2026).

For WesternGeco's, bp's, Viridien's and LLOG's respective surveys, the take numbers for authorization are determined as described above in the Summary of Request and Analysis section. Subsequently, the total incidents of harassment for each species are multiplied by scalar ratios (except in the cases where the take estimate has been rounded up to reflect a group size)

to produce a derived product that better reflects the number of individuals likely to be taken within a survey (as compared to the total number of instances of take), accounting for the likelihood that some individual marine mammals may be taken on more than 1 day (see 91 FR 20784, April 17, 2026). The output of this scaling, where appropriate, is incorporated into adjusted total take estimates that are the basis for NMFS' small numbers determinations, as depicted in table 1–4.

This product is used by NMFS in making the necessary small numbers determinations through comparison with the best available abundance estimates (see discussion at 91 FR 20784, 20812, April 17, 2026). For this comparison, NMFS' approach is to use the maximum theoretical population, determined through review of current stock assessment reports (SAR; <https://www.fisheries.noaa.gov/national/marine-mammal-protection/marine-mammal-stock-assessments>) and model-predicted abundance information (<https://seamap.env.duke.edu/models/SEFSC/GOM/>). Information supporting the small numbers determinations is provided in tables 1–4.

For TGS' and FEC's respective surveys, the take numbers for authorization, determined as described above in the Summary of Request and Analysis section, are used by NMFS in making the necessary small numbers determinations, through comparison with the best available abundance estimates (see discussion at 91 FR 20784, 20812, April 17, 2026). For this comparison, NMFS' approach is to use the maximum theoretical population, determined through review of current SARs (<https://www.fisheries.noaa.gov/national/marine-mammal-protection/marine-mammal-stock-assessments>) and model-predicted abundance information (<https://seamap.env.duke.edu/models/SEFSC/GOM/>). Information supporting the small numbers determinations is provided in table 5–6.

TABLE 1—WESTERNGECO SURVEY TAKE ANALYSIS ¹

Species	Authorized take	Scaled take ¹	Abundance ²	Percent abundance
Rice's whale	0	.....	51	n/a
Sperm whale	527	223	2,451	9.1
<i>Kogia</i> spp.	³ 268	79.6	1,385	7.2
Beaked whales	421	43	1,038	4.1
Rough-toothed dolphin	1,200	344	4,853	7.1
Bottlenose dolphin	336	96	166,538	0.1
Clymene dolphin	488	140	6,136	2.3
Atlantic spotted dolphin	99	28	21,506	0.1
Pantropical spotted dolphin	18,955	5,440	50,209	10.8
Spinner dolphin	239	69	2,991	2.3
Striped dolphin	2,074	595	16,102	3.7

TABLE 1—WESTERNGECO SURVEY TAKE ANALYSIS ¹—Continued

Species	Authorized take	Scaled take ¹	Abundance ²	Percent abundance
Fraser's dolphin	545	156	1,665	9.4
Risso's dolphin	256	75	1,974	3.8
Blackfish ⁴	2,122	626	9,535	6.6
Short-finned pilot whale	130	39	3,277	1.2

¹ Scalar ratios were applied to "Authorized Take" values as described at 91 FR 20784 (April 17, 2026) to derive scaled take numbers shown here.

² Best abundance estimate. For most taxa, the best abundance estimate for purposes of comparison with take estimates is considered here to be the model-predicted abundance (Garrison *et al.*, 2023). For Rice's whale, Atlantic spotted dolphin, spinner dolphin, and Risso's dolphin, the estimated SAR abundance estimate is used.

³ Includes 20 takes by Level A harassment and 248 takes by Level B harassment. Scalar ratio is applied to takes by Level B harassment only; small numbers determination made on basis of scaled Level B harassment take plus authorized Level A harassment take.

⁴ The "blackfish" guild includes melon-headed whales, false killer whales, pygmy killer whales, and killer whales.

TABLE 2—bp SURVEY TAKE ANALYSIS ¹

Species	Authorized take	Scaled take ¹	Abundance ²	Percent abundance
Rice's whale	0	.....	51	n/a
Sperm whale	816	345	2,451	14.1
<i>Kogia</i> spp	³ 271	82	1,385	7.1
Beaked whales	1,376	139	1,038	13.4
Rough-toothed dolphin	2,037	585	4,853	12.0
Bottlenose dolphin	1,895	544	166,538	0.3
Clymene dolphin	718	206	6,136	3.4
Atlantic spotted dolphin	562	161	21,506	0.8
Pantropical spotted dolphin	21,781	6,251	50,209	12.5
Spinner dolphin	385	111	2,991	3.7
Striped dolphin	2,736	785	16,102	4.9
Fraser's dolphin	795	228	1,665	13.7
Risso's dolphin	548	162	1,974	8.2
Blackfish ⁴	3,057	902	9,535	9.5
Short-finned pilot whale	760	224	3,277	6.8

¹ Scalar ratios were applied to "Authorized Take" values as described 91 FR 20784, 20818 (April 17, 2026) to derive scaled take numbers shown here.

² Best abundance estimate. For most taxa, the best abundance estimate for purposes of comparison with take estimates is considered here to be the model-predicted abundance (Garrison *et al.*, 2023). For Rice's whale, Atlantic spotted dolphin, spinner dolphin, and Risso's dolphin, the estimated SAR abundance estimate is used.

³ Includes 17 takes by Level A harassment and 254 takes by Level B harassment. Scalar ratio is applied to takes by Level B harassment only; small numbers determination made on basis of scaled Level B harassment take plus authorized Level A harassment take.

⁴ The "blackfish" guild includes melon-headed whales, false killer whales, pygmy killer whales, and killer whales.

TABLE 3—VIRIDIEN SURVEY TAKE ANALYSIS ¹

Species	Authorized take	Scaled take ¹	Abundance ²	Percent abundance
Rice's whale	0	.....	51	n/a
Sperm whale	504	213	2,451	8.7
<i>Kogia</i> spp	³ 219	66	1,385	2.0
Beaked whales	209	21	1,038	2.0
Rough-toothed dolphin	1,322	379	4,853	7.8
Bottlenose dolphin	1,738	499	166,538	0.3
Clymene dolphin	2,373	681	6,136	11.1
Atlantic spotted dolphin	2,938	843	21,506	3.9
Pantropical spotted dolphin	10,936	3,139	50,209	6.3
Spinner dolphin ⁴	152	.....	2,991	1.1
Striped dolphin	2,154	10	16,102	3.8
Fraser's dolphin	533	153	1,665	9.2
Risso's dolphin	360	106	1,974	5.4
Blackfish ⁵	3,742	1,104	9,535	11.6
Short-finned pilot whale	1,811	534	3,277	16.3

¹ Scalar ratios were applied to "Authorized Take" values as described at 91 FR 20784, 20818 (April 17, 2026) to derive scaled take numbers shown here.

² Best abundance estimate. For most taxa, the best abundance estimate for purposes of comparison with take estimates is considered here to be the model-predicted abundance (Garrison *et al.*, 2023). For Rice's whale, Atlantic spotted dolphin, spinner dolphin, and Risso's dolphin, the estimated SAR abundance estimate is used.

³ Includes 13 takes by Level A harassment and 206 takes by Level B harassment. Scalar ratio is applied to takes by Level B harassment only; small numbers determination made on basis of scaled Level B harassment take plus authorized Level A harassment take.

⁴ Modeled take of 34 increased to account for potential encounter with a group of average size (Maze-Foley and Mullin, 2006)

⁵ The "blackfish" guild includes melon-headed whales, false killer whales, pygmy killer whales, and killer whales.

TABLE 4—LLOG SURVEY TAKE ANALYSIS ¹

Species	Authorized take	Scaled take ¹	Abundance— ²	Percent abundance
Rice's whale	0	.....	51	n/a
Sperm whale	194	82	2,451	3.3
<i>Kogia</i> spp	³ 86	26	1,385	2.2
Beaked whales	343	35	1,038	3.3
Rough-toothed dolphin	500	144	4,853	3.0
Bottlenose dolphin	547	157	166,538	0.1
Clymene dolphin	709	203	6,136	3.3
Atlantic spotted dolphin	526	151	21,506	0.7
Pantropical spotted dolphin	4,970	1,426	50,209	2.8
Spinner dolphin ⁴	152	.....	2,991	5.1
Striped dolphin	1,265	363	16,102	2.3
Fraser's dolphin	199	57	1,665	3.4
Risso's dolphin	143	42	1,974	2.1
Blackfish ⁵	1,390	410	9,535	4.3
Short-finned pilot whale	380	112	3,277	3.4

¹ Scalar ratios were applied to "Authorized Take" values as described at 91 FR 20784, 20818 (April 17, 2026) to derive scaled take numbers shown here.

² Best abundance estimate. For most taxa, the best abundance estimate for purposes of comparison with take estimates is considered here to be the model-predicted abundance (Garrison *et al.*, 2023). For Rice's whale, Atlantic spotted dolphin, spinner dolphin, and Risso's dolphin, the estimated SAR abundance estimate is used.

³ Includes 5 takes by Level A harassment and 81 takes by Level B harassment. Scalar ratio is applied to takes by Level B harassment only; small numbers determination made on basis of scaled Level B harassment take plus authorized Level A harassment take.

⁴ Modeled take of 66 increased to account for potential encounter with a group of average size (Maze-Foley and Mullin, 2006)

⁵ The "blackfish" guild includes melon-headed whales, false killer whales, pygmy killer whales, and killer whales.

TABLE 5—TGS SURVEY TAKE ANALYSIS ¹

Species	Authorized take	Abundance ²	Percent abundance
Rice's whale	0	51	n/a
Sperm whale	105	2,451	4.3
<i>Kogia</i> spp	³ 39	1,385	2.8
Beaked whales	35	1,038	3.4
Rough-toothed dolphin	341	4,853	7.0
Bottlenose dolphin	389	166,538	0.2
Clymene dolphin	469	6,136	7.6
Atlantic spotted dolphin	794	21,506	3.7
Pantropical spotted dolphin	1441	50,209	2.9
Spinner dolphin	⁴ 152	2,991	5.1
Striped dolphin	220	16,102	1.4
Fraser's dolphin	137	1,665	8.2
Risso's dolphin	39	1,974	2.0
Blackfish ⁵	773	9,535	8.1
Short-finned pilot whale	265	3,277	8.1

¹ Scalar ratios were not applied in this case due to brief survey duration.

² Best abundance estimate. For most taxa, the best abundance estimate for purposes of comparison with take estimates is considered here to be the model-predicted abundance (Garrison *et al.*, 2023). For Rice's whale, Atlantic spotted dolphin, spinner dolphin, and Risso's dolphin, the estimated SAR abundance estimate is used.

³ Includes 2 takes by Level A harassment and 37 takes by Level B harassment. Scalar ratio is applied to takes by Level B harassment only; small numbers determination made on basis of authorized Level B harassment take plus authorized Level A harassment take.

⁴ Modeled take of 1 increased to account for potential encounter with a group of average size (Maze-Foley and Mullin, 2006)

⁵ The "blackfish" guild includes melon-headed whales, false killer whales, pygmy killer whales, and killer whales.

TABLE 6—FEC SURVEY TAKE ANALYSIS ¹

Species	Authorized take	Abundance ²	Percent abundance
Rice's whale	0	51	n/a
Sperm whale	0	2,451	n/a
<i>Kogia</i> spp.	0	1,385	n/a
Beaked whales	0	1,038	n/a
Rough-toothed dolphin	14	4,853	0.1
Bottlenose dolphin	1,570	166,538	0.9
Clymene dolphin	0	6,136	n/a
Atlantic spotted dolphin	95	21,506	0.4
Pantropical spotted dolphin	0	50,209	n/a
Spinner dolphin	0	2,991	n/a
Striped dolphin	0	16,102	n/a
Fraser's dolphin	0	1,665	n/a

TABLE 6—FEC SURVEY TAKE ANALYSIS ¹—Continued

Species	Authorized take	Abundance ²	Percent abundance
Risso's dolphin	0	1,974	n/a
Blackfish ³	0	9,535	n/a
Short-finned pilot whale	0	3,277	n/a

¹ Scalar ratios were not applied in this case due to brief survey duration.

² Best abundance estimate. For most taxa, the best abundance estimate for purposes of comparison with take estimates is considered here to be the model-predicted abundance (Garrison *et al.*, 2023). For Rice's whale, Atlantic spotted dolphin, spinner dolphin, and Risso's dolphin, the estimated SAR abundance estimate is used.

³ The "blackfish" guild includes melon-headed whales, false killer whales, pygmy killer whales, and killer whales.

Based on the analysis contained herein of WesternGeco's, TGS', FEC's, bp's, Viridien's, and LLOG's planned survey activities described in their respective LOA applications and the anticipated take of marine mammals, NMFS finds that for each LOA small numbers of marine mammals will be taken relative to the affected species or stock sizes (*i.e.*, less than one-third of the best available abundance estimate) and therefore the taking is of no more than small numbers for each LOA.

Authorization

NMFS has determined that the level of taking for each LOA request is consistent with the findings made for the total taking allowable under the incidental take regulations and that the amount of take authorized under each LOA is of no more than small numbers. Accordingly, we have issued LOAs to WesternGeco, TGS, FEC, bp, Viridien, and LLOG, authorizing the take of marine mammals incidental to its geophysical survey activity, as described above.

Dated: May 4, 2026.

Kimberly Damon-Randall,

*Director, Office of Protected Resources,
National Marine Fisheries Service.*

Endnotes

ⁱ For purposes of acoustic exposure modeling, the GOA was divided into seven zones. Zone 1 is not included in the geographic scope of the rule.

ⁱⁱ Acoustic propagation modeling was performed for two seasons: Winter (December–March) and Summer (April–November). Marine mammal density data is generally available on a monthly basis, and therefore further refines take estimates temporally.

[FR Doc. 2026–09060 Filed 5–6–26; 8:45 am]

BILLING CODE 3510–22–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

Science Advisory Board

AGENCY: National Oceanic and Atmospheric Administration (NOAA), Department of Commerce (DOC).

ACTION: Notice of public meeting.

SUMMARY: This notice sets forth a new schedule and proposed agenda for a meeting of the NOAA Science Advisory Board (SAB) that will take place on June 4, 2026. During this meeting members will discuss issues outlined in the section on Matters to be Considered.

DATES: The meeting is scheduled for June 4, 2026, from 10:00 a.m. to 3:00 p.m. Eastern Time ET. The time and the agenda topics described below are subject to change. For the latest agenda please refer to the SAB website: <https://sab.noaa.gov/current-meetings/>.

ADDRESSES: The June 4, 2026 meeting will take place virtually. The link for the meeting will be posted, when available, on the SAB website: <https://sab.noaa.gov/current-meetings/>.

FOR FURTHER INFORMATION CONTACT:

Casey Stewart, Executive Director, SSMC3, Room 11360, 1315 East-West Hwy., Silver Spring, MD 20910; Phone Number: 240–381–0833; Email: noaa.scienceadvisoryboard@noaa.gov; or visit the SAB website at <https://sab.noaa.gov/current-meetings/>.

SUPPLEMENTARY INFORMATION: The NOAA's Science Advisory Board (SAB) was originally established by a Decision Memorandum dated September 25, 1997. In 2017, the SAB became a non-discretionary committee when Congress mandated that the SAB shall continue to maintain two specific subcommittees [Weather Research and Forecasting Innovation Act of 2017 (Pub. L. 115–25) §§ 401, 508]. The SAB is the only Federal Advisory Committee with responsibility to advise the Under Secretary of Commerce for Oceans and Atmosphere on long- and short-range strategies for research, education and

the application of science to resource management and environmental assessment and prediction. SAB activities and advice provide necessary input to ensure that National Oceanic and Atmospheric Administration (NOAA) science programs are of the highest quality and provide optimal support to resource management.

Status: The June 4, 2026, meeting will be open to public participation with a 20-minute public comment period at time allocated on the published agenda. Public statements presented at the meeting should not be repetitive of previously submitted verbal or written statements. In general, each individual or group making a verbal presentation will be limited to a total time of three minutes. Written comments for the June 4, 2026 meeting should be received by the SAB Executive Director's Office (noaa.scienceadvisoryboard@noaa.gov) by June 1, 2026 to provide sufficient time for SAB review. Written comments received by the SAB Executive Director after this date will be distributed to the SAB, but may not be reviewed prior to the meeting date.

Special Accommodations: This meeting is accessible to people with disabilities. Requests for special accommodations may be directed to the SAB Executive Director no later than 12:00 p.m. EDT on June 1, 2026.

Matters to be Considered: The meeting on June 4, 2026 will include the following topic(s): (1) A consent calendar for approval of the March 10–11, Minutes, (2) Working groups reports on several different topics for approval and submission to NOAA, (3) and review of the NOAA Cooperative Institute Review for Cooperative Institute for Climate, Ocean, & Ecosystem Studies (CICOES) and the Cooperative Institute for Research to Operations in Hydrology (CIROH) scientific programs.

Meeting materials, including work products, will also be available on the

SAB website: <https://sab.noaa.gov/current-meetings/>.

Nikola M. Garber,

Deputy Director, National Sea Grant College Program, Office of Oceanic and Atmospheric Research, National Oceanic and Atmospheric Administration.

[FR Doc. 2026-09062 Filed 5-6-26; 8:45 am]

BILLING CODE 3510-KD-P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

[RTID 0648-XF762]

Fisheries of the South Atlantic; South Atlantic Fishery Management Council—Public Meeting

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

ACTION: Meeting of the South Atlantic Fishery Management Council's Citizen Science Operations Advisory Panel via webinar.

SUMMARY: The South Atlantic Fishery Management Council (Council) will hold a meeting of its Citizen Science Operations Advisory Panel (AP) via webinar on June 4, 2026.

DATES: The Citizen Science Operations AP meeting will be held via webinar on Thursday, June 4, 2026, from 1 p.m. until 4 p.m.

ADDRESSES: Meeting address: The meeting will be held via webinar and is open to the public. Webinar registration information and additional meeting details are available from the Council's website at: <https://safmc.net/events/june-2026-citizen-science-operations-ap-meeting/>. There will be an opportunity for public comment at the beginning of the meeting. Council address: South Atlantic Fishery Management Council, 4055 Faber Place Drive, Suite 201, N Charleston, SC 29405.

FOR FURTHER INFORMATION CONTACT: Julia Byrd, Citizen Science Program Manager, SAFMC; phone 843/302-8439 or toll free 866/SAFMC-10; FAX 843/769-4520; email: julia.byrd@safmc.net.

SUPPLEMENTARY INFORMATION: The Citizen Science Operations AP serves as advisors to the Council's Citizen Science Program. AP members include representatives from the Council's Citizen Science Advisory Panel Pool, NOAA Fisheries' Southeast Regional Office, NOAA Fisheries' Southeast Fisheries Science Center, and the Council's Science and Statistical

Committee. Their responsibilities include developing programmatic recommendations, reviewing policies, providing program direction/multi-partner support, identifying citizen science research needs, and providing general advice. Agenda items for this meeting include: a Citizen Science Program and Project update; discussion on tracking and sharing the Citizen Science Program Indicators; discussion on Citizen Science Program growth; and Operations AP membership reappointments and applications; and other business.

Special Accommodations: The meeting is physically accessible to people with disabilities. Requests for auxiliary aids should be directed to the council office (see **ADDRESSES**) 5 days prior to the meeting.

Note: The times and sequence specified in this agenda are subject to change.

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

Dated: May 5, 2026.

Rey Israel Marquez,

Acting Deputy Director, Office of Sustainable Fisheries, National Marine Fisheries Service.

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DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

[RTID 0648-XE974]

Takes of Marine Mammals Incidental to Specified Activities; Taking Marine Mammals Incidental to S50S/LNG and S499 Bulkheads Replacement Project at Naval Station Newport, Rhode Island

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

ACTION: Notice; proposed incidental harassment authorizations; request for comments on proposed authorizations and possible renewals.

SUMMARY: NMFS has received a request from the United States Navy (Navy) for authorization to take marine mammals incidental to construction activities associated with the S50S/LNG and S499 Bulkheads Replacement Project at Naval Station (NAVSTA) Newport, Rhode Island (RI). Pursuant to the Marine Mammal Protection Act (MMPA), NMFS is requesting comments on its proposal to issue two consecutive 1-year incidental harassment authorizations (IHAs) to incidentally take marine mammals during the specified activities. NMFS is also requesting comments on

possible one-time, 1-year renewals for each IHA that could be issued under certain circumstances and if all requirements are met, as described in the Request for Public Comments section at the end of this notice. NMFS will consider public comments prior to making any final decision on the issuance of the requested MMPA authorizations.

DATES: Comments and information must be received no later than June 8, 2026.

ADDRESSES: Comments should be addressed to the Permits and Conservation Division, Office of Protected Resources, NMFS and should be submitted via email to ITP.esch@noaa.gov. Electronic copies of the application and supporting documents, as well as a list of the references cited in this document, may be obtained online at: <https://www.fisheries.noaa.gov/national/marine-mammal-protection/incidental-take-authorizations-construction-activities>. In case of problems accessing these documents, please call the contact listed below.

Instructions: NMFS is not responsible for comments sent by any other method, to any other address or individual, or received after the end of the comment period. Comments, including all attachments, must not exceed a 25-megabyte file size. All comments received are a part of the public record and will generally be posted online at <https://www.fisheries.noaa.gov/permit/incidental-take-authorizations-under-marine-mammal-protection-act> without change. All personal identifying information (e.g., name, address) voluntarily submitted by the commenter may be publicly accessible. Do not submit confidential business information or otherwise sensitive or protected information.

FOR FURTHER INFORMATION CONTACT:

Carter Esch, Office of Protected Resources, NMFS (301) 427-8401.

SUPPLEMENTARY INFORMATION:

Background

The MMPA prohibits the "take" of marine mammals, with certain exceptions. Section 101(a)(5)(A) and (D) of the MMPA (16 U.S.C. 1361 *et seq.*) directs the Secretary of Commerce (as delegated to NMFS) to allow, upon request, the incidental, but not intentional, taking of small numbers of marine mammals by U.S. citizens who engage in a specified activity (other than commercial fishing) within a specified geographical region if certain findings are made and either regulations are proposed or, if the taking is limited to

harassment, a notice of a proposed IHA is provided to the public for review.

Authorization for incidental takings shall be granted if NMFS finds that the taking will have a negligible impact on the species or stock(s) and will not have an unmitigable adverse impact on the availability of the species or stock(s) for taking for subsistence uses (where relevant). Further, NMFS must prescribe the permissible methods of taking; other “means of effecting the least practicable adverse impact” on the affected species or stocks and their habitat, paying particular attention to rookeries, mating grounds, and areas of similar significance, and on the availability of the species or stocks for taking for certain subsistence uses (referred to as “mitigation”); and requirements pertaining to the monitoring and reporting of the takings. The definitions of all applicable MMPA statutory terms used above are included in the relevant sections below (see also 16 U.S.C. 1362; 50 CFR 216.3, 216.103).

National Environmental Policy Act

To comply with the National Environmental Policy Act of 1969 (NEPA; 42 U.S.C. 4321 *et seq.*) and NOAA Administrative Order (NAO) 216–6A, NMFS must review our proposed action (*i.e.*, the issuance of an IHA) with respect to potential impacts on the human environment.

These actions are consistent with categories of activities identified in Categorical Exclusion B4 (IHAs with no anticipated serious injury or mortality) of the Companion Manual for NAO 216–6A, which do not individually or cumulatively have the potential for significant impacts on the quality of the human environment and for which we have not identified any extraordinary circumstances that would preclude this categorical exclusion. Accordingly, NMFS has preliminarily determined that the issuance of the proposed IHAs qualifies to be categorically excluded from further NEPA review.

Summary of Request

Bulkhead S50S/LNG and Bulkhead S499 were part of a previously designed multi-section bulkhead repair/replacement project for which NMFS issued incidental take regulations (ITRs) and a Letter of Authorization (LOA) authorizing incidental take of marine mammals, effective from May 15, 2022, through May 14, 2027 (86 FR 71162, December 15, 2021). Subsequently, the Navy requested a modification to the LOA, which was issued on January 25, 2023 (88 FR 5856, January 30, 2023). The Bulkhead S50S/LNG and Bulkhead S499 project has again been redesigned, including addition of components that were not analyzed under the currently effective ITRs and LOA, and construction is planned to extend beyond the effective period of the LOA, from September 1, 2026, to May 31, 2029. Therefore, on March 21, 2025, the Navy submitted a new request for incidental take authorization of marine mammals incidental to construction activities supporting the redesigned S50S/LNG and S499 Bulkheads Replacement Project at NAVSTA in Newport, RI, over the course of approximately 2 years.

Following NMFS’ review of the application draft and associated discussions, the Navy submitted a revised version of the application on August 21, 2025. NMFS coordinated with the Navy to conduct revised modeling incorporating NMFS’ updated source level proxy values for construction activities and, on April 10, 2026, the application was deemed adequate and complete. The Navy’s request is for authorization to take seven species of marine mammals by Level B harassment and, for five of these species, Level A harassment. Neither the Navy nor NMFS expect serious injury or mortality to result from this activity, therefore, an IHA is appropriate.

NMFS previously issued other ITAs for similar activities at NAVSTA Newport, including an IHA (87 FR

78072, December 21, 2022) and renewal IHA (90 FR 11400, March 6, 2025) to the Navy on behalf of NOAA’s Office of Marine and Aviation Operations for a construction project associated with the relocation of NOAA’s research vessels to NAVSTA Newport. More recently, NMFS issued an IHA to the Navy for the Pier 171 Repair and Replacement project (90 FR 57953, December 15, 2025) and the USCG Offshore Patrol Cutter Homeporting project (91 FR 16650, April 2, 2026). The Navy and associated parties have complied with all the requirements (*e.g.*, mitigation, monitoring, and reporting) of the previous ITAs, and information regarding their monitoring results may be found in the Potential Effects of Specified Activities on Marine Mammals and their Habitat section.

Description of the Proposed Activity

Overview

The Navy proposes to replace or repair several sections of deteriorating, unstable, hazardous, and eroding bulkhead, sheet pile, and revetment (approximately 1,160 total linear feet (ft)) along the Coddington Cove waterfront of NAVSTA Newport (figure 1). Over time, the existing storm sewer systems and bulkheads along the Coddington Cove waterfront have severely degraded due to erosion from under-capacity stormwater system piping and aging infrastructure. This impacts the ability of the installation to minimize shoreline erosion and minimize safety risks from associated upland subsidence, while also maintaining potential berthing space. To complete the necessary work to repair and replace the bulkheads over a 2-year period, the Navy plans to use impact pile driving, vibratory pile driving and removal, and down-the-hole (DTH) methods—activities likely to result in the incidental take of marine mammals by Level A harassment and Level B harassment.

BILLING CODE 3510–22–P



Figure 1 -- Proposed Project Area in Coddington Bay at Naval Station (NAVSTA) Newport, RI

BILLING CODE 3510-22-C

Dates and Duration

The Navy anticipates that the bulkhead repair project would occur in two phases, Year 1 and Year 2, over 2 years. The proposed IHAs would each be valid for the statutory maximum of 1 year from the date of effectiveness and will become effective upon written notification from the applicant to NMFS but not beginning later than 1 year from the date of issuance or extending

beyond 2 years from the date of issuance.

The specified activities could occur any time during each project year. A total of 75 days and 57 non-consecutive days of in-water work are planned for Year 1 and Year 2, respectively. The Navy anticipates that all work would be limited to daylight hours (*i.e.*, from 30 minutes before civil dawn to 30 minutes after civil dusk). No in-water activities with the potential to result in incidental

take of marine mammals would occur concurrently.

The Navy has requested issuance of two consecutive IHAs, one for each year of construction activities. Given the similarities in activities between project years, NMFS is issuing a single **Federal Register** notice to solicit public comments on the issuance of the two similar, but separate, IHAs.

Specific Geographic Region

Coddington Cove is a protected embayment on the western side of

Aquidneck Island in Narragansett Bay (figure 1). The cove covers an area of approximately 395 acres (1.6 square kilometers (km²)), receiving partial protection by the Coddington Point mass to the south and a breakwater to the north; however, the northwestern section of the cove is exposed to the open-water conditions of Narragansett Bay. The tides in Coddington Cove are semi-diurnal, with two high tides and two low tides per day.

Proposed specified activities would occur in shallow, near-shore waters (less than 34 ft; 10 meters (m)). Based on a bathymetric survey the Navy conducted between December 2023 and January 2024, water depths generally range between –30 and –40 ft mean lower low water (MLLW) and are, on average, approximately –5 ft MLLW at the proposed Bulkhead S50S/LNG and Bulkhead S499 repair/replacement locations (Haley & Aldrich, Inc., 2024). Water temperature in the Coddington Cove ranges from 36 degrees Fahrenheit (°F; 2 degrees Celsius (°C)) in winter to 68 °F (20 °C) in summer, and salinity in the nearshore areas of Narragansett Bay at NAVSTA Newport ranges between 29.2 and 33.7 parts per thousand (Navy, 2017a). A benthic survey conducted in 2024 indicated substrates primarily consist of mud or gravelly mud, including varying amounts of cobble

and shell debris (Stantec Consulting Services Inc., 2024).

In addition to underwater noise-producing activities at NAVSTA Newport, vessel noise from commercial shipping and recreational traffic in Narragansett Bay contributes to the ambient underwater soundscape in the proposed project area. Underwater noise data collected at the Naval Undersea Warfare Center (NUWC) Division indicated that ambient noise in the project area ranged from approximately 120 to 123 dB referenced to a pressure of 1 micropascal (dB re 1 µPa) root mean square (RMS).

Detailed Description of the Action

The proposed activity would replace two unstable, deteriorating sections of bulkhead—S50S/LNG and S499—along the Coddington Cove waterfront at NAVSTA Newport, RI, thus reestablishing a secure barrier to erosion and eliminating safety hazards. The Navy is required to repair the bulkheads at the direction of the U.S. Environmental Protection Agency to prevent further erosion and migration of contaminated soils from entering Coddington Cove. The project will also demolish the existing T-Pier (figure 1), which has deteriorated and partially collapsed into the water, in its entirety by removing all features and fill down

to an elevation that will match the existing ground line. In addition to the replacement bulkheads, existing stormwater outfalls in the bulkhead repair areas will also be replaced and improved in anticipation of future upgrades to the stormwater system. Demolition of existing T-Pier and stormwater system upgrades include activities that are not likely to result in take of marine mammals; these and other activities such as barge repositioning and grouting are not discussed further.

The activities that have the potential to take marine mammals, by Level A harassment and Level B harassment, include impact pile driving, vibratory pile driving and extraction, and DTH excavation. In total, the Navy anticipates conducting 146 non-consecutive days of in-water construction over approximately 2 years. This total includes 75 planned construction days in Year 1 at the Bulkhead S50S/LNG site, 57 planned construction days in Year 2 for Bulkhead S499 repairs, and approximately 14 additional days to provide flexibility should unexpected delays occur. All work will be limited to daylight construction. Detailed descriptions follow table 1, which summarizes in-water activities by year.

TABLE 1—SUMMARY OF PLANNED CONSTRUCTION ACTIVITIES BY YEAR

Activity	Pile type	Pile size (inches)	Method of pile driving/extraction	Total number of piling events ¹	Maximum number of piles installed/extracted per day	Duration of vibratory driving/extracting or DTH (minutes/pile)	Number of strikes per pile	Total number of construction days
YEAR 1								
Bulkhead S50S/LNG.	Steel sheet pile Z28.	18	Vibratory/Impact	228 (114 Pairs)	8 pairs/day	30	530 Strikes/pile	15
	Steel pipe pile ..	18	Vibratory/Impact	111	8 piles/day	30	1,000 strikes/pile.	15
			DTH ²	11	1 hole/day	300	13 strikes/second.	11
	(Template) steel pipe pile.	18	Vibratory installation/extraction.	68 (4 x 17 moves).	4 piles/day	30	N/A	34
YEAR 2								
Bulkhead S499 ..	Steel Sheet Pile Z26.	18	Vibratory/Impact	166 (83 Pairs) ..	8 pairs/day	30	530 strikes/pile	11
	Steel Pipe Pile	18	Vibratory/Impact	84	8 piles/day	30	1,000 strikes/pile.	11
			DTH ²	9	1 hole/day	300	13 strikes/second.	9
	(Template) Steel pipe pile.	18	Vibratory Installation/Extraction.	52 (4 x 13 moves).	4 piles/day	30	N/A	26

Legend: N/A = not applicable for activity.

¹ A piling event may be a pile installation or extraction.

² DTH excavation may be used to clear boulders and other hard driving conditions for steel pipe piling. DTH excavation will only be used when an obstruction or pile refusal prevents the pile from being advanced to the required penetration depth.

Bulkhead S50S/LNG (Year 1): In its current state, Bulkhead S50S/LNG is

heavily corroded, with extensive associated landside erosion. Repair and

replacement activities would be staged from the existing T-Pier (figures 1–2 and

1–3 in the Navy's ITA application) prior to its demolition. The new bulkhead will run from the return at the south end of the bulkhead north to and across the T-Pier approach and will tie into the adjacent Bulkhead S50N (constructed under a separate project).

Activities include excavation and repair of approximately 650 linear feet of bulkhead and installation of a new deadman-anchored sheet-pile pile combination wall bulkhead. The new structure would consist of a system of 114 interlocking pairs of (18-in) Z-shaped steel sheet piles (228 total sheet piles) and 111 (18-in) steel pipe piles, permanently installed using a vibratory hammer, primarily, and an impact hammer and DTH excavation if the Navy encounters obstructions when attempting to install piles to the target penetration depth. A preliminary drawing showing a typical bulkhead cross section for S50S/LNG is depicted in figure 1–3 of Navy's ITA application. The Navy would use a set of four (18-in) steel pipe piles as a template to assist with installation of the permanent piles. All template piles would be installed temporarily and subsequently removed using vibratory piling methods. Installation of template guide piles, pipe piles, and sheet piles will occur sequentially (not concurrently) in 40-linear foot increments.

The Bulkhead S50S/LNG replacement process would also require modification of existing structures using methods that are not expected to result in harassment of marine mammals. The old bulkhead will be cut down approximately one foot below the elevation of the proposed tie rods. The sheet piles will be tied back laterally via tie rods to a steel sheet pile deadman (*i.e.*, sheet-pile wall and tie-back system) placed landward of the existing sheet-pile wall and deadman system, which will remain in place but will not be utilized by the new construction. The rip rap revetment at the south end of Bulkhead S50S/LNG will be cast aside to clear the drive line to install the replacement bulkhead. After installation of the sheeting, the rip rap will be brought back into place to rebuild the revetment.

Bulkhead S499 (Year 2): Currently, Bulkhead S499 has widespread moderate-to-advanced corrosion across multiple zones, including steel sheet pile and timber planking losses and failed protective coatings. The southerly portion of the existing bulkhead runs beneath Pier 2, thus, the Navy will

employ a phased construction approach to maintain utility services and pedestrian and vehicular access to the pier. Repairs will be staged from a rock revetment north of the existing bulkhead S499, to the south side of Pier 2 (figure 1). The Navy plans to excavate and repair of approximately 510 linear feet of bulkhead, replacing the existing bulkhead with the same type of structure as that planned for Bulkhead S50S/LNG (*i.e.*, steel sheet-pile pile combination wall bulkhead with a tie-back system) using the same methods (*i.e.*, template-assisted installations using primarily a vibratory hammer, and an impact hammer and DTH, where necessary). The new structure would consist of a system of 83 interlocking pairs of (18-in) Z-shaped steel sheet piles (166 total sheet piles) and 84 (18-in) steel pipe piles. A preliminary drawing showing a typical bulkhead cross section for S499 is depicted in figure 1–4 of the Navy's ITA application.

In addition to permanent pile installations, the repair and replacement process would require modifications of existing structures using methods not likely to result in marine mammal harassment (*i.e.*, like those described for Bulkhead S50S/LN). To limit the extent of demolition, the existing bulkhead will only be cut down to the top of an existing concrete repair at the face of the bulkhead. The replacement tie-back system will be installed just above the existing concrete face repair. Existing rip rap along the bulkhead north of Pier 2 will be removed to clear the drive line for installation of the replacement bulkhead. After installation of the sheeting, the rip rap will be brought back into place as toe protection. The pile-supported North Marginal Wharf at Bulkhead S499 will be demolished in its entirety by cutting off the piles below the existing ground line (*i.e.*, using hydraulic cutting shears or similar), an activity that would not produce underwater noise at levels that would rise to the level of take of marine mammals.

Proposed mitigation, monitoring, and reporting measures are described in detail later in this document (please see Proposed Mitigation and Proposed Monitoring and Reporting sections).

Description of Marine Mammals in the Area of Specified Activities

Sections 3 and 4 of the ITA application summarize available

information regarding status and trends, distribution and habitat preferences, and behavior and life history of the potentially affected species. NMFS fully considered all this information, and we refer the reader to these descriptions, instead of reprinting the information. Information regarding population trends and threats for the following species may be found in NMFS' Stock Assessment Reports (SARs; <https://www.fisheries.noaa.gov/national/marine-mammal-protection/marine-mammal-stock-assessments>) and more general information about these species (*e.g.*, physical and behavioral descriptions) may be found on NMFS' website (<https://www.fisheries.noaa.gov/find-species>).

Table 2 lists all species or stocks for which take is expected and proposed to be authorized for this activity and summarizes information related to the population or stock, including regulatory status under the MMPA and Endangered Species Act (ESA) and potential biological removal (PBR), where known. PBR is defined by the MMPA as the maximum number of animals, not including natural mortalities, that may be removed from a marine mammal stock while allowing that stock to reach or maintain its optimum sustainable population (as described in NMFS' SARs). While no mortality or serious injury is anticipated or proposed to be authorized for the Navy's project, PBR and annual mortality and serious injury (M/SI) from anthropogenic sources are included here as gross indicators of the status of the species or stocks and other threats.

Marine mammal abundance estimates presented in this document represent the total number of individuals that make up a given stock or the total number estimated within a particular study or survey area. NMFS' stock abundance estimates for most species represent the total estimate of individuals within the geographic area, if known, that comprises that stock. For some species, this geographic area may extend beyond U.S. waters. All managed stocks in this region are assessed in NMFS' U.S. Atlantic and Gulf of America Marine Mammal Stock Assessments. All values presented in table 2 are the most recent available at the time of publication and are available online at: <https://www.fisheries.noaa.gov/national/marine-mammal-protection/marine-mammal-stock-assessments>.

TABLE 2—SPECIES ¹ LIKELY TO OCCUR NEAR THE PROJECT AREA

Common name	Scientific name	Stock	ESA/ MMPA status; strategic (Y/N) ²	Stock abundance (CV, N _{min} , most recent abundance survey) ³	PBR	Annual M/SI ⁴
Order Artiodactyla—Cetacea—Superfamily Odontoceti (toothed whales, dolphins, and porpoises)						
<i>Family Delphinidae:</i>						
Atlantic white-sided dolphin.	<i>Leucopleurus</i> ⁵ <i>acutus</i>	Western North Atlantic	-, -, N	93,233 (0.71, 54,443, 2021) ..	544	28
Common dolphin/Short beaked.	<i>Delphinus delphis delphis</i>	Western North Atlantic	-, -, N	93,100 (0.56, 59,897, 2021) ..	1,452	414
<i>Family Phocoenidae (porpoises):</i>						
Harbor porpoise	<i>Phocoena phocoena</i>	Gulf of Maine/Bay of Fundy ...	-, -, N	85,765 (0.53, 56,420, 2021) ..	649	145
Order Carnivora—Superfamily Pinnipedia						
<i>Family Phocidae (earless seals):</i>						
Gray seal ⁶	<i>Halichoerus grypus</i>	Western North Atlantic	-, -, N	27,911 (0.20, 23,624, 2021) ..	1,512	4,570
Harbor seal	<i>Phoca vitulina</i>	Western North Atlantic	-, -, N	61,336 (0.08, 57,637, 2018) ..	1,729	339
Harp seal	<i>Pagophilus groenlandicus</i>	Western North Atlantic	-, -, N	7.6 M (UNK, 7.1, 2019)	426,000	178,573
Hooded seal	<i>Cystophora cristata</i>	Western North Atlantic	-, -, N	593,500 (UNK, UNK, 2005) ...	UNK	1,680

¹ Information on the classification of marine mammal species can be found on the web page for The Society for Marine Mammalogy's Committee on Taxonomy (<https://marinemammalscience.org/science-and-publications/list-marine-mammal-species-subspecies>).

² ESA status: Endangered (E), Threatened (T)/MMPA status: Depleted (D). A dash (-) indicates that the species is not listed under the ESA or designated as depleted under the MMPA. Under the MMPA, a strategic stock is one for which the level of direct human-caused mortality exceeds PBR or which is determined to be declining and likely to be listed under the ESA within the foreseeable future. Any species or stock listed under the ESA is automatically designated under the MMPA as depleted and as a strategic stock.

³ NMFS' marine mammal SARs can be found online at: <https://www.fisheries.noaa.gov/national/marine-mammal-protection/marine-mammal-stock-assessments>. CV is the coefficient of variation; N_{min} is the minimum estimate of stock abundance. In some cases, CV is not applicable.

⁴ These values, found in NMFS's SARs, represent annual levels of human-caused mortality plus serious injury from all sources combined (e.g., commercial fisheries, ship strike). Annual M/SI often cannot be determined precisely and is in some cases presented as a minimum value or range.

⁵ Genus reclassification for Atlantic white-sided dolphins (Society for Marine Mammalogy). The Society for Marine Mammalogy Taxonomy Committee completed the annual 2025 Taxonomic review of the Official List of Marine Mammal Species and Subspecies, announcing reclassification updates on July 21, 2025. Following work by Galatius *et al.* (2025) and Vollmer *et al.* (2019), the Committee implemented major revisions to the genera within the subfamily Lissodelphininae. The Atlantic white-sided dolphin (formerly *Lagenorhynchus acutus*) has been reassigned to the genus *Leucopleurus*, now *Leucopleurus acutus*. (Society for Marine Mammalogy (2025) List of Marine Mammal Species and Subspecies—Updated July 2025; available at <https://marinemammalscience.org/>; July 21, 2025).

⁶ NMFS' stock abundance estimate (and associated PBR) applies to the U.S. population only. Total stock abundance (including animals in Canada) is approximately 394,311. The annual M/SI value given is for the total stock.

As indicated above, all seven species in table 2 temporally and spatially co-occur with the activity to the extent that take is reasonably likely to occur. While several large whale species have been documented seasonally in New England waters, the spatial occurrence of these species is such that take is not expected to occur, and they are not discussed further beyond the explanation provided here. The humpback (*Megaptera novaeangliae*), fin (*Balaenoptera physalus*), sei (*Balaenoptera borealis*), sperm (*Physeter macrocephalus*) and North Atlantic right whales (*Eubaleana glacialis*) occur seasonally in the Atlantic Ocean, offshore of RI. However, due to the relatively shallow depths of Narragansett Bay and nearshore location of the project area, these marine mammals are unlikely to occur in the project area. Therefore, the Navy did not request, and NMFS is not proposing to authorize, takes of these species.

Marine mammal observation data is available from previous projects in and around NAVSTA Newport. A recent project within Coddington Cove to construct a pier for NOAA ships included pile driving and removal from June 2024 to January 2025. The

monitoring report included 3 sightings of unidentified dolphins, including a pod of 5 animals on August 28, 2024, 10 animals on November 4, 2024, off Taylor Point (about 3 miles (4.8 km) west-southwest of the pier), and 1 animal on November 25, 2024 (Werre, 2025). The report also included a detection of 12 common dolphins off Taylor Point on November 1, 2024 (Werre, 2025). Monitoring did not result in any confirmed harbor porpoise, gray seal, harp seal, or hooded seal sightings (Werre, 2025).

Harbor seals are one of the most common marine mammal species in Narragansett Bay, with over 22 documented haul-out sites. The Sisters seal haul-out site is the closest to the project area, approximately 1 mile (1.6 km) south of the Navy's proposed construction site location, on the open water edge of Coddington Cove. NAVSTA employees have reported seals hauled out at The Sisters, particularly at low tide and, in observations off the haul-out site gathered between 2011 and 2020, the NUWC Division Newport noted a steady increase in wintertime harbor seal occurrence (DeAngelis, 2020). During this period, harbor seals were rarely observed at The Sisters

haul-out site in the early fall (*i.e.*, September and October) but steadily increased in number to a peak population size of 40–50 animals in March. The number of harbor seals began to decline in April and the haul-out site was typically abandoned for the season by mid-May (DeAngelis, 2020). Results from the bay-wide count for 2019 recorded 572 harbor seals, which also included counts from Block Island (DeAngelis, 2020). During a 1-day Narragansett Bay-wide count in 2025, there were at least 551 seals observed, with all 22 haul-out sites represented (The Jamestown Press, 2025). This is an increase from a count of 357 seals in 2021 and above the average of 427 seals calculated across years prior (Save the Bay, 2022). From November 2024 through January 2025, harbor seals were the most regularly occurring marine mammal species, accounting for 26 of the 31 total seal detections, and 80 of the 109 overall individual marine mammal detections, with the first detection on November 1, 2024, with regular occurrences through January 2025 (Werre 2025).

Marine Mammal Hearing

Hearing is the most important sensory modality for marine mammals

underwater, and exposure to anthropogenic sound can have deleterious effects. To assess noise impacts, it is necessary to characterize marine mammal hearing ranges. Not all marine mammal species have equal hearing capabilities or hear over the same frequency range (e.g., Richardson *et al.*, 1995; Wartzok and Ketten, 1999; Au and Hastings, 2008). To reflect this, Southall *et al.* (2007, 2019) recommended that marine mammals be

divided into hearing groups based on directly measured (behavioral or auditory evoked potential techniques) or estimated hearing ranges (behavioral response data, anatomical modeling, *etc.*). Subsequently, NMFS (2018, 2024) described generalized hearing ranges for marine mammal hearing groups (table 3). Generalized hearing ranges were chosen based on the approximately 65-decibel (dB) threshold from the composite audiograms, previous

analyses in NMFS (2018), and/or data from Southall *et al.* (2007) and Southall *et al.* (2019). Of the species potentially present in the action area, Atlantic white-sided and common dolphins are considered high-frequency (HF) cetaceans, and harbor porpoise are considered very high-frequency (VHF) cetaceans. Harbor, gray, hooded and harp seals are phocid pinnipeds (PW).

TABLE 3—MARINE MAMMAL HEARING GROUPS (NMFS, 2024)

Hearing group	Generalized hearing range *
Low-frequency (LF) cetaceans (baleen whales)	7 Hz to 36 kHz.
High-frequency (HF) cetaceans (dolphins, toothed whales, beaked whales, bottlenose whales)	150 Hz to 160 kHz.
Very High-frequency (VHF) cetaceans (true porpoises, <i>Kogia</i> , river dolphins, Cephalorhynchid, <i>Lagenorhynchus cruciger</i> & <i>L. australis</i>)	200 Hz to 165 kHz.
Phocid pinnipeds (PW) (underwater) (true seals)	40 Hz to 90 kHz.
Otariid pinnipeds (OW) (underwater) (sea lions and fur seals)	60 Hz to 68 kHz.

* Represents the generalized hearing range for the entire group as a composite (*i.e.*, all species within the group), where individual species' hearing ranges may not be as broad. Generalized hearing range chosen based on ~65 dB threshold from composite audiogram, previous analysis in NMFS, 2018, and/or data from Southall *et al.*, 2007, 2019. Additionally, animals are able to detect vCery loud sounds above and below that "generalized" hearing range.

For more details concerning these groups and associated generalized hearing ranges, please see (NMFS, 2024) for a review of available information.

Potential Effects of Specified Activities on Marine Mammals and Their Habitat

This section includes a summary and provides a discussion of the ways in which components of the specified activity may impact marine mammals and their habitat. The Estimated Take of Marine Mammals section later in this document includes a quantitative analysis of the number of individuals that are expected to be taken by this activity. The Negligible Impact Analysis and Determination section considers the content of this section, the Estimated Take of Marine Mammals section, and the Proposed Mitigation section, to draw conclusions regarding the likely impacts of these activities on the reproductive success or survivorship of individuals and whether those impacts are likely to adversely affect the species or stock through effects on annual rates of recruitment or survival.

Acoustic effects on marine mammals during the specified activities are expected to potentially occur from impact pile driving, vibratory pile driving and extraction, and DTH excavation. The effects of underwater noise from the Navy's proposed activities have the potential to result in Level B harassment of marine mammals in the action area and, for some species, Level A harassment.

There is a variety of types and degrees of effects on marine mammals and their

habitat (including prey) that could occur because of the specified activities.

Below, we provide a brief description of the types of sound generated by specified activities, the general impacts on marine mammals and their habitat from these types of activities, and a related project-specific analysis, with consideration of the proposed mitigation measures.

Description of Sound Sources for the Specified Activities

Activities associated with the project that have the potential to incidentally take marine mammals through exposure to sound would include impact pile installation, vibratory pile installation and extraction, and DTH excavation. Impact hammers typically operate by repeatedly dropping and/or pushing a heavy piston onto a pile to drive the pile into the substrate. Sound generated by impact hammers is impulsive, characterized by rapid rise times and high peak sound pressure levels (SPLs), a potentially injurious combination (Hastings and Popper, 2005). Vibratory hammers install piles by vibrating them and allowing the weight of the hammer to push them into the substrate. Vibratory hammers typically produce less sound (*i.e.*, lower SPLs) than impact hammers. Peak SPLs may be 180 dB or greater but are generally 10 to 20 dB lower than SPLs generated during impact pile driving of the same-sized pile (Oestman *et al.*, 2009; California Department of Transportation (Caltrans), 2015, 2020). Sounds produced by vibratory hammers are non-impulsive

and, compared to sounds produced by impact hammers, have a slower rise time that reduces the probability and severity of injury, given the sound energy is distributed over a greater amount of time (Nedwell and Edwards, 2002; Carlson *et al.*, 2005).

DTH excavation uses a combination of drilling and impact hammering mechanisms to advance development of a hole in rock, with or without simultaneously advancing a pile/casing into that hole. DTH excavation is accomplished by the efficient progression of a drill bit, rotated under pressure while simultaneously hammered by a specialized percussive hammer located within the drill string (*i.e.*, "behind" the bit), the combined forces moving the bit forward to fracture rock. Traditional impact and vibratory pile driving involve a hammer striking the top of the pile, causing the entire length of the submerged pile to radiate sound as a linear source. However, the DTH hammering mechanism is integrated into the drill itself, so the primary sound generation point is at the interface of the drill bit and the substrate (*i.e.*, rock) deep within the ground/seabed, radiating sound pressure more like a point rather than linear source. DTH systems often involve a single hammer (mono-hammer), but multi- or "cluster" hammer drills are also used widely. For repair and replacement of Bulkhead S50S/LNG and Bulkhead S499, the Navy anticipates that installation of approximately 9 percent of the 18-inch permanent steel pipe piles may require

DTH excavation using a mono-hammer. The sounds produced by the DTH excavation methods simultaneously contain both a continuous non-impulsive component from the drilling action and an impulsive component from the hammering effect. Therefore, for purposes of evaluating Level A harassment and Level B harassment under the MMPA, NMFS treats DTH systems simultaneously as both impulsive (Level A harassment thresholds) and continuous, non-impulsive (Level B harassment thresholds) sound source types.

The likely or possible impacts of Navy's proposed activities on marine mammals could be generated from both non-acoustic and acoustic stressors. Potential non-acoustic stressors include the physical presence of the equipment, vessels, and personnel; however, the closest known haul-out site is located approximately 1 mi (1.6 km) from the Bulkhead S50S/LNG and Bulkhead S499 locations, thus we expect that visual and other non-acoustic stressors would be limited. Should any animals approach the project site(s) close enough to be harassed due to the presence of equipment or personnel, we expect they would have already traveled through the Level B harassment and/or Level A harassment zones for the specified in-water activities and, thus, would already be considered taken by acoustic impacts. Therefore, any impacts to marine mammals are expected to be primarily acoustic in nature.

Acoustic Effects

The introduction of anthropogenic noise into the aquatic environment by impact pile driving, vibratory pile driving and extraction, and DTH excavation is the means by which marine mammals may be harassed by Navy's specified activities. In general, animals exposed to natural or anthropogenic sound may experience behavioral, physiological, and/or physical effects, ranging in magnitude from none to severe (Southall *et al.*, 2007, 2019). Generally, exposure to pile driving and extraction and other construction noise has the potential to result in auditory threshold shifts (TSs) and behavioral reactions (*e.g.*, avoidance, temporary cessation of foraging and vocalizing, changes in dive behavior). Exposure to anthropogenic noise can also lead to non-observable physiological responses such as an increase in stress hormones. Additional noise in a marine mammal's habitat can mask acoustic cues used by marine mammals to carry out daily functions such as communication and predator

and prey detection. The effects of pile driving and demolition noise on marine mammals are dependent on several factors, including, but not limited to, sound type (*e.g.*, impulsive vs. non-impulsive), the species, age and sex class (*e.g.*, adult male vs. mother with calf), duration of exposure, the distance between the pile and the animal, received levels, behavior at time of exposure, and previous history with exposure (Wartzok *et al.*, 2003; Southall *et al.*, 2007). Here we discuss physical auditory effects (*i.e.*, TSs) followed by behavioral effects and potential impacts on habitat.

NMFS defines noise-induced TS as a change, usually an increase, in the threshold of audibility at a specified frequency or portion of an individual's hearing range above a previously established reference level (NMFS, 2024). The amount of TS is customarily expressed in dB. A TS can be permanent or temporary. As described in NMFS (2018, 2024), there are numerous factors to consider when examining the consequence of TS, including, but not limited to, the signal temporal pattern (*e.g.*, impulsive or non-impulsive), likelihood an individual would be exposed for a long enough duration or to a high enough level to induce a TS, the magnitude of the TS, time to recovery (seconds to minutes or hours to days), the frequency range of the exposure (*i.e.*, spectral content), the hearing and vocalization frequency range of the exposed species relative to the signal's frequency spectrum (*i.e.*, how animal uses sound within the frequency band of the signal; *e.g.*, Kastelein *et al.*, 2014), and the overlap between the animal and the source (*e.g.*, spatial, temporal, and spectral).

Auditory Injury (AUD INJ) and Permanent Threshold Shift (PTS)—NMFS (2024) defines AUD INJ as damage to the inner ear that can result in destruction of tissue, such as the loss of cochlear neuron synapses or auditory neuropathy (Houser 2021; Finneran 2024). AUD INJ may or may not result in a PTS. PTS is subsequently defined as a permanent, irreversible increase in the threshold of audibility at a specified frequency or portion of an individual's hearing range above a previously established reference level (NMFS, 2024). PTS does not generally affect more than a limited frequency range, and an animal that has incurred PTS has some level of hearing loss at the relevant frequencies; typically, animals with PTS or other AUD INJ are not functionally deaf (Au and Hastings, 2008; Finneran, 2016). Available data from humans and other terrestrial mammals indicate that a 40-dB TS approximates AUD INJ onset

(Ward *et al.*, 1958, 1959; Ward, 1960; Kryter *et al.*, 1966; Miller, 1974; Ahroon *et al.*, 1996; Henderson *et al.*, 2008). AUD INJ levels for marine mammals are estimates, as with the exception of a single study unintentionally inducing PTS in a harbor seal (*Phoca vitulina*) (Kastak *et al.*, 2008), there are no empirical data measuring AUD INJ in marine mammals largely due to the fact that, for various ethical reasons, experiments involving anthropogenic noise exposure at levels inducing AUD INJ are not typically pursued or authorized (NMFS, 2024).

Temporary Threshold Shift (TTS)—TTS is a temporary, reversible increase in the threshold of audibility at a specified frequency or portion of an individual's hearing range above a previously established reference level (NMFS, 2024), and is not considered an AUD INJ. Based on data from marine mammal TTS measurements (Southall *et al.*, 2007, 2019), a TTS of 6 dB is considered the minimum TS clearly larger than any day-to-day or session-to-session variation in a subject's normal hearing ability (Finneran *et al.*, 2000, 2002; Schlundt *et al.*, 2000). As described in Finneran (2015), marine mammal studies have shown the amount of TTS increases with the 24-hour cumulative sound exposure level (SEL₂₄) in an accelerating fashion: at low exposures with lower SEL₂₄, the amount of TTS is typically small and the growth curves have shallow slopes. At exposures with higher SEL₂₄, the growth curves become steeper and approach linear relationships with the sound exposure level (SEL).

Depending on the degree (elevation of threshold in dB), duration (*i.e.*, recovery time), and frequency range of TTS, and the context in which it is experienced, TTS can have effects on marine mammals ranging from discountable to more impactful (similar to those discussed in auditory masking, below). For example, a marine mammal may be able to readily compensate for a brief, relatively small amount of TTS in a non-critical frequency range that takes place during a time when the animal is traveling through the open ocean, where ambient noise is lower and there are not as many competing sounds present. Alternatively, a larger amount and longer duration of TTS sustained during time when communication is critical for successful mother/calf interactions could have more severe impacts. We note that reduced hearing sensitivity as a simple function of aging has been observed in marine mammals, as well as humans and other taxa (Southall *et al.*, 2007), so we can infer that strategies exist for coping with this condition to

some degree, though likely not without cost.

Many studies have examined noise-induced hearing loss in marine mammals (see Finneran (2015) and Southall *et al.* (2019) for summaries). TTS is the mildest form of hearing impairment that can occur during exposure to sound (Kryter, 2013). While experiencing TTS, the hearing threshold rises, and a sound must be at a higher level in order to be heard. In terrestrial and marine mammals, TTS can last from minutes or hours to days (in cases of strong TTS) (Finneran 2015). In many cases, hearing sensitivity recovers rapidly after exposure to the sound ends. For cetaceans, published data on the onset of TTS are limited to captive bottlenose dolphin (*Tursiops truncatus*), beluga whale (*Delphinapterus leucas*), harbor porpoise, and Yangtze finless porpoise (*Neophocoena asiaeorientalis*) (Southall *et al.*, 2019). For pinnipeds in water, measurements of TTS are limited to harbor seals, elephant seals (*Mirounga angustirostris*), bearded seals (*Erignathus barbatus*) and California sea lions (*Zalophus californianus*) (Kastak *et al.*, 1999, 2007; Kastelein *et al.*, 2019b, 2019c, 2021, 2022a, 2022b; Reichmuth *et al.*, 2019; Sills *et al.*, 2020). TTS was not observed in spotted (*Phoca largha*) and ringed (*Pusa hispida*) seals exposed to single airgun impulse sounds at levels matching previous predictions of TTS onset (Reichmuth *et al.*, 2016). These studies examine hearing thresholds measured in marine mammals before and after exposure to intense or long-duration sound exposures. The difference between the pre-exposure and post-exposure thresholds can be used to determine the amount of threshold shift at various post-exposure times.

The amount and onset of TTS depends on the exposure frequency. Sounds below the region of best sensitivity for a species or hearing group are less hazardous than those near the region of best sensitivity (Finneran and Schlundt, 2013). At low frequencies, onset-TTS exposure levels are higher compared to those in the region of best sensitivity (*i.e.*, a low frequency noise would need to be louder to cause TTS onset when TTS exposure level is higher), as shown for harbor porpoises and harbor seals (Kastelein *et al.*, 2019a, 2019c). Note that in general, harbor seals and harbor porpoises have a lower TTS onset than other measured pinniped or cetacean species (Finneran, 2015). In addition, TTS can accumulate across multiple exposures, but the resulting TTS will be less than the TTS from a single, continuous exposure with the same SEL (Mooney *et al.*, 2009;

Finneran *et al.*, 2010; Kastelein *et al.*, 2014, 2015). This means that TTS predictions based on the total, SEL₂₄ will overestimate the amount of TTS from intermittent exposures, such as sonars and impulsive sources. Nachtigall *et al.* (2018) describe measurements of hearing sensitivity of multiple odontocete species (bottlenose dolphin, harbor porpoise, beluga, and false killer whale (*Pseudorca crassidens*)) when a relatively loud sound was preceded by a warning sound. These captive animals were shown to reduce hearing sensitivity when warned of an impending intense sound. Based on these experimental observations of captive animals, the authors suggest that wild animals may dampen their hearing during prolonged exposures or if conditioned to anticipate intense sounds. Another study showed that echolocating animals (including odontocetes) might have anatomical specializations that might allow for conditioned hearing reduction and filtering of low-frequency ambient noise, including increased stiffness and control of middle ear structures and placement of inner ear structures (Ketten *et al.*, 2021). Data available on noise-induced hearing loss for mysticetes are currently lacking (NMFS, 2024). Additionally, the existing marine mammal TTS data come from a limited number of individuals within these species.

Relationships between TTS and AUD INJ thresholds have not been studied in marine mammals, and there are no measured PTS data for cetaceans, but such relationships are assumed to be similar to those in humans and other terrestrial mammals. AUD INJ typically occurs at exposure levels at least several dB above that inducing mild TTS (*e.g.*, a 40-dB TS approximates AUD INJ onset (Kryter *et al.*, 1966; Miller, 1974), while a 6-dB TS shift approximates TTS onset (Southall *et al.*, 2007, 2019). Based on data from terrestrial mammals, a precautionary assumption is that the AUD INJ thresholds for impulsive sounds (such as impact pile driving pulses as received close to the source) are at least 6 dB higher than the TTS threshold on a peak-pressure basis and AUD INJ cumulative SEL thresholds are 15 to 20 dB higher than TTS cumulative SEL thresholds (Southall *et al.*, 2007, 2019). Given the higher level of sound or longer exposure duration necessary to cause AUD INJ as compared with TTS, it is considerably less likely that AUD INJ could occur.

Behavioral Effects—Exposure to noise (*e.g.*, pile driving, DTH) also has the potential to behaviorally disturb marine mammals to a level that rises to the

definition of harassment under the MMPA. Generally speaking, NMFS considers a behavioral disturbance that rises to the level of harassment under the MMPA a non-minor response—in other words, not every response qualifies as behavioral disturbance, and for responses that do, those of a higher level, or accrued across a longer duration, have the potential to affect foraging, reproduction, or survival. Behavioral disturbance may include a variety of effects, including subtle changes in behavior (*e.g.*, minor or brief avoidance of an area or changes in vocalizations), more conspicuous changes in similar behavioral activities, and more sustained and/or potentially severe reactions, such as displacement from or abandonment of high-quality habitat. Behavioral responses may include changing durations of surfacing and dives, changing direction and/or speed; reducing/increasing vocal activities; changing/cessation of certain behavioral activities (such as socializing or feeding); eliciting a visible startle response or aggressive behavior (such as tail/fin slapping or jaw clapping); and avoidance of areas where sound sources are located. In addition, pinnipeds may increase their haul out time, possibly to avoid in-water disturbance (Thorson and Reyff, 2006).

Behavioral responses to sound are highly variable and context-specific and any reactions depend on numerous intrinsic and extrinsic factors (*e.g.*, species, state of maturity, experience, current activity, reproductive state, auditory sensitivity, time of day), as well as the interplay between factors (*e.g.*, Richardson *et al.*, 1995; Wartzok *et al.*, 2004; Southall *et al.*, 2007, 2019; Weilgart, 2007; Archer *et al.*, 2010). Behavioral reactions can vary not only among individuals but also within an individual, depending on previous experience with a sound source, context, and numerous other factors (Ellison *et al.*, 2012), and can vary depending on characteristics associated with the sound source (*e.g.*, whether it is moving or stationary, number of sources, distance from the source). In general, pinnipeds seem more tolerant of, or at least habituate more quickly to, potentially disturbing underwater sound than do cetaceans, and generally seem to be less responsive to exposure to industrial sound than most cetaceans. Please see Appendices B and C of Southall *et al.* (2007) and Gomez *et al.* (2016), respectively, for reviews of studies involving marine mammal behavioral responses to sound.

Habituation can occur when an animal's response to a stimulus wanes with repeated exposure, usually in the

absence of unpleasant associated events (Wartzok *et al.*, 2004). Animals are most likely to habituate to sounds that are predictable and unvarying. It is important to note that habituation is appropriately considered as a “progressive reduction in response to stimuli that are perceived as neither aversive nor beneficial,” rather than as, more generally, moderation in response to human disturbance (Bejder *et al.*, 2009). The opposite process is sensitization, when an unpleasant experience leads to subsequent responses, often in the form of avoidance, at a lower level of exposure.

As noted above, behavioral state may affect the type of response. For example, animals that are resting may show greater behavioral change in response to disturbing sound levels than animals that are highly motivated to remain in an area for feeding (Richardson *et al.*, 1995; Wartzok *et al.*, 2004; National Research Council (NRC), 2005). Controlled experiments with captive marine mammals have shown pronounced behavioral reactions, including avoidance of loud sound sources (Ridgway *et al.*, 1997; Finneran *et al.*, 2003). Observed responses of wild marine mammals to loud pulsed sound sources (*e.g.*, seismic airguns) have been varied but often consist of avoidance behavior or other behavioral changes (*e.g.*, Richardson *et al.*, 1995; Morton and Symonds, 2002; Nowacek *et al.*, 2007; Southall *et al.* 2023, 2024, 2025, 2026).

Available studies show wide variation in response to underwater sound; therefore, it is difficult to predict specifically how any given sound in a particular instance might affect marine mammals perceiving the signal (*e.g.*, Erbe *et al.*, 2019). If a marine mammal does react briefly to an underwater sound by changing its behavior or moving a small distance, the impacts of the change are unlikely to be significant to the individual, let alone the stock or population. If a sound source displaces marine mammals from an important feeding or breeding area for a prolonged period, impacts on individuals and populations could be significant (*e.g.*, Lusseau and Bejder, 2007; Weilgart, 2007; NRC, 2005). However, there are broad categories of potential response, which we describe in greater detail here, that include alteration of dive behavior, alteration of foraging behavior, effects to breathing, interference with or alteration of vocalization, avoidance, and flight.

Avoidance and displacement—Changes in dive behavior can vary widely and may consist of increased or decreased dive times and surface intervals as well as changes in the rates

of ascent and descent during a dive (*e.g.*, Frankel and Clark, 2000; Costa *et al.*, 2003; Ng and Leung, 2003; Nowacek *et al.*, 2004; Goldbogen *et al.*, 2013a, 2013b; Blair *et al.*, 2016; Southall *et al.*, 2022, 2023, 2024, 2025). Variations in dive behavior may reflect interruptions in biologically significant activities (*e.g.*, foraging) or they may be of little biological significance. The impact of an alteration to dive behavior resulting from an acoustic exposure depends on what the animal is doing at the time of the exposure and the type and magnitude of the response.

Disruption of feeding behavior can be difficult to correlate with anthropogenic sound exposure, so it is usually inferred by observed displacement from known foraging areas, the appearance of secondary indicators (*e.g.*, bubble nets or sediment plumes), or changes in dive behavior. Acoustic and movement bi-logging tools also have been used in some cases to infer responses to anthropogenic noise. For example, Blair *et al.* (2015) reported significant effects on humpback whale foraging behavior in Stellwagen Bank in response to ship noise including slower descent rates, and fewer side-rolling events per dive with increasing ship noise. In addition, Wisniewska *et al.* (2018) reported that tagged harbor porpoises demonstrated fewer prey capture attempts when encountering occasional high-noise levels resulting from vessel noise as well as more vigorous fluking, interrupted foraging, and cessation of echolocation signals observed in response to some high-noise vessel passes. However, during controlled exposure experiments to very low-frequency sound produced by a marine vibrator, Southall *et al.* (2026) observed that blue whales engaged in intensive foraging in a dense prey field did not display broadscale avoidance behavior compared to conspecifics engaged in different behaviors (*i.e.*, opportunistic foraging in a more diffuse prey field). As for other types of behavioral response, the frequency, duration, and temporal pattern of signal presentation, as well as differences in species sensitivity, are likely contributing factors to differences in response in any given circumstance (*e.g.*, Croll *et al.*, 2001; Nowacek *et al.*, 2004; Madsen *et al.*, 2006; Yazvenko *et al.*, 2007). A determination of whether foraging disruptions incur fitness consequences would require information on or estimates of the energetic requirements of the affected individuals and the relationship between prey availability, foraging effort and success, and the life history stage of the animal.

Respiration rates vary naturally with different behaviors and alterations to breathing rate as a function of acoustic exposure can be expected to co-occur with other behavioral reactions, such as a flight response or an alteration in diving. However, respiration rates in and of themselves may be representative of annoyance or an acute stress response. Various studies have shown that respiration rates may either be unaffected or could increase, depending on the species and signal characteristics, again highlighting the importance in understanding species differences in the tolerance of underwater noise when determining the potential for impacts resulting from anthropogenic sound exposure (*e.g.*, Kastelein *et al.*, 2001; 2005; 2006; Gailey *et al.*, 2007). For example, harbor porpoise respiration rates increased in response to pile driving sounds at and above a received broadband SPL of 136 dB (zero-peak SPL: 151 dB re 1 μ Pa; SEL of a single strike (SEL_{ss}): 127 dB re 1 μ Pa²-s) (Kastelein *et al.*, 2013).

Avoidance is the displacement of an individual from an area or migration path as a result of the presence of a sound or other stressors, and is one of the most obvious manifestations of disturbance in marine mammals (Richardson *et al.*, 1995). For example, gray whales (*Eschrichtius robustus*) are known to change direction—deflecting from customary migratory paths—in order to avoid noise from seismic surveys (Malme *et al.*, 1984). Harbor porpoises, Atlantic white-sided dolphins, and minke whales have demonstrated avoidance in response to vessels during line transect surveys (Palka and Hammond, 2001). In addition, beluga whales in the St. Lawrence Estuary in Canada have been reported to increase levels of avoidance with increased boat presence by way of increased dive durations and swim speeds, decreased surfacing intervals, and by bunching together into groups (Blane and Jaakson, 1994). Avoidance may be short-term, with animals returning to the area once the noise has ceased (*e.g.*, Bowles *et al.*, 1994; Goold, 1996; Stone *et al.*, 2000; Morton and Symonds, 2002; Gailey *et al.*, 2007). Longer-term displacement is possible, however, which may lead to changes in abundance or distribution patterns of the affected species in the affected region if habituation to the presence of the sound does not occur (*e.g.*, Blackwell *et al.*, 2004; Bejder *et al.*, 2006; Teilmann *et al.*, 2006).

A flight response is a dramatic change in normal movement to a directed and rapid movement away from the perceived location of a sound source.

The flight response differs from other avoidance responses in the intensity of the response (e.g., directed movement, rate of travel). Relatively little information on flight responses of marine mammals to anthropogenic signals exist, although observations of flight responses to the presence of predators have occurred (Connor and Heithaus, 1996; Bowers *et al.*, 2018). The flight response induced by perception of a predator's acoustic signal could range from brief, temporary exertion and displacement from the area to, in extreme cases, marine mammal strandings (e.g., England *et al.*, 2001). However, it should be noted that response to a perceived predator does not necessarily invoke flight (e.g., Ford and Reeves, 2008; Southall *et al.*, 2026), and whether individuals are solitary or in groups may influence the response (Southall *et al.*, 2024).

Behavioral disturbance can also impact marine mammals in more subtle ways. Increased vigilance may result in costs related to diversion of focus and attention (i.e., when a response consists of increased vigilance, it may come at the cost of decreased attention to other critical behaviors such as foraging or resting). These effects have generally not been demonstrated for marine mammals, but studies involving fishes and terrestrial animals have shown that increased vigilance may substantially reduce feeding rates (e.g., Beauchamp and Livoreil, 1997; Fritz *et al.*, 2002; Purser and Radford, 2011). In addition, chronic disturbance can cause population declines through reduction of fitness (e.g., decline in body condition) and subsequent reduction in reproductive success, survival, or both (e.g., Harrington and Veitch, 1992; Daan *et al.*, 1996; Bradshaw *et al.*, 1998). However, Ridgway *et al.* (2006) reported that increased vigilance in bottlenose dolphins exposed to sound over a 5-day period did not cause any sleep deprivation or stress effects.

Many animals perform vital functions, such as feeding, resting, traveling, and socializing, on a diel cycle (24-hour cycle). Disruption of such functions resulting from reactions to stressors such as sound exposure are more likely to be significant if they last more than one diel cycle or recur on subsequent days (Southall *et al.*, 2007). Consequently, a behavioral response lasting less than 1 day and not recurring on subsequent days is not considered particularly severe unless it could directly affect reproduction or survival (Southall *et al.*, 2007). Note that there is a difference between multi-day substantive (i.e., meaningful) behavioral reactions and multi-day anthropogenic

activities. For example, just because an activity lasts for multiple days does not necessarily mean that individual animals are either exposed to activity-related stressors for multiple days or, further, exposed in a manner resulting in sustained multi-day substantive behavioral responses.

Physiological stress responses—An animal's perception of a threat may be sufficient to trigger stress responses consisting of some combination of behavioral responses, autonomic nervous system responses, neuroendocrine responses, or immune responses (e.g., Selye, 1950; Moberg, 2000). In many cases, an animal's first and sometimes most economical (in terms of energetic costs) response is behavioral avoidance of the potential stressor. Autonomic nervous system responses to stress typically involve changes in heart rate, blood pressure, and gastrointestinal activity. These responses have a relatively short duration and may or may not have a significant long-term effect on an animal's fitness.

Neuroendocrine stress responses often involve the hypothalamus-pituitary-adrenal system. Virtually all neuroendocrine functions that are affected by stress, including immune competence, reproduction, metabolism, and behavior—are regulated by pituitary hormones. Stress-induced changes in the secretion of pituitary hormones have been implicated in failed reproduction, altered metabolism, reduced immune competence, and behavioral disturbance (e.g., Moberg, 1987; Blecha, 2000). Increases in the circulation of glucocorticoids are also equated with stress (Romano *et al.*, 2004).

The primary distinction between stress (which is adaptive and does not normally place an animal at risk) and "distress" is the cost of the response. During a stress response, an animal uses glycogen stores that can be quickly replenished once the stress is alleviated. In such circumstances, the cost of the stress response would not pose serious fitness consequences. However, when an animal does not have sufficient energy reserves to satisfy the energetic costs of a stress response, energy resources must be diverted from other functions. This state of distress will last until the animal replenishes its energetic reserves sufficient to restore normal function.

Relationships between these physiological mechanisms, animal behavior, and the costs of stress responses are well-studied through controlled experiments and for both laboratory and free-ranging animals (e.g., Holberton *et al.*, 1996; Hood *et al.*,

1998; Jessop *et al.*, 2003; Krausman *et al.*, 2004; Lankford *et al.*, 2005; Ayres *et al.*, 2012; Yang *et al.*, 2022). Stress responses due to exposure to anthropogenic sounds or other stressors and their effects on marine mammals have also been reviewed (Fair and Becker, 2000; Romano *et al.*, 2002b) and, more rarely, studied in wild populations (e.g., Romano *et al.*, 2002a). For example, Rolland *et al.* (2012) found that noise reduction from reduced ship traffic in the Bay of Fundy was associated with decreased stress in North Atlantic right whales. In addition, Lemos *et al.* (2022) observed a correlation between higher levels of fecal glucocorticoid metabolite concentrations (indicative of a stress response) and vessel traffic in gray whales. Yang *et al.* (2022) studied behavioral and physiological responses in captive bottlenose dolphins exposed to playbacks of "pile-driving-like" impulsive sounds, finding significant changes in cortisol and other physiological indicators but only minor behavioral changes. These and other studies lead to a reasonable expectation that some marine mammals will experience physiological stress responses upon exposure to acoustic stressors and that it is possible that some of these would be classified as "distress." In addition, any animal experiencing TTS would likely also experience stress responses (NRC, 2005), however distress is an unlikely result of this project based on observations of marine mammals during previous, similar construction projects.

Vocalizations and Auditory Masking—Since many marine mammals rely on sound to find prey, moderate social interactions, and facilitate mating (Tyack, 2008), noise from anthropogenic sound sources can interfere with these functions, but only if the noise spectrum overlaps with the hearing sensitivity of the receiving marine mammal (Southall *et al.*, 2007; Clark *et al.*, 2009; Hatch *et al.*, 2012). Chronic exposure to excessive, though not high-intensity, noise could cause masking at particular frequencies for marine mammals that utilize sound for vital biological functions (Clark *et al.*, 2009). Acoustic masking is when other noises such as from human sources interfere with an animal's ability to detect, recognize, or discriminate between acoustic signals of interest (e.g., those used for intraspecific communication and social interactions, prey detection, predator avoidance, navigation) (Richardson *et al.*, 1995; Erbe *et al.*, 2016). Therefore, under certain circumstances, marine mammals whose acoustical sensors or

environment are being severely masked could also be impaired from maximizing their performance fitness in survival and reproduction. The ability of a noise source to mask biologically important sounds depends on the characteristics of both the noise source and the signal of interest (e.g., signal-to-noise ratio, temporal variability, direction), in relation to each other and to an animal's hearing abilities (e.g., sensitivity, frequency range, critical ratios, frequency discrimination, directional discrimination, age or TTS hearing loss), and existing ambient noise and propagation conditions (Hotchkiss and Parks, 2013).

Marine mammals vocalize for different purposes and across multiple modes, such as whistling, echolocation click production, calling, and singing. Changes in vocalization behavior in response to anthropogenic noise can occur for any of these modes and may result from a need to compete with an increase in background noise or may reflect increased vigilance or a startle response. For example, in the presence of potentially masking signals, humpback whales and killer whales (*Orcinus orca*) have been observed to increase the length of their songs (Miller *et al.*, 2000; Frstrup *et al.*, 2003) or vocalizations (Foote *et al.*, 2004), respectively, while North Atlantic right whales have been observed to shift the frequency content of their calls upward while reducing the rate of calling in areas of increased anthropogenic noise (Parks *et al.*, 2007). Fin whales (*Balaenoptera physalus*) have also been documented lowering the bandwidth, peak frequency, and center frequency of their vocalizations under increased levels of background noise from large vessels (Castellote *et al.* 2012). Other alterations to communication signals have also been observed. For example, gray whales, in response to playback experiments exposing them to vessel noise, have been observed increasing their vocalization rate and producing louder signals at times of increased outboard engine noise (Dahlheim and Castellote, 2016). Alternatively, in some cases, animals may cease sound production during production of aversive signals (e.g., Bowles *et al.*, 1994; Wisniewska *et al.*, 2018; Southall *et al.*, 2026).

Under certain circumstances, marine mammals experiencing significant masking could also be impaired from maximizing their performance fitness in survival and reproduction. For example, King *et al.* (2022) observed that bottlenose dolphins attempting to vocally coordinate accomplishing a joint task could not overcome masking by

typical compensatory mechanisms (e.g., increasing whistle amplitude or duration), thus, cooperative task success decreased in the presence of noise. Therefore, when the coincident (masking) sound is human made, it may be considered harassment when disrupting or altering critical behaviors. It is important to distinguish TTS and PTS, which persist after the sound exposure, from masking, which occurs during the sound exposure. Because masking (without resulting in TS) is not associated with abnormal physiological function, it is not considered a physiological effect, but rather a potential behavioral effect (though not necessarily one that would be associated with harassment).

The frequency range of the potentially masking sound is important in determining any potential behavioral impacts. For example, low-frequency signals may have less effect on high-frequency echolocation sounds produced by odontocetes but are more likely to affect detection of mysticete communication calls and other potentially important natural sounds such as those produced by surf and some prey species. The masking of communication signals by anthropogenic noise may be considered as a reduction in the communication space of animals (e.g., Clark *et al.*, 2009) and may result in energetic or other costs as animals change their vocalization behavior (e.g., Miller *et al.*, 2000; Foote *et al.*, 2004; Parks *et al.*, 2007; Di Iorio and Clark, 2010; Holt *et al.*, 2009). Masking can be reduced in situations where the signal and noise come from different directions (Richardson *et al.*, 1995), through amplitude modulation of the signal, or through other compensatory behaviors, including modifications of the acoustic properties of the signal or the signaling behavior (Hotchkiss and Parks, 2013). Masking can be tested directly in captive species (e.g., Erbe, 2008), but in wild populations it must be either modeled or inferred from evidence of masking compensation. There are few studies addressing real-world masking sounds likely to be experienced by marine mammals in the wild (e.g., Branstetter *et al.*, 2013).

Masking occurs in the frequency band that the animals utilize and is more likely to occur in the presence of broadband, relatively continuous noise sources such as vibratory pile driving. Pile driving sound energy is distributed over a broad frequency spectrum, within the hearing range of marine mammals that may occur in the proposed action area. Since noises generated from the proposed construction activities are

mostly concentrated at low frequencies (<2 kHz), these activities likely have less effect on mid-frequency echolocation sounds produced by odontocetes (toothed whales). However, lower frequency noises are more likely to affect detection of communication calls and other potentially important natural sounds such as surf and prey noise. Low-frequency noise may also affect communication signals when they occur near the frequency band for noise and thus reduce the communication space of animals (e.g., Clark *et al.*, 2009) and cause increased stress levels (e.g., Holt *et al.*, 2009). Unlike TS, masking, which can occur over large temporal and spatial scales, can potentially affect the species at population, community, or even ecosystem levels, in addition to individual levels. Masking affects both senders and receivers of the signals, and at higher levels for longer durations, could have long-term chronic effects on marine mammal species and populations. However, the noise generated by the Navy's proposed activities will only occur intermittently, across an estimated 75 days and 57 days in the Year 1 and Year 2 effective periods, respectively, in a relatively small area focused around the proposed construction site. Thus, while the Navy's proposed activities may mask some acoustic signals that are relevant to the daily behavior of marine mammals, the short-term duration and limited areas affected make it very unlikely that the fitness of individual marine mammals would be impacted.

Airborne Acoustic Effects—Phocid pinnipeds (i.e., seals) that occur near the project site could be exposed to airborne sounds associated with construction activities that have the potential to cause behavioral harassment, depending on their distance from these activities. Airborne noise would primarily be an issue for seals that are swimming or hauled out near the project site within the range of noise levels elevated above airborne acoustic harassment criteria. Although seals are known to haul out regularly on man-made objects (e.g., pier), we believe that incidents of take resulting solely from airborne sound are unlikely given the proximity of the proposed project area to local haul-out sites, which we assume would be preferred habitat. We do not anticipate that cetaceans would be exposed to airborne sounds that would result in harassment, as defined under the MMPA.

We recognize that seals in the water could be exposed to airborne sound that may result in behavioral harassment when looking with their heads above water. Most likely, airborne sound

would cause behavioral responses similar to those discussed above in relation to underwater sound. For instance, anthropogenic sound could cause hauled-out seals to exhibit changes in their normal behavior, such as reduction in vocalizations, or cause them to flush from haul-out sites, temporarily abandon the area, and or move further from the source. However, these animals would previously have been 'taken' because of exposure to underwater sound above the behavioral harassment thresholds, which are in all cases larger than those associated with airborne sound. Thus, the behavioral harassment of these animals is already accounted for in these estimates of potential take. Therefore, we do not believe that authorization of incidental take resulting from airborne sound for seals is warranted, and airborne sound is not discussed further here.

Potential Effects on Marine Mammal Habitat

The Navy's proposed activities could have localized, temporary impacts on marine mammal habitat, including prey, by increasing in-water SPLs. Increased noise levels may affect acoustic habitat and adversely affect marine mammal prey near the project areas (see discussion below). Elevated levels of underwater noise would ensonify the project areas where both fishes and mammals occur and could affect foraging success. Additionally, marine mammals may avoid the area during the proposed construction activities; however, displacement due to noise is expected to be temporary and is not expected to result in long-term effects to the individuals or populations.

The total area likely impacted by the Navy's activities is relatively small compared to the available habitat in Narragansett Bay. Avoidance by potential prey (*i.e.*, fish) of the immediate area due to increased noise is possible. The duration of fish and marine mammal avoidance of this area after tugging stops is unknown, but a rapid return to normal recruitment, distribution, and behavior is anticipated. Any behavioral avoidance by fish or marine mammals of the disturbed area would still leave significantly large areas of fish and marine mammal foraging habitat in the nearby vicinity.

The proposed project will occur within the same footprint as existing marine infrastructure. The near-shore and intertidal habitat where the proposed project will occur is an area of relatively high marine vessel traffic. Most marine mammals do not generally use the area within the footprint of the

project area. Temporary, intermittent, and short-term habitat alteration may result from increased noise levels during the proposed construction activities. Effects on marine mammals will be limited to temporary displacement from pile installation and extraction noise, and effects on prey species will be similarly limited in time and space.

Water quality—Temporary and localized reduction in water quality will occur because of in-water construction activities. Most of this effect would occur during installation and extraction of piles, which would disturb bottom sediments and may cause a temporary increase in suspended sediment in the project area. During pile extraction, sediment attached to the pile moves vertically through the water column until gravitational forces cause it to slough off under its own weight. The small resulting sediment plume is expected to settle out of the water column within a few hours. Studies of the effects of turbid water on fish (marine mammal prey) suggest that concentrations of suspended sediment can reach thousands of milligrams per liter before an acute toxic reaction is expected (Burton, 1993).

Effects to turbidity and sedimentation are expected to be short-term, minor, and localized. Turbidity within the water column has the potential to reduce the level of oxygen in the water and irritate the gills of prey fish species in the proposed project area. However, turbidity plumes associated with the project would be temporary and localized, and fish in the proposed project area would be able to move away from and avoid the areas where plumes may occur. Therefore, it is expected that the impacts on prey fish species from turbidity, and therefore on marine mammals, would be minimal and temporary. In general, the area likely impacted by the proposed construction activities is relatively small compared to the available marine mammal habitat in Narragansett Bay.

Potential Effects on Prey. Sound may affect marine mammals through impacts on the abundance, behavior, or distribution of prey species (*e.g.*, crustaceans, cephalopods, fishes, zooplankton). Marine mammal prey varies by species, season, and location and, for some, is not well documented. Studies regarding the effects of noise on known marine mammal prey are described here.

Fishes utilize the soundscape and components of sound in their environment to perform important functions such as foraging, predator avoidance, mating, and spawning (*e.g.*,

Zelick *et al.*, 1999; Fay, 2009). Depending on their hearing anatomy and peripheral sensory structures, which vary among species, fishes hear sounds using pressure and particle motion sensitivity capabilities and detect the motion of surrounding water (Fay *et al.*, 2008). The potential effects of noise on fishes depends on the overlapping frequency range, distance from the sound source, water depth of exposure, and species-specific hearing sensitivity, anatomy, and physiology. Key impacts to fishes may include behavioral responses, hearing damage, barotrauma (pressure-related injuries), and mortality.

Fish react to sounds that are especially strong and/or intermittent low-frequency sounds, and behavioral responses such as flight or avoidance are the most likely effects. Short duration, sharp sounds can cause overt or subtle changes in fish behavior and local distribution. The reaction of fish to noise depends on the physiological state of the fish, past exposures, motivation (*e.g.*, feeding, spawning, migration), and other environmental factors. (Hastings and Popper, 2005) identified several studies that suggest fish may relocate to avoid certain areas of sound energy. Additional studies have documented effects of pile driving on fishes (*e.g.*, Scholik and Yan, 2001, 2002; Popper and Hastings, 2009). Several studies have demonstrated that impulse sounds might affect the distribution and behavior of some fishes, potentially impacting foraging opportunities or increasing energetic costs (*e.g.*, Fewtrell and McCauley, 2012; Pearson *et al.*, 1992; Skalski *et al.*, 1992; Santulli *et al.*, 1999; Paxton *et al.*, 2017). However, some studies have shown no or slight reaction to impulse sounds (*e.g.*, Peña *et al.*, 2013; Wardle *et al.*, 2001; Jorgenson and Gyselman, 2009; Cott *et al.*, 2012). More commonly, though, the impacts of noise on fishes are temporary.

SPLs of sufficient strength have been known to cause injury to fishes and fish mortality (summarized in Popper *et al.*, 2014). However, in most fish species, hair cells in the ear continuously regenerate and loss of auditory function is likely restored when damaged cells are replaced with new cells. Halvorsen *et al.* (2012b) showed that a TTS of 4 to 6 dB was recoverable within 24 hours for one species. Impacts would be most severe when the individual fish is close to the source and when the duration of exposure is long. Injury caused by barotrauma can range from slight to severe and can cause death and is most likely for fish with swim bladders. Barotrauma injuries have been documented during controlled exposure

to impact pile driving (Halvorsen *et al.*, 2012a; Casper *et al.*, 2013, 2017).

Fish populations in the proposed project area that serve as marine mammal prey could be temporarily affected by noise from pile installation and extraction. The frequency range in which fishes generally perceive underwater sounds is 50 to 2,000 Hz, with peak sensitivities below 800 Hz (Popper and Hastings, 2009). Fish behavior or distribution may change, especially with strong and/or intermittent sounds that could harm fishes. High underwater SPLs have been documented to alter behavior, cause hearing loss, and injure or kill individual fish by causing serious internal injury (Hastings and Popper, 2005).

Zooplankton is a food source for several marine mammal species, as well as a food source for fish that are then preyed upon by marine mammals. Population effects on zooplankton could have indirect effects on marine mammals. Data are limited on the effects of underwater sound on zooplankton species, particularly sound from construction (Erbe *et al.*, 2019). Popper and Hastings (2009) reviewed information on the effects of human-generated sound and concluded that no substantive data are available on whether the sound levels from pile driving, seismic activity, or any human-made sound would have physiological effects on invertebrates. Any such effects would be limited to the area very near (1 to 5 m) the sound source and would result in no population effects because of the relatively small area affected at any one time and the reproductive strategy of most zooplankton species (short generation, high fecundity, and very high natural mortality). No adverse impact on zooplankton populations is expected to occur from the specified activity due in part to large reproductive capacities and naturally high levels of predation and mortality of these populations. Any mortalities or impacts that might occur would be negligible.

The greatest potential impact to marine mammal prey during construction would occur during impact pile driving, vibratory pile driving and extraction, and DTH excavation. However, the duration of impact pile driving would be limited to the final stage of installation ("proofing") after the pile has been driven as close as practicable to the design depth with a vibratory driver. In-water construction activities would only occur during daylight hours, allowing fish to forage and transit the project area in the evening. Vibratory pile driving could

possibly elicit behavioral reactions from fishes, such as temporary avoidance of the area, but is unlikely to cause injuries to fishes or have persistent effects on local fish populations. Construction also would have minimal permanent and temporary impacts on benthic invertebrate species, a marine mammal prey source. In addition, it should be noted that the area in question is relatively low-quality habitat, given it is already highly developed and regularly experiences a high level of anthropogenic noise from normal operations and other vessel traffic.

Potential Effects on Foraging Habitat

The project is not expected to result in any habitat-related effects that could cause significant or long-term negative consequences for individual marine mammals or their populations, since installation and extraction of many in-water piles would be temporary and intermittent. The total seafloor area affected by pile installation and extraction is a very small area compared to the vast foraging area available to marine mammals outside this project area. The area impacted by the project is relatively small compared to the available habitat just outside the project area, and there are no areas of particular importance that would be impacted by this project. Any behavioral avoidance by fish of the disturbed area would still leave significantly large areas of fish and marine mammal foraging habitat in the nearby vicinity. As described in the preceding, the potential for the Navy's construction to affect the availability of prey to marine mammals or to meaningfully impact the quality of physical or acoustic habitat is insignificant. Therefore, impacts of the project are not likely to have adverse effects on marine mammal foraging habitat in the proposed project area.

In summary, given the relatively small areas being affected, as well as the temporary and mostly transitory nature of the proposed construction activities, any adverse effects from the Navy's activities on prey habitat or prey populations are expected to be minor and temporary. The most likely impact to fishes at the project site would be temporary avoidance of the area. Any behavioral avoidance by fish of the disturbed area would still leave significantly large areas of fish and marine mammal foraging habitat in the nearby vicinity. Thus, we preliminarily conclude that impacts of the specified activities are not likely to have more than short-term adverse effects on any prey habitat or populations of prey species. Further, any impacts to marine mammal habitat are not expected to

result in significant or long-term consequences for individual marine mammals, or to contribute to adverse impacts on their populations.

Estimated Take of Marine Mammals

This section provides an estimate of the number of incidental takes proposed for authorization through the IHAs, which will inform NMFS' consideration of "small numbers," the negligible impact determinations, and impacts on subsistence uses.

Harassment is the only type of take expected to result from these activities. Except with respect to certain activities not pertinent here, section 3(18) of the MMPA defines "harassment" as any act of pursuit, torment, or annoyance, which (i) has the potential to injure a marine mammal or marine mammal stock in the wild (Level A harassment); or (ii) has the potential to disturb a marine mammal or marine mammal stock in the wild by causing disruption of behavioral patterns, including, but not limited to, migration, breathing, nursing, breeding, feeding, or sheltering (Level B harassment).

Authorized takes would primarily be by Level B harassment, as use of the acoustic sources (*i.e.*, impact pile driving, vibratory installation and extraction, DTH excavation) has the potential to result in disruption of behavioral patterns for individual marine mammals. There is also some potential for Level A harassment (AUD INJ/PTS) to result, primarily for harbor porpoises and seals, because predicted AUD INJ zones are larger for these species than the analogous zones for dolphins, and harbor porpoises and seals are smaller and, thus, can be more difficult to sight. However, the proposed mitigation and monitoring measures are expected to minimize the severity of the taking to the extent practicable.

As described previously, no serious injury or mortality is anticipated or proposed to be authorized for this activity. Below we describe how the proposed take numbers are estimated.

For acoustic impacts, generally speaking, we estimate take by considering: (1) acoustic criteria above which NMFS believes there is some reasonable potential for marine mammals to be behaviorally harassed or incur some degree of AUD INJ; (2) the area or volume of water that will be ensonified above these levels in a day; (3) the density or occurrence of marine mammals within these ensonified areas; and, (4) the number of days of activities. We note that while these factors can contribute to a basic calculation to provide an initial prediction of potential takes, additional information that can

qualitatively inform take estimates is also sometimes available (e.g., previous monitoring results or average group size). Below, we describe the factors considered here in more detail and present the proposed take estimates.

Acoustic Criteria

NMFS recommends the use of acoustic criteria that identify the received level of underwater sound above which exposed marine mammals would be reasonably expected to be behaviorally harassed (equated to Level B harassment) or to incur AUD INJ of some degree (equated to Level A harassment).

Level B Harassment—Though significantly driven by received level, the onset of behavioral disturbance from anthropogenic noise exposure is also informed to varying degrees by other factors related to the source or exposure context (e.g., frequency, predictability, duty cycle, duration of the exposure, signal-to-noise ratio, distance to the source), the environment (e.g., bathymetry, other noises in the area, predators in the area), and the receiving animals (hearing, motivation, experience, demography, life stage, depth) and can be difficult to predict (e.g., Southall *et al.*, 2007, 2021, Ellison *et al.*, 2012). Based on what the available science indicates and the practical need to use a threshold based on a metric that is both predictable and measurable for most activities, NMFS

typically uses a generalized acoustic threshold based on received level to estimate the onset of behavioral harassment. NMFS generally predicts that marine mammals are likely to be behaviorally harassed in a manner considered to be Level B harassment when exposed to underwater anthropogenic noise above root-mean-squared pressure received levels (RMS SPL) of 120 dB (referenced to 1 re 1 μ Pa) for continuous (e.g., vibratory pile driving, drilling) and above RMS SPL 160 dB re 1 μ Pa for non-explosive impulsive (e.g., seismic airguns) or intermittent (e.g., scientific sonar) sources. Estimates of take by Level B harassment based on these behavioral harassment thresholds are expected to include any likely takes by TTS as, in most cases, the likelihood of TTS occurs at distances from the source less than those at which behavioral harassment is likely. TTS of a sufficient degree can manifest as behavioral harassment, as reduced hearing sensitivity and the potential reduced opportunities to detect important signals (conspecific communication, predators, prey) may result in changes in behavior patterns that would not otherwise occur.

Navy's proposed activity includes the use of continuous (i.e., vibratory pile driving and DTH drilling) and impulsive (i.e., impact pile driving and DTH hammering) sources, therefore the RMS SPL thresholds of 120 and 160 dB

re 1 μ Pa, respectively, are applicable when assessing the potential for Level B harassment.

Level A harassment—NMFS' 2024 Updated Technical Guidance for Assessing the Effects of Anthropogenic Sound on Marine Mammal Hearing (Version 3.0) (Updated Technical Guidance, 2024) identifies dual criteria to assess AUD INJ (Level A harassment) as a result of exposure to noise from two different types of sources (impulsive or non-impulsive) for five different underwater marine mammal groups (based on hearing sensitivity) (table 4). Navy's proposed activity includes the use of impulsive (impact pile driving and DTH hammering) and non-impulsive (vibratory pile driving and DTH drilling) sources. The 2024 Updated Technical Guidance criteria include both updated thresholds and updated weighting functions for each hearing group (table 4). These thresholds criteria thresholds are provided in the table below. The references, analysis, and methodology used in the development of the criteria thresholds, as well as the detailed description of the updated weighting functions, are described in NMFS' 2024 Updated Technical Guidance, which may be accessed at: <https://www.fisheries.noaa.gov/national/marine-mammal-protection/marine-mammal-acoustic-technical-guidance-other-acoustic-tools>.

TABLE 4—THRESHOLDS IDENTIFYING THE ONSET OF AUDITORY INJURY (AUD INJ)

Hearing group	AUD INJ onset thresholds* (received level)	
	Impulsive	Non-impulsive
Low-Frequency (LF) Cetaceans	Cell 1: $L_{p,0-pk,flat}$: 222 dB; $L_{E,p,LF,24h}$: 183 dB	Cell 2: $L_{E,p,LF,24h}$: 197 dB.
High-Frequency (HF) Cetaceans	Cell 3: $L_{p,0-pk,flat}$: 230 dB; $L_{E,p,HF,24h}$: 193 dB	Cell 4: $L_{E,p,HF,24h}$: 201 dB.
Very High-Frequency (VHF) Cetaceans	Cell 5: $L_{p,0-pk,flat}$: 202 dB; $L_{E,p,VHF,24h}$: 159 dB	Cell 6: $L_{E,p,VHF,24h}$: 181 dB.
Phocid Pinnipeds (PW) (Underwater)	Cell 7: $L_{p,0-pk,flat}$: 223 dB; $L_{E,p,PW,24h}$: 183 dB	Cell 8: $L_{E,p,PW,24h}$: 195 dB.
Otariid Pinnipeds (OW) (Underwater)	Cell 9: $L_{p,0-pk,flat}$: 230 dB; $L_{E,p,OW,24h}$: 185 dB	Cell 10: $L_{E,p,OW,24h}$: 199 dB.

*Dual metric thresholds for impulsive sounds: Use whichever results in the largest isopleth for calculating AUD INJ onset. If a non-impulsive sound has the potential of exceeding the peak sound pressure level thresholds associated with impulsive sounds, these thresholds are recommended for consideration.

Note: Peak sound pressure level ($L_{p,0-pk}$) has a reference value of 1 μ Pa, and weighted cumulative sound exposure level ($L_{E,p}$) has a reference value of 1 μ Pa²s. In this table, thresholds are abbreviated to be more reflective of International Organization for Standardization standards (ISO 2017). The subscript "flat" is being included to indicate peak sound pressure are flat weighted or unweighted within the generalized hearing range of marine mammals (i.e., 7 Hz to 165 kHz). The subscript associated with cumulative sound exposure level thresholds indicates the designated marine mammal auditory weighting function (LF, HF, and VHF cetaceans, and PW and OW pinnipeds) and that the recommended accumulation period is 24 hours. The weighted cumulative sound exposure level thresholds could be exceeded in a multitude of ways (i.e., varying exposure levels and durations, duty cycle). When possible, it is valuable for action proponents to indicate the conditions under which these thresholds will be exceeded.

As described previously, DTH systems have both continuous, non-impulsive, and impulsive components as discussed in the *Description of Sound Sources* section above. When evaluating Level B harassment, NMFS recommends

treating DTH as a continuous source and applying RMS SPL thresholds of 120 dB re 1 μ Pa. When evaluating Level A harassment, NMFS recommends treating DTH as an impulsive source, applying the thresholds in the second column of

table 4. NMFS (2022) guidance on DTH systems recommends source levels for DTH systems (https://media.fisheries.noaa.gov/2022-11/PUBLIC%20DTH%20Basic%20Guidance_November%202022.pdf). NMFS has applied those

levels in our analysis (see table 5 for NMFS' proposed source levels) of potential acoustic impacts from the DTH excavation that might be required to complete installation of a small number of piles.

Ensonified Area

Here, we describe operational and environmental parameters of the activity that are used in estimating the area ensonified above the acoustic

thresholds, including source levels and transmission loss coefficient.

The sound field in the project area is the existing background noise plus additional construction noise from the proposed project. Marine mammals are expected to be affected via sound generated by the primary components of the project (*i.e.*, vibratory pile driving and extraction, impact pile driving, DTH).

Source levels for vibratory pile installation and extraction, impact pile driving, and DTH are based on reviews of measurements of the same or similar types and dimensions of pile available in the literature. Source levels for vibratory installation and extraction of the 18-in template steel pipe piles are assumed equal. Table 5 presents source levels for in-water construction activities, which apply to both Year 1 and Year 2.

TABLE 5—SOURCE LEVELS FOR PROPOSED ACTIVITIES

Pile type	Installation/extraction method	Peak SPL (dB re 1 μ Pa)	RMS SPL (dB re 1 μ Pa)	SEL (dB re 1 μ Pa 2-s)	Reference
18" Steel Pipe (permanent)	DTH (Level A)	172	N/A	146	NMFS 2022.
	DTH (Level B)	N/A	167	N/A	NMFS 2022.
	Impact	203	190	177	Caltrans 2020.
	Vibratory	N/A	158	N/A	Caltrans 2020.
18" Steel pipe pile (temporary/ template).	Vibratory	N/A	158	N/A	Caltrans 2020.
18" Steel Sheet (permanent)	Impact	205	190	180	Caltrans 2015.
	Vibratory	N/A	160	N/A	Caltrans 2015.

Transmission loss (TL) is the decrease in acoustic intensity as an acoustic pressure wave propagates out from a source in the acoustic field. TL parameters vary with frequency, temperature, sea conditions, current, source and receiver depth, water depth, water chemistry, and bottom composition and topography. The general formula for underwater TL is:

$$TL = B \times \text{Log}_{10} (R_1/R_2),$$

Where:

TL = transmission loss in dB

B = transmission loss coefficient

R_1 = the distance of the modeled SPL from the driven pile, and

R_2 = the distance from the driven pile of the initial measurement

Absent site-specific acoustical monitoring with differing measured TL, a practical spreading loss value of 15 is used as the TL coefficient in the above formula for nearshore environments. Site-specific TL data for Coddington Cove are not available; therefore, the default coefficient of 15 is used to determine the distances to the Level A harassment and Level B harassment thresholds.

The TL model described above was used to calculate the expected noise propagation from impact pile driving, vibratory pile driving and extraction, and DTH excavation using representative source levels to estimate the harassment zones or area exceeding the noise criteria, resulting in the maximum distances to the Level B harassment isopleths shown in table 6. Using these maximum distance values,

the areas ensonified above the Level B harassment thresholds were calculated and truncated to account for landmass interference, where applicable, using a Geographic Information System. Sound source locations were chosen to model the greatest possible affected areas from a representative notional pile location. For both Year 1 and Year 2, the largest calculated distance to the Level B harassment isopleth is 13,594 m, which would be produced during DTH excavation of the 18-in steel pipe piles and would result in a 580.26 square kilometer ensonified area. However, when accounting for attenuation from landmass interference, activities in Year 1 would generate an estimated maximum Level B harassment ensonified area of approximately 6.37 km² in Year 1 and 9.67 km² in Year 2 (tables 6–9). Although the Navy would install the same pile types and sizes using the same methods both years, the ensonified zone sizes differ because the bulkheads are located at different sites, thus, sound propagation would be differentially intercepted by land (figure 1).

The ensonified area associated with Level A harassment (AUD INJ) is more technically challenging to predict due to the need to account for a duration component. Therefore, NMFS developed an optional User Spreadsheet tool to accompany the 2024 Updated Technical Guidance that can be used to predict an isopleth distance for use in conjunction with marine mammal density or occurrence to help predict potential takes. We note that because of

some of the assumptions included in the methods underlying this optional tool, we anticipate that the resulting isopleth estimates are typically going to be overestimates of some degree, which may result in an overestimate of potential take by Level A harassment (AUD INJ). However, this optional tool offers the best way to estimate isopleth distances when more sophisticated modeling methods are not available or practical. For stationary sources such as pile driving and DTH, the optional User Spreadsheet tool predicts the distance at which, if a marine mammal remained at that distance for the duration of the activity, it would be expected to incur AUD INJ, which includes but is not limited to PTS.

The Navy used NMFS' 2024 Updated Technical Guidance and optional User Spreadsheet to calculate the maximum distances to Level A harassment (AUD INJ onset) thresholds for all in-water construction activities in Year 1 and Year 2 (*i.e.*, impact pile driving, vibratory installation and extraction, and DTH excavation). Inputs used in the optional User Spreadsheet tool include values in table 1 (*e.g.*, number of piles per day, duration, and/or strikes per pile) and table 5 (*i.e.*, source levels). Sound source locations were chosen to model the greatest possible affected area from the representative notional pile location. The resulting estimated distances to Level A harassment threshold isopleths and total ensonified areas are reported below in tables 6 and 7 for Bulkhead S50S/LNG activities (Year 1) and tables 8 and 9 for Bulkhead

499 activities (Year 2). As described for the maximum calculated areas based on the Level B harassment isopleths, areas ensonified above the Level A harassment thresholds were calculated and truncated to account for landmass interference, where applicable (tables 6–9).

TABLE 6—YEAR 1 BULKHEAD S50S/LNG CALCULATED MAXIMUM DISTANCES TO HARASSMENT THRESHOLDS FROM IMPULSIVE UNDERWATER SOUND
[Impact pile driving and DTH mono-hammer component]

Structure	Pile size and type	Activity	Total production days	Level A (AUD INJ) harassment			Level B (behavioral) harassment
				HF cetacean	VHF cetacean	Phocid	All marine mammals
				Maximum distance to 193 dB SEL _{cum} threshold (m)/ area of harassment zone (sq km)	Maximum distance to 159 dB SEL _{cum} threshold (m)/ area of harassment zone (sq km)	Maximum distance to 183 dB SEL _{cum} threshold (m)/ area of harassment zone (sq km)	Maximum distance 160 dB RMS SPL (120 dB DTH) threshold (m)/ area of harassment zone (sq km) *
Bulkhead S50S/LNG	18-in Steel Sheet Pile (permanent).	Impact Install.	15	209.8/0.09092	2,545.1/3.7036	1,461/1.856	1,000/0.9718
	18-in Steel Pipe Pile (permanent).	Impact Install.	15	202.2/0.06965	2,452.0/2.957	1,407.6/1.4031	1,000/0.9718
	18" Steel Pipe Pile (template, temporary).	Mono-hammer DTH.	11	16.5/0.000647	199.6/0.06104	114.6/0.02866	13,594/6.3678

*The calculated area based on the maximum distance to the harassment isopleth from the Bulkhead S50S/LNG location is truncated due to land interference, resulting in a maximum ensonified zone of approximately 6.37 km² in Year 1.

TABLE 7—YEAR 1 BULKHEAD S50S/LNG CALCULATED MAXIMUM DISTANCES TO HARASSMENT THRESHOLDS FROM NON-IMPULSIVE UNDERWATER SOUND
[Vibratory pile driving/extracting, DTH continuous component]

Structure	Pile size and type	Activity	Total production days	Level A (AUD INJ) harassment			Level B (behavioral) harassment
				HF cetacean	VHF cetacean	Phocid	All marine mammals
				Maximum distance to 201 dB SEL _{cum} threshold (m)/ area of harassment zone (sq km)	Maximum distance to 181 dB SEL _{cum} threshold (m)/ area of harassment zone (sq km)	Maximum distance to 195 dB SEL _{cum} threshold (m)/ area of harassment zone (sq km)	Maximum distance 120 dB RMS SPL threshold (m)/ area of harassment zone (sq km) *
Bulkhead S50S/LNG	18-in Steel Sheet Pile (permanent).	Vibratory Install.	15	7.7/0.00015	16.3/0.00065	25.7/0.00168	4,641.6/6.3678
	18-in Steel Pipe Pile (permanent).	Vibratory Install.	15	5.6/0.000078	12/0.000346	18.9/0.000852	3,415/4.35
	18" Steel Pipe Pile (template, temporary).	Vibratory Installation/Extraction.	34	3.5/0.000033	7.5/0.000138	11.9/0.000341	3,415/4.35

*The calculated area based on the maximum distance to the harassment isopleth from the Bulkhead S50S/LNG location is truncated due to land interference, resulting in a maximum ensonified zone of approximately 6.37 km² in Year 1.

TABLE 8—YEAR 2 BULKHEAD S499 CALCULATED MAXIMUM DISTANCES TO HARASSMENT THRESHOLDS FROM IMPULSIVE UNDERWATER SOUND
[Impact pile driving and DTH mono-hammer component]

Structure	Pile size and type	Activity	Total production days	Level A (AUD INJ) harassment			Level B (behavioral) harassment
				HF cetacean	VHF cetacean	Phocid	All marine mammals
				Maximum distance to 201 dB SEL _{cum} threshold (m)/ area of harassment zone (sq km)	Maximum distance to 181 dB SEL _{cum} threshold (m)/ area of harassment zone (sq km)	Maximum distance to 195 dB SEL _{cum} threshold (m)/ area of harassment zone (sq km)	Maximum distance 120 dB RMS SPL threshold (m)/ area of harassment zone (sq km) *
Bulkhead S499	18-in Steel Sheet Pile (permanent).	Impact Install.	11	209.8/0.09092	2,545/4.706	1,461.0/2.813	1,000/1.69
	18-in Steel Pipe Pile (permanent).	Impact Install.	11	202.2/0.0819	2,452/4.177	1,407.6/2.21816	1,000/1.69

TABLE 8—YEAR 2 BULKHEAD S499 CALCULATED MAXIMUM DISTANCES TO HARASSMENT THRESHOLDS FROM IMPULSIVE UNDERWATER SOUND—Continued
[Impact pile driving and DTH mono-hammer component]

Structure	Pile size and type	Activity	Total production days	Level A (AUD INJ) harassment			Level B (behavioral) harassment
				HF cetacean	VHF cetacean	Phocid	All marine mammals
				Maximum distance to 201 dB SEL _{cum} threshold (m)/ area of harassment zone (sq km)	Maximum distance to 181 dB SEL _{cum} threshold (m)/ area of harassment zone (sq km)	Maximum distance to 195 dB SEL _{cum} threshold (m)/ area of harassment zone (sq km)	Maximum distance 120 dB RMS SPL threshold (m)/ area of harassment zone (sq km) *
	18" Steel Pipe Pile (template, temporary).	Mono-hammer DTH.	9	16.5/0.000634	199.6/0.07893	114.6/0.027161	13,594/9.4398

*The calculated area based on the maximum distance to the harassment isopleth from the Bulkhead S499 location is truncated due to land interference, resulting in a maximum ensounded zone of approximately 9.44 km² in Year 2.

TABLE 9—YEAR 2 BULKHEAD S499 CALCULATED MAXIMUM DISTANCES TO HARASSMENT THRESHOLDS FROM NON-IMPULSIVE UNDERWATER SOUND
[Vibratory pile driving/extracting, DTH continuous component]

Structure	Pile size and type	Activity	Total production days	Level A (AUD INJ) harassment			Level B (behavioral) harassment
				HF cetacean	VHF cetacean	Phocid	All marine mammals
				Maximum distance to 201 dB SEL _{cum} threshold (m)/ area of harassment zone (sq km)	Maximum distance to 181 dB SEL _{cum} threshold (m)/ area of harassment zone (sq km)	Maximum distance to 195 dB SEL _{cum} threshold (m)/ area of harassment zone (sq km)	Maximum distance 120 dB RMS SPL threshold (m)/ area of harassment zone (sq km) *
Bulkhead S499	18-in Steel Sheet Pile (permanent).	Vibratory Install.	11	7.7/0.000186	16.3/0.000651	25.7/0.001573	4,641.6/9.43
	18-in Steel Pipe Pile (permanent).	Vibratory Install.	11	5.6/0.000078	12/0.000346	18.9/0.000852	3,415/4.35
	18" Steel Pipe Pile (template, temporary).	Vibratory Installation/Extraction.	26	3.5/0.000033	7.5/0.000138	11.9/0.000341	3,415/4.35

*The calculated area based on the maximum distance to the harassment isopleth from the Bulkhead S499 location is truncated due to land interference, resulting in a maximum ensounded zone of approximately 9.44 km² in Year 2.

For a given activity (*e.g.*, pile driving), Level A harassment zones are typically smaller than Level B harassment zones. However, in rare cases, the maximum calculated distance to the Level A harassment threshold isopleth is greater than the maximum calculated distance to the Level B harassment threshold isopleth (*e.g.*, values for impact pile driving of 18-inch steel pipe piles in Year 2 for very high-frequency (VHF) cetaceans and phocids (PW)) (table 8). Calculations of Level A harassment isopleths include a duration component that, in the case of impact pile driving and DTH methods, is estimated through the total number of expected daily strikes within a 24-hour period and the associated pulse duration. When analyzing potential acoustic impacts for a stationary sound source such as impact pile driving or DTH, we assume that an animal would be exposed to all of the strikes expected for that activity

within that 24-hour period. In contrast, calculation of Level B harassment isopleths does not include a duration component. Due to differences in the parameters that characterize each form of harassment, it is assumed that Level B harassment occur instantaneously rather than building through exposure to a series of hammer strikes over a longer duration. Thus, depending on the duration included in the calculation, the calculated radii to Level A harassment isopleths can be larger than the calculated radii to the Level B harassment isopleth for the same activity.

Marine Mammal Occurrence and Take Estimation

In this section, we provide information about the occurrence of marine mammals, including density or other relevant information that will inform the take calculations.

Marine Mammal Occurrence

Potential exposures to construction noise for each acoustic threshold were estimated using marine mammal density estimates from the Navy Marine Species Density Database (NMSDD) (Navy, 2017a) (table 10). Monthly densities of species were evaluated in terms of minimum, maximum, and average annual densities within Narragansett Bay. Average densities were used for all cetaceans. The average densities were calculated using all data records provided for each cetacean, where density survey data was available over a 12-month survey period.

The NMSDD models densities for harbor and gray seals as a harbor-gray seal guild due to difficulty in distinguishing these two species at sea. Given records of its year-round occurrence in Narragansett Bay, the harbor seal is expected to be the most commonly occurring phocid pinniped

species in the project area (Kenney and Vigness-Raposa, 2010); thus, take estimation for the harbor seal incorporates the maximum (*i.e.*, versus minimum or average) density estimate for the harbor-gray seal guild. Based on stranding records, gray seals are the second most commonly occurring phocid species in Rhode Island waters and, particularly during spring and early summer and occasionally during other months of the year (Kenney,

2020). Therefore, the average density for the pooled harbor-gray seal guild was used for gray seal take estimation.

Unlike the pooled harbor-gray seal density model, the NMSDD includes models specific to the hooded seal and the harp seal that are separate from each other (and from the pooled harbor-gray seal density model). Both species are considered only occasional visitors in Narragansett Bay. Sightings of either species, either live or stranded, are

considered rare—particularly compared to harbor and gray seal sighting frequencies (Kenney, 2015). Thus, take estimation for the hooded seal considers only the minimum density estimate available for the hooded seal density model (versus the average or maximum). Similarly, take estimation for the harp seal considers only the minimum density estimate available for the harp seal density model (versus the average or maximum).

TABLE 10—DENSITIES USED IN EXPOSURE ANALYSIS, BY SPECIES

Species	Density model strategy for species (individual or grouped)	Density model output used for take estimation (minimum, average, or maximum)	Density in project area (species per km ²)
Atlantic white-sided dolphin	Individual	Average	0.003
Common dolphin	Individual	Average	0.011
Harbor porpoise	Individual	Average	0.012
Harbor seal ¹	Grouped	Maximum	0.623
Gray seal ¹ .....	.....	Average	0.131
Harp seal ²	Individual	Minimum	0.05
Hooded seal ²	Individual	Minimum	0.001

¹ The NMSDD models density (*i.e.*, minimum, average, and maximum estimates) for harbor and gray seals as a combined harbor-gray seal guild, due to difficulty in distinguishing these two species at sea. Harbor seals are more common than gray seals in Narragansett Bay; thus, of the three density estimates produced by the model, take estimation used the maximum and average density estimates for harbor and gray seals, respectively.

² Harp seal occurrence in Narragansett Bay is rare, thus, take estimation is based on the minimum density estimate produced by the density model for this species. For the same reason, this approach was used for the hooded seal, another infrequent visitor to Narragansett Bay.

Take Estimation

Here we describe how the information provided above is synthesized to produce a quantitative estimate of the take that is reasonably likely to occur and proposed for authorization.

For each species, Navy multiplied the density (*N*) by the largest ensonified area (tables 6–9) and the maximum days of activity (table 1) (take estimate = $N \times$ ensonified area $\times$ days of pile driving/extraction and DTH) in order to calculate estimated take by Level A harassment and Level B harassment. The Navy used the pile type, size, and construction method that produce the largest isopleth to estimate exposure of marine mammals to noise impacts. The

exposure estimate was rounded to the nearest whole number at the end of the calculation. Estimated exposures by activity type for each species are shown in table 6–12 in the application.

For each species, tables 11 and 12 show the total requested number of takes by Level A harassment and Level B harassment for all activities for Year 1 and Year 2, respectively. For Year 1, the Navy is requesting incidental take by Level B harassment of 7 species (Atlantic white-sided dolphin, common dolphin, harbor porpoise, harbor seal, gray seal, harp seal, and hooded seal) and 5 species (harbor porpoise and all phocid species) by Level A harassment. When determining sufficient numbers of take to request for authorization

(relative to the number estimated through exposure analysis), the Navy increased the estimated take by Level B harassment for Atlantic white-sided dolphins from 2 to 16 takes in Year 1 and Year 2, as the estimated take was less than the documented average group size (NUWC, 2017). A similar adjustment was made for common dolphins, resulting in an increase from estimated to requested take by Level B harassment from 5 to 30 takes in Year 1 and Year 2. NMFS concurs with the Navy's approach and, for each IHA, is proposing to authorize 16 takes of Atlantic white-sided dolphins by Level B harassment and 30 takes of common dolphins by Level B harassment.

TABLE 11—PROPOSED TAKE BY STOCK AND HARASSMENT TYPE AND AS A PERCENTAGE OF STOCK ABUNDANCE
[Year 1]

Species name	Stock	Stock abundance	Level A (AUD INJ/ PTS)	Level B (behavioral)	Proposed maximum annual take	Proposed take as percentage of stock
Atlantic white-sided dolphin ¹	Western North Atlantic	93,233	0	16	16	0.02
Common dolphin ¹	Western North Atlantic	93,100	0	30	30	0.03
Harbor porpoise	Gulf of Maine/Bay of Fundy	85,765	1	6	7	0.01
Harbor seal	Western North Atlantic	61,336	31	298	329	0.54
Gray seal	Western North Atlantic	27,911	7	63	70	0.25
Harp seal	Western North Atlantic	7,600,000	3	24	27	<0.001

TABLE 11—PROPOSED TAKE BY STOCK AND HARASSMENT TYPE AND AS A PERCENTAGE OF STOCK ABUNDANCE—
Continued
[Year 1]

Species name	Stock	Stock abundance	Level A (AUD INJ/ PTS)	Level B (behavioral)	Proposed maximum annual take	Proposed take as percentage of stock
Hooded seal	Western North Atlantic	Unknown	1	1	2	N/A

¹ Requested take by Level B harassment has been increased to mean group size (NUWC, 2017). Mean group size was not used for those take estimates that exceeded the mean group size.

TABLE 12—PROPOSED TAKE OF MARINE MAMMALS BY LEVEL B HARASSMENT BY SPECIES, AND PERCENT OF STOCK
[Year 2]

Species name	Stock	Stock abundance	Level A (AUD INJ/ PTS)	Level B (behavioral)	Proposed maximum annual take	Proposed take as percentage of stock
Atlantic white-sided dolphin ¹ .	Western North Atlantic	93,233	0	16	16	0.02
Common dolphin ¹	Western North Atlantic	93,100	0	30	30	0.03
Harbor porpoise	Gulf of Maine/Bay of Fundy	85,765	2	8	10	0.01
Harbor seal	Western North Atlantic	61,336	42	394	436	0.71
Gray seal	Western North Atlantic	27,911	7	71	78	0.28
Harp seal	Western North Atlantic	7,600,000	3	27	30	<0.001
Hooded seal	Western North Atlantic	Unknown	1	1	2	N/A

¹ Requested take by Level B harassment has been increased to mean group size (NUWC, 2017). Mean group size was not used for those take estimates that exceeded the mean group size.

Proposed Mitigation

In order to issue an IHA under section 101(a)(5)(D) of the MMPA, NMFS must set forth the permissible methods of taking pursuant to the activity, and other means of effecting the least practicable impact on the species or stock and its habitat, paying particular attention to rookeries, mating grounds, and areas of similar significance, and on the availability of the species or stock for taking for certain subsistence uses (latter not applicable for this action). NMFS regulations require applicants for ITAs to include information about the availability and feasibility (economic and technological) of equipment, methods, and manner of conducting the activity or other means of effecting the least practicable adverse impact upon the affected species or stocks, and their habitat (50 CFR 216.104(a)(11)).

In evaluating how mitigation may or may not be appropriate to ensure the least practicable adverse impact on species or stocks and their habitat, as well as subsistence uses where applicable, NMFS considers two primary factors:

(1) The manner in which, and the degree to which, the successful implementation of the measure(s) is expected to reduce impacts to marine mammals, marine mammal species or stocks, and their habitat. This considers the nature of the potential adverse impact being mitigated (likelihood,

scope, range). It further considers the likelihood that the measure will be effective if implemented (probability of accomplishing the mitigating result if implemented as planned), the likelihood of effective implementation (probability implemented as planned), and;

(2) The practicability of the measures for applicant implementation, which may consider such things as cost and impact on operations.

The mitigation requirements described in the following sections were either proposed by the Navy in its adequate and complete application or are the result of subsequent coordination between NMFS and the Navy. The Navy has agreed that all of the mitigation measures are practicable. NMFS has fully reviewed the specified activities and the mitigation measures to determine if the mitigation measures would result in the least practicable adverse impact on marine mammals and their habitat, as required by the MMPA, and has determined the proposed measures are appropriate. NMFS describes these measures below as proposed mitigation requirements (see section 11 of the Navy's application for more detail) and has included them in both of the proposed IHAs.

In addition to the measures described later in this section, the Navy would follow these general mitigation measures:

- Authorized take, by Level A harassment and Level B harassment, would be limited to the species and numbers listed in tables 11 (Year 1) and 12 (Year 2). Construction activities must be halted upon observation of either a species for which incidental take is not authorized or a species for which incidental take has been authorized but the authorized number of takes has been met, entering or is within the harassment zone.

- The taking by serious injury or death of any of the species listed in tables 11 and 12 or taking of any species of marine mammal other than those listed in tables 11 and 12, would be prohibited and would result in the modification, suspension, or revocation of the IHAs, if issued. Exceeding the numbers of incidental take for a given species that are proposed for authorization (tables 11 and 12) would be prohibited and would result in the modification, suspension, or revocation of the IHAs, if issued.

- The Navy must ensure that construction supervisors and crews, the marine mammal monitoring team, and relevant Navy staff are trained prior to the start of all construction activities, so that responsibilities, communication procedures, marine mammal monitoring protocol, and operational procedures are clearly understood. New personnel joining during the project must be trained prior to commencing work.

- The Navy, construction supervisors and crews, Protected Species Observers (PSOs), and relevant Navy staff must avoid direct physical interaction with marine mammals during construction activity. If a marine mammal comes within 10 m of such activity, operations must cease and vessels must reduce speed to the minimum level required to maintain steerage and safe working conditions, as necessary to avoid direct physical interaction.

- The Navy must employ PSOs and establish monitoring locations as described in section 5 of the IHAs and the Navy's Marine Mammal Monitoring and Mitigation Plan, which would be submitted to NMFS for approval no later than 30 days in advance of construction work. The Navy must monitor the project area to the maximum extent possible based on the required number of PSOs, required monitoring locations, and environmental conditions. A minimum of two PSOs would be required to monitor for marine mammals during vibratory pile installations and extractions; a minimum of three PSOs would be required to monitor for marine

mammals during impact pile driving and use of DTH methods.

Additionally, the following mitigation measures apply to the Navy's in-water construction activities:

Establishment of Shutdown Zones— The purpose of a shutdown zone is generally to define an area within which shutdown of the activity would occur upon sighting a marine mammal (or in anticipation of an animal entering the defined area). The Navy proposes shutdown zones with radial distances identified in table 13 for all construction activities (*i.e.*, pile driving or extraction, and DTH). To prevent injury from physical interaction with construction equipment, the Navy proposes a minimum of a 10-m shutdown be implemented during all in-water construction activities having the potential to affect marine mammals to ensure marine mammals are not present within this zone and to protect marine mammals from collisions with project vessels during pile driving and other construction activities. These activities could include, but are not limited to, barge positioning, drilling, or pile driving. The other shutdown zones

proposed by the Navy are based on the size of the Level A harassment zone for each pile size/type and driving method, although some of the zones are too large to monitor completely (*e.g.*, for VHFC and PW during impact pile driving and DTH); in these cases, the Navy proposes to maintain a 200-m shutdown zone for that activity. NMFS concurs with this approach.

If an activity is delayed or halted due to the presence of a marine mammal, the activity may not commence or resume until the animal has voluntarily exited and been visually confirmed beyond the relevant shutdown zone indicated in table 13, or 15 minutes have passed without re-detection of the animal. If a marine mammal species not covered under these IHAs enters a harassment zone, all in-water activities must cease and remain shut down until the animal leaves the harassment zone or has not been observed for a minimum of 15 minutes. However, if a marine mammal enters the Level B harassment zone, in-water work would proceed and PSOs would document the marine mammal's presence and behavior.

TABLE 13—PROPOSED SHUTDOWN ZONES FOR PROJECT ACTIVITIES

Pile type	Activity	Shutdown zone (m)		Level B harassment zone (m)
		Seals (PW)	Cetaceans (HFC, VHFC)	All marine mammal species ¹
18" Steel sheet	Vibratory Install	50	50	4,642
18" Steel pipe (template)	Vibratory Install/Extract	50	50	7,356
18" Steel pipe (permanent)	Vibratory Install	85	55	7,356
	Impact Install ²	* 200	* 200	1,585
	DTH ²	* 200	* 200	13,593

¹ Harassment zones may not reach the maximum distance due to the presence of intersecting land masses. Refer to figures 6–1 through 6–12 of Navy's IHA application for visual depictions of the truncated harassment zones PSOs will monitor.

² At least three PSOs must be assigned to monitor during impact pile driving and use of DTH methods.

* Based on practicable shutdown zone distance implemented for other similar projects in the region (*e.g.*, 87 FR 11860, March 2, 2022).

Pre- and Post-Activity Monitoring— Monitoring would take place from 30 minutes prior to initiation of pile driving activity (*i.e.*, pre-start clearance monitoring) through 30 minutes following completion of pile driving activity. In addition, monitoring for 30 minutes would take place whenever a break in the specified activity (*i.e.*, impact pile driving, vibratory pile driving or extraction, DTH) of 30 minutes or longer occurs. Pre-start clearance monitoring would be conducted during periods of visibility sufficient for the lead PSO to determine that the shutdown zones indicated in table 13 are clear of marine mammals. Pile driving may commence following 30 minutes of observation when the

determination is made that the shutdown zones are clear of marine mammals.

Soft Start—The Navy would use soft start techniques when impact pile driving. Soft start requires contractors to provide an initial set of three strikes at reduced energy, followed by a 30-second waiting period, then two subsequent reduced-energy strike sets. A soft start would be implemented at the start of each day's impact pile driving and at any time following cessation of impact pile driving for a period of 30 minutes or longer. Soft start procedures are used to provide additional protection to marine mammals by providing warning and/or giving marine mammals a chance to

leave the area prior to the hammer operating at full capacity.

NMFS also considered the use of bubble curtains as a mitigation measure. Bubble curtains were deemed not practicable, as they would not be effective in the limited working area that provides access to the bulkhead sites.

Based on our evaluation of the applicant's proposed measures, as well as other measures we considered, NMFS has preliminarily determined, for both proposed IHAs, that the proposed mitigation measures provide the means of effecting the least practicable impact on the affected species or stocks and their habitat, paying particular attention

to rookeries, mating grounds, and areas of similar significance.

Proposed Monitoring and Reporting

In order to issue an IHA for an activity, section 101(a)(5)(D) of the MMPA states that NMFS must set forth requirements pertaining to the monitoring and reporting of such taking. The MMPA implementing regulations at 50 CFR 216.104(a)(13) indicate that requests for authorizations must include the suggested means of accomplishing the necessary monitoring and reporting that will result in increased knowledge of the species and of the level of taking or impacts on populations of marine mammals that are expected to be present while conducting the activities. Effective reporting is critical to compliance as well as ensuring that the most value is obtained from the required monitoring.

Monitoring and reporting requirements prescribed by NMFS should contribute to improved understanding of one or more of the following:

- Occurrence of marine mammal species or stocks in the area in which take is anticipated (e.g., presence, abundance, distribution, density);
- Nature, scope, or context of likely marine mammal exposure to potential stressors/impacts (individual or cumulative, acute or chronic), through better understanding of: (1) action or environment (e.g., source characterization, propagation, ambient noise); (2) affected species (e.g., life history, dive patterns); (3) co-occurrence of marine mammal species with the activity; or (4) biological or behavioral context of exposure (e.g., age, calving or feeding areas);
- Individual marine mammal responses (behavioral or physiological) to acoustic stressors (acute, chronic, or cumulative), other stressors, or cumulative impacts from multiple stressors;
- How anticipated responses to stressors impact either: (1) long-term fitness and survival of individual marine mammals; or (2) populations, species, or stocks;
- Effects on marine mammal habitat (e.g., marine mammal prey species, acoustic habitat, or other important physical components of marine mammal habitat); and,
- Mitigation and monitoring effectiveness.

The monitoring and reporting requirements described in the following were proposed by the Navy in its adequate and complete application and/or are the result of subsequent coordination between NMFS and Navy

has agreed to the requirements. NMFS describes these below as requirements and has included them in the proposed IHAs.

The Navy would abide by all monitoring and reporting measures contained within the IHAs, if issued, and their Marine Mammal Monitoring and Mitigation Plan (to be submitted for NMFS approval no later than 30 days prior to the start of construction). A summary of those measures and additional requirements proposed by NMFS is provided below.

Visual Monitoring—A minimum of two or three NMFS-approved PSOs must be stationed at strategic vantage points for the entirety of vibratory (i.e., vibratory pile driving/extraction) or impact (i.e., impact pile driving and DTH) installation methods, respectively. PSOs would be independent of the activity contractor (for example, employed by a subcontractor) and have no other assigned tasks during monitoring periods. At least one PSO would have prior experience performing the duties of a PSO during an activity pursuant to a NMFS-issued ITA or Letter of Concurrence (LOC). Other PSOs may substitute other relevant experience, education (degree in biological science or related field), or training for prior experience performing the duties of a PSO during construction activity pursuant to a NMFS-issued ITA.

• Where a team of three or more PSOs is required, a lead observer or monitoring coordinator would be designated. The lead observer must have prior experience performing the duties of a PSO during construction activity pursuant to a NMFS-issued ITA or LOC.

PSOs would also have the following additional qualifications:

- The ability to conduct field observations and collect data according to assigned protocols;
- Experience or training in the field identification of marine mammals, including the identification of behaviors;
- Sufficient training, orientation, or experience with the construction operation to provide for personal safety during observations;
- Writing skills sufficient to prepare a report of observations including but not limited to: (1) the number and species of marine mammals observed; (2) dates and times when in-water construction activities were conducted; (3) dates, times, and reason for implementation of mitigation (or why mitigation was not implemented when required); and (4) marine mammal behavior; and
- The ability to communicate orally, by radio or in person, with Project personnel to provide real-time

information on marine mammals observed in the area as necessary.

The Navy must establish monitoring locations as described in the approved Marine Mammal Monitoring and Mitigation Plan (see figure 11–1 of the Navy's IHA application for map indicating potential locations). During vibratory pile installations and extractions, a minimum of two PSOs must be assigned to each activity location to monitor the shutdown zones. At least three PSOs must be assigned to monitor shutdown zones during impact pile driving and use of DTH methods, activities producing the largest Level A harassment zones. PSOs would record all observations of marine mammals, regardless of distance from the pile being driven, as well as the additional data indicated below and in section 6 of the IHAs, if issued.

Acoustic Monitoring

The Navy must establish acoustic monitoring procedures as described in a NMFS-approved Acoustic Monitoring Plan (see summary in section 13.2 of the Navy's application) to verify the sound source levels predicted. An acoustic monitoring plan would be submitted to NMFS no later than 60 days prior to the beginning of in-water construction for approval. The Navy proposes to monitor a minimum of 10 of each type of pile and method installation method combination listed in table 13–1 of the application with at least 2 hydrophones, 1 placed approximately 10 m from the incident pile, and 1 further away, in accordance with a hydroacoustic monitoring plan that would be approved by NMFS in advance of construction. The estimated harassment and/or shutdown zones may be modified with NMFS' approval following NMFS' acceptance of an acoustic monitoring report. See section 13 of the Navy's IHA application for more detail.

At minimum, the methodology would include:

- For underwater recordings, a stationary hydrophone system with the ability to measure SPLs will be placed in accordance with NMFS' most recent guidance for the collection of source levels (NMFS, 2012).
- A close-range hydrophone placed at a horizontal distance of 10 m from the pile. Additional hydrophones would be placed at (1) a horizontal distance no less than three times the water depth and (2) in the far field, well away from the source. Hydrophones would be placed at a depth of half the water depth at each measurement location. Exact positioning of the hydrophone(s) would ensure a direct, unobstructed path

between the sound source and the hydrophone(s);

- Measurement systems would be deployed using configurations which minimize self or platform noise and ensure stable positioning throughout the recordings;

- The recordings would be continuous throughout each acoustic event for which monitoring is required;

- The sound source verification (SSV) measurement systems would have a sensitivity appropriate for the expected SPLs. The frequency range of SSV measurement systems would cover the range of at least 20 Hz to 20 kHz. The dynamic range of the measurement system would be sufficient such that at each location, the signals would avoid poor signal-to-noise ratios for low amplitude signals, and would avoid clipping, nonlinearity, and saturation for high amplitude signals;

- All hydrophones used in SSV measurements systems would be required to have undergone a full system laboratory calibration conforming to a recognized standard procedure, from a factory or accredited source to ensure the hydrophone(s) receives accurate SPLs, at a date not to exceed 2 years before deployment.

- Environmental data would be collected, including but not limited to, the following: wind speed and direction, air temperature, humidity, surface water temperature, water depth, wave height, weather conditions, and other factors that could contribute to influencing the airborne and underwater SPLs (e.g., aircraft, boats, etc.).

- The project engineer would supply the acoustics specialist with the substrate composition, hammer model and size, hammer energy settings, depth of drilling, and boring rates and any changes to those settings during the monitoring.

For acoustically monitored construction activities, data from the continuous monitoring locations would be post-processed to obtain the following sound measures:

- Maximum peak SPL recorded for all activities, expressed in dB re 1 μ Pa. This maximum value will originate from the phase of hammering during which hammer energy was also at maximum.

- From all activities occurring during the time that the hammer was at maximum energy, these additional measures will be made, as appropriate:

- mean, median, minimum, and maximum RMS SPL (dB re 1 μ Pa);
 - mean duration of a pile strike (based on the 90 percent energy criterion);
 - number of hammer strikes;
 - mean, median, minimum, and maximum SEL_{ss} (dB re μ Pa² sec);

- Median integration time used to calculate RMS SPL (for vibratory monitoring, the period selected is 1-second intervals. For impulsive monitoring, the period is 90 percent of the energy pulse duration);

- A frequency spectrum (power spectral density) (dB re μ Pa² per Hz) based on all strikes with similar sound; and

- Finally, the SEL₂₄ would be computed from all the strikes associated with each pile occurring during all phases, i.e., soft start. This measure is defined as the sum of all SEL_{ss} values. The sum is taken of the antilog, with log₁₀ taken of result to express (dB re μ Pa² sec).

Reporting—The Navy would be required to submit an annual draft summary report on all construction activities and marine mammal monitoring results for each IHA (i.e., Year 1 IHA, Year 2 IHA) to NMFS within 90 days following the end of construction or 60 calendar days prior to the requested issuance of any subsequent IHA for similar activity at the same location, whichever comes first. The draft summary report would include an overall description of construction work completed, a narrative regarding marine mammal sightings, and associated raw PSO data sheets (in electronic spreadsheet format). Specifically, the report must include:

- Dates and times (begin and end) of all marine mammal monitoring;
- Construction activities occurring during each daily observation period, including: (a) how many and what type of piles were driven or removed and the method (i.e., impact or vibratory, DTH); and (b) the total duration of time for each pile (vibratory driving) or number of strikes for each pile (impact driving);
- PSO locations during marine mammal monitoring; and
- Environmental conditions during monitoring periods (at beginning and end of PSO shift and whenever conditions change significantly), including Beaufort sea state and any other relevant weather conditions including cloud cover, fog, sun glare, and overall visibility to the horizon, and estimated observable distance.

Upon observation of a marine mammal, the following information must be reported:

- Name of PSO who sighted the animal(s) and PSO location and activity at the time of the sighting;
- Time of the sighting;
- Identification of the animal(s) (e.g., genus/species, lowest possible taxonomic level, or unidentified), PSO confidence in identification, and the

composition of the group if there is a mix of species;

- Distance and bearing of each observed marine mammal relative to the pile being driven or removed for each sighting;

- Estimated number of animals (min/max/best estimate);

- Estimated number of animals by cohort (e.g., adults, juveniles, neonates, group composition, etc.);

- Animal's closest point of approach and estimated time spent within the estimated harassment zone(s);

- Description of any marine mammal behavioral observations (e.g., observed behaviors such as feeding or traveling), including an assessment of behavioral responses thought to have resulted from the activity (e.g., no response or changes in behavioral state such as ceasing feeding, changing direction, flushing, or breaching);

- Number of marine mammals detected within the harassment zones, by species; and

- Detailed information about implementation of any mitigation (e.g., shutdowns and delays), a description of specified actions that ensued, and resulting changes in behavior of the animal(s), if any.

Acoustic monitoring report(s) must be submitted on the same schedule as visual monitoring reports (i.e., within 90 days following the completion of construction). The acoustic monitoring report must contain the informational elements described in the Acoustic Monitoring Plan (see summary in section 13.2 of the Navy's application) and, at minimum, must include:

- Hydrophone equipment and methods: (1) recording device, sampling rate, calibration details, distance (m) from the pile where recordings were made; and (2) the depth of water and recording device(s);

- Location, identifier, orientation (e.g., vertical, battered), material, and geometry (shape, diameter, thickness, length) of pile being driven, substrate type, method of driving during recordings (e.g., hammer model and energy), and total pile driving duration;

- Whether a sound attenuation device is used and, if so, a detailed description of the device used, its distance from the pile and hydrophone, and the duration of its use per pile;

- For impact pile driving: (1) number of strikes per day and per pile and strike rate; (2) depth of substrate to penetrate; (3) decade (one-third octave) band spectra in tabular and figure formats computed on a per-pulse basis, including the arithmetic mean or median for all computed spectra; (4) pulse duration and median, mean,

maximum, minimum, and number of samples (where relevant) of the following sound level metrics: (5) RMS SPL; (6) SEL₂₄, Peak (PK) SPL, and SEL_{ss}; and

- For vibratory driving/extraction: (1) duration of driving per pile; (2) vibratory hammer operating frequency; (3) decade (one-third octave) band spectra in tabular and figure formats for 1-second windows, including the arithmetic mean or median for all computed spectra; and (4) median, mean, maximum, minimum, and number of samples (where relevant) of the following sound level metrics: 1-sec RMS SPL, SEL₂₄ (and timeframe over which the sound is averaged).

If no comments were received from NMFS within 30 days after the submission of the draft summary report, the draft report would constitute the final report. If the Navy received comments from NMFS, a final summary report addressing NMFS' comments would be submitted within 30 days after receipt of comments.

Reporting Injured or Dead Marine Mammals—In the event that personnel involved in the Navy's activities discover an injured or dead marine mammal, the Navy would report the incident to the NMFS Office of Protected Resources

(PR.ITP.MonitoringReports@noaa.gov, ITP.esch@noaa.gov) and to the Greater Atlantic Region Regional Stranding Coordinator as soon as feasible. If the death or injury was clearly caused by the specified activity, the Navy would immediately cease the specified activities until NMFS is able to review the circumstances of the incident and determine what, if any, additional measures are appropriate to ensure compliance with the IHA. The Navy would not resume their activities until notified by NMFS. The report would include the following information:

- Description of the incident;
- Environmental conditions (*e.g.*, Beaufort sea state, visibility);
- Description of all marine mammal observations in the 24 hours preceding the incident;
- Photographs or video footage of the animal(s) (if equipment is available);
- Time, date, and location (latitude/longitude) of the first discovery (and updated location information if known and applicable);
- Species identification (if known) or description of the animal(s) involved;
- Condition of the animal(s) (including carcass condition if the animal is dead);
- Observed behaviors of the animal(s), if alive; and

- General circumstances under which the animal was discovered.

Negligible Impact Analysis and Determination

NMFS has defined negligible impact as an impact resulting from the specified activity that cannot be reasonably expected to, and is not reasonably likely to, adversely affect the species or stock through effects on annual rates of recruitment or survival (50 CFR 216.103). A negligible impact finding is based on the lack of likely adverse effects on annual rates of recruitment or survival (*i.e.*, population-level effects). An estimate of the number of takes alone is not enough information on which to base an impact determination. In addition to considering estimates of the number of marine mammals that might be "taken" through harassment, NMFS considers other factors, such as the likely nature of any impacts or responses (*e.g.*, intensity, duration), the context of any impacts or responses (*e.g.*, critical reproductive time or location, foraging impacts affecting energetics), as well as effects on habitat, and the likely effectiveness of the mitigation. We also assess the number, intensity, and context of estimated takes by evaluating this information relative to population status. Consistent with the 1989 preamble for NMFS' implementing regulations (54 FR 40338, September 29, 1989), the impacts from other past and ongoing anthropogenic activities are incorporated into this analysis via their impacts on the baseline (*e.g.*, as reflected in the regulatory status of the species, population size and growth rate where known, ongoing sources of human-caused mortality, or ambient noise levels).

To avoid repetition, the majority of our analysis applies to all species listed in table 2, given that many of the anticipated effects of this project on different marine mammal stocks are expected to be relatively similar in nature. Where there are meaningful differences between species or stocks, or groups of species, in anticipated individual responses to activities, impact of expected take on the population due to differences in population status, or impacts on habitat, they are described independently in the analysis below.

Noise associated with the Navy's Bulkhead Repair and Replacement construction project has the potential to disturb or displace marine mammals. Specifically, underwater sounds generated during impact pile driving, vibratory pile installation and extraction, and DTH excavation may

result in take of seven species (*i.e.*, Atlantic white-sided dolphin, common dolphin, harbor porpoise, harbor seal, gray seal, harp seal, and hooded seal) by Level B harassment and five these seven species (*i.e.*, harbor porpoise, harbor seal, gray seal, harp seal, and hooded seal) by Level A harassment, in the form of PTS.

No serious injury or mortality would be expected, even in the absence of required mitigation measures, given the nature of the activities. No take by Level A harassment is anticipated for other cetaceans due to the application of proposed mitigation measures, such as shutdown zones that encompass the Level A harassment zones. The potential for harassment would be minimized through the construction method and the implementation of the planned mitigation measures (see Proposed Mitigation section).

As discussed previously, take by Level A harassment is proposed for authorization for five species (*i.e.*, harbor porpoise, harbor seal, gray seal, harp seal, and hooded seal) in, as the Level A harassment zones exceed the size of the shutdown zones for specific construction scenarios. Therefore, there is the possibility that an animal could enter a Level A harassment zone without being detected, and remain within that zone for a duration long enough to incur AUD INJ in the form of PTS (*i.e.*, minor degradation of hearing capabilities within regions of hearing that align most completely with the energy produced by impact pile driving such as the low-frequency region below 2 kHz). Any take by Level A harassment is expected to arise from, at most, a small degree of PTS, not severe hearing impairment or impairment within the ranges of greatest hearing sensitivity. Animals would have to be exposed to higher levels and/or longer duration than are expected to occur here in order to incur any more than a small degree of PTS.

Further, the amount of take by Level A harassment proposed for authorization is very low for all species. For the harbor seals, the species with the largest number of take proposed for authorization, NMFS anticipates and proposes to authorize no more than 54 Level A harassment takes over the duration of Navy's planned activities. If hearing impairment occurs, it is most likely that the affected animal would lose only a few dBs in its hearing sensitivity. Due to the small degree anticipated, any PTS potential incurred would not be expected to affect the reproductive success or survival of any individuals, much less result in adverse impacts on the species or stock.

Proposed takes by Level B harassment would be due to potential behavioral disturbance and TTS. A subset of the individuals that are behaviorally harassed could also simultaneously incur some small degree of TTS for a short duration of time. However, since the hearing sensitivity of individuals that incur TTS is expected to recover completely within minutes to hours, it is unlikely that the brief hearing impairment would affect the individual's long-term ability to forage and communicate with conspecifics and would, therefore, not likely impact reproduction or survival of any individual marine mammal, let alone adversely affect rates of recruitment or survival of the species or stock.

As described above, NMFS expects that marine mammals would likely move away from an aversive stimulus, especially at levels that would be expected to result in PTS, given sufficient notice through use of soft start. The Navy would also shut down pile driving activities if marine mammals enter the shutdown zones (tables 10 and 11) further minimizing the likelihood and degree of PTS that would be incurred.

Effects on individuals that are taken by Level B harassment in the form of behavioral disruption, based on reports in the literature as well as monitoring from other similar activities, would likely be limited to reactions such as avoidance, increased swimming speeds, increased surfacing time, or decreased foraging (if such activity were occurring) (e.g., Thorson and Reyff 2006). Most likely, individuals would simply move away from the sound source and temporarily avoid the area where pile driving is occurring. If sound produced by project activities is sufficiently disturbing, animals are likely simply to avoid the area while the activities are occurring. We expect that any avoidance of the project areas by marine mammals would be temporary in nature and that any marine mammals that avoid the project areas during construction would not be permanently displaced. Short-term avoidance of the project areas and energetic impacts of interrupted foraging or other important behaviors are unlikely to affect the reproduction or survival of individual marine mammals, and the effects of behavioral disturbance on individuals are not likely to accrue in a manner that would affect the rates of recruitment or survival of any affected stock.

The project is also not expected to have significant adverse effects on affected marine mammals' habitats. No ESA-designated critical habitat or biologically important areas (BIAs)

associated with feeding or reproduction (i.e., pupping) are located within the project area. For example, while seasonal nearshore marine mammal surveys conducted at NAVSTA Newport from May 2016 to February 2017 help identify several harbor seal haul-out sites in Narragansett Bay, no pupping was observed.

The project activities would not modify existing marine mammal habitat for a significant amount of time. The activities may cause a low level of turbidity in the water column and some fish may leave the area of disturbance, thus temporarily impacting marine mammals' foraging opportunities in a limited portion of the foraging range; but, because of the short duration of the activities and the relatively small area of the habitat that may be affected (with no known particular importance to marine mammals), the impacts to marine mammal habitat are not expected to cause significant or long-term negative consequences.

For all species and stocks, take would occur within a limited, relatively confined area (Coddington Cove) of the stock's range. Given the availability of suitable habitat nearby, any displacement of marine mammals from the project area is not expected to affect marine mammals' fitness, survival, and reproduction due to the limited geographic area that would be ensonified and affected in comparison to the much larger habitat for marine mammals within Narragansett Bay and outside the bay along the RI coasts. Level A harassment and Level B harassment would be reduced to the level of least practicable adverse impact to the marine mammal species or stocks and their habitat through use of mitigation measures described herein.

Some individual marine mammals in the project area, such as harbor seals, may be present and be subject to repeated exposure to sound from construction activities occurring on multiple days. However, specified activities like pile driving are not expected to occur every day, and these individuals would likely return to normal behavior during gaps in activity both within a given day and between workdays. As discussed above, there is similar transit and haul-out habitat available for marine mammals within and outside of the Narragansett Bay along the RI coast, outside of the project area, where individuals could temporarily relocate during construction activities to reduce exposure to elevated sound levels from the project. Therefore, any behavioral effects of repeated or long duration exposures are not expected to affect survival or

reproductive success of any individuals negatively. Thus, even repeated Level B harassment of some small subset of an overall stock is unlikely to result in any effects on rates of reproduction and survival of the stock.

In summary and as described above, the following factors primarily support our preliminary determination that the impacts resulting from this activity are not expected to adversely affect any of the species or stocks through effects on annual rates of recruitment or survival:

- No serious injury or mortality is anticipated or proposed for authorization;
- No Level A harassment of any cetacean is proposed for authorization;
- The low numbers of take by Level A harassment for harbor seals, gray seals, hooded seals, and harp seals proposed for authorization are expected to be of a small degree;
- The intensity of anticipated takes by Level B harassment is expected to be relatively low for all stocks. Level B harassment would primarily occur in the form of behavioral disturbance, potentially resulting in avoidance of the project areas around where pile driving (vibratory or impact) and/or DTH excavation is occurring. Some low-level TTS may limit the detection of acoustic cues for some individual marine mammals for relatively brief amounts of time in the relatively confined footprints of the activities;
- The ensonified areas are very small relative to the overall habitat ranges of all species and stocks;
- Nearby areas of similar habitat value (e.g., transit and haul-out habitats) within and outside of Narragansett Bay are available for marine mammals that may temporarily vacate the project area during construction activities;
- The specified activity and associated ensonified areas do not overlap habitat areas known to be of special significance (BIAs or ESA-designated critical habitat);
- Effects from the activities on species that serve as prey for marine mammals are expected to be short-term and, therefore, any associated impacts on marine mammal feeding are not expected to result in significant or long-term consequences for individuals, or to accrue to adverse impacts on their populations;
- The lack of anticipated significant or long-term negative effects to marine mammal habitat; and
- The efficacy of the mitigation measures in reducing the effects of the specified activities on all species and stocks.

Based on the analysis contained herein of the likely effects of the

specified activity on marine mammals and their habitat, and taking into consideration the implementation of the proposed monitoring and mitigation measures, NMFS preliminarily finds, for both proposed IHAs, that the total marine mammal take from the proposed activity will have a negligible impact on all affected marine mammal species or stocks.

Small Numbers

As noted previously, only take of small numbers of marine mammals may be authorized under sections 101(a)(5)(A) and (D) of the MMPA for specified activities other than military readiness activities. The MMPA does not define small numbers and so, in practice, where estimated numbers are available, NMFS compares the number of individuals taken to the most appropriate estimation of abundance of the relevant species or stock in our determination of whether an authorization is limited to small numbers of marine mammals. When the predicted number of individuals to be taken is fewer than one-third of the species or stock abundance, the take is considered to be of small numbers (86 FR 5322, January 19, 2021). Additionally, other qualitative factors may be considered in the analysis, such as the temporal or spatial scale of the activities.

The instances of take NMFS proposes to authorize are below one-third of the estimated stock abundance for all impacted stocks (tables 11 and 12). In fact, take of individuals is 1 percent or less of the abundance for all affected stocks. Indeed, even if each take NMFS proposes to authorize occurred to a new individual, the number of animals would be considered small relative to the size of the relevant stocks or populations. Furthermore, the takes proposed for authorization would be limited to individuals occurring local to the Navy's construction activities, an area that represents a small portion of the range for any of the seven species considered here. Thus, the likelihood that each take would occur to a new individual is low and, while some individuals may return multiple times in a day, PSOs would count them as separate takes if the individuals are not identifiable.

Based on the analysis contained herein of the proposed activity (including the proposed mitigation and monitoring measures) and the anticipated take of marine mammals, NMFS preliminarily finds, for both proposed IHAs, that small numbers of

marine mammals would be taken relative to the population size of the affected species or stocks, with no species take exceeding 1 percent of the best available population abundance estimate.

Unmitigable Adverse Impact Analysis and Determination

There are no relevant subsistence uses of the affected marine mammal stocks or species implicated by this action. Therefore, NMFS has determined that the total taking of affected species or stocks would not have an unmitigable adverse impact on the availability of such species or stocks for taking for subsistence purposes.

Endangered Species Act

Section 7(a)(2) of the ESA of 1973 (16 U.S.C. 1531 *et seq.*) requires that each Federal agency ensures that any action it authorizes, funds, or carries out is not likely to jeopardize the continued existence of any endangered or threatened species or result in the destruction or adverse modification of designated critical habitat. To ensure ESA compliance for the issuance of IHAs, NMFS consults internally whenever we propose to authorize take for endangered or threatened species.

No incidental take of ESA-listed species is proposed for authorization or expected to result from this activity. Therefore, NMFS has determined that formal consultation under section 7 of the ESA is not required for this action.

Proposed Authorization

As a result of these preliminary determinations, NMFS proposes to issue two consecutive IHAs to the Navy for conducting the S50S/LNG and S499 Bulkheads Replacement Project in Newport, RI, provided the previously mentioned mitigation, monitoring, and reporting requirements are incorporated. Drafts of the proposed IHAs can be found at: <https://www.fisheries.noaa.gov/national/marine-mammal-protection/incidental-take-authorizations-construction-activities>.

Request for Public Comments

We request comment on our analyses, the proposed authorizations, and any other aspect of this notice of proposed IHAs for the proposed construction project. We also request comment on the potential renewal of these proposed IHAs as described in the paragraph below. Please include with your comments any supporting data or literature citations to help inform

decisions on the request for these IHAs or a subsequent renewal IHA.

On a case-by-case basis, NMFS may issue a one-time, 1-year renewal IHA following notice to the public providing an additional 15 days for public comments when (1) up to another year of identical or nearly identical activities as described in the Description of Proposed Activity section of this notice is planned or (2) the activities as described in the Description of Proposed Activity section of this notice would not be completed by the time the IHA expires and a renewal would allow for completion of the activities beyond that described in the *Dates and Duration* section of this notice, provided all of the following conditions are met:

- A request for renewal is received no later than 60 days prior to the needed renewal IHA effective date (recognizing that the renewal IHA expiration date cannot extend beyond 1 year from expiration of the initial IHA).

- The request for renewal must include the following:

1. An explanation that the activities to be conducted under the requested renewal IHA are identical to the activities analyzed under the initial IHA, are a subset of the activities, or include changes so minor (*e.g.*, reduction in pile size) that the changes do not affect the previous analyses, mitigation and monitoring requirements, or take estimates (with the exception of reducing the type or amount of take).

2. A preliminary monitoring report showing the results of the required monitoring to date and an explanation showing that the monitoring results do not indicate impacts of a scale or nature not previously analyzed or authorized.

- Upon review of the request for renewal, the status of the affected species or stocks, and any other pertinent information, NMFS determines that there are no more than minor changes in the activities, the mitigation and monitoring measures will remain the same and appropriate, and the findings in the initial IHA remain valid.

Dated: May 4, 2026.

Kimberly Damon-Randall,

*Director, Office of Protected Resources,
National Marine Fisheries Service.*

[FR Doc. 2026-09046 Filed 5-6-26; 8:45 am]

BILLING CODE 3510-22-P

DEPARTMENT OF COMMERCE**National Oceanic and Atmospheric Administration**

[RTID 0648–XV204]

Request for Comments on the National Weather Service Cooperative Observing Program (COOP)

AGENCY: National Weather Service (NWS), National Oceanic and Atmospheric Administration (NOAA), Department of Commerce.

ACTION: Notice; request for comment.

SUMMARY: The NWS is seeking public and stakeholder input on the modernization of the Cooperative Observer Program (COOP). COOP is congressionally directed and represents a foundational meteorological network that has provided critical data via a volunteer network since 1890—the longest continuous record of weather stations in the country. To transition this historic network into a real-time observing program, the NWS aims to deploy commercial sensor technology, automate data collection to reduce volunteer burden, optimize the national footprint to address geographic data gaps, and leverage mesonet data as a key network augmentation tool. This Request for Comment (RFC) specifically elicits feedback on how stakeholders currently utilize COOP data, the utility of shifting to sub-hourly reporting, and considerations for network modernization and optimization. By gathering these insights, the NWS intends to shape a more agile, technologically advanced network that efficiently meets evolving operational and stakeholder needs. This RFC is for informational purposes only and does not constitute a request for proposals or solicitation for a contract or grant award, nor does it obligate the Government in any way. A complementary, forthcoming RFC in <https://sam.gov> will be the appropriate venue for offering any voluntary information regarding potential commercial solutions to COOP data collection.

DATES: To ensure consideration, you must submit comments regarding this request for comment on or before June 8, 2026.

ADDRESSES: Interested parties are invited to submit statements addressing some or all of the questions listed below. Submit via email to COOP.comments@noaa.gov and include “Stakeholder Feedback on NWS COOP Modernization” in the subject line of the message. If responding to any of the

specific questions posed below, please label each of your statements to correspond with the relevant question. These questions are designed to elicit relevant public feedback; however, response to some or all questions is not necessary for the agency’s full consideration of the comment.

Responses should be limited to 10 pages, inclusive of a 1-page executive summary and any supporting appendices, title page(s), tables, graphics, images, and figures. Responses should include standard margins and 12-point font. Information must be submitted in Microsoft Word DOCX or Adobe Acrobat PDF format and be received no later than 11:59 p.m. Eastern Standard Time on June 8, 2026. The Government is not obligated to review responses received after the deadline.

FOR FURTHER INFORMATION CONTACT: For questions or comments regarding this notice, please send your inquiries to Janine Scianna, NWS Chief of Staff, at janine.scianna@noaa.gov, or via phone at (240) 622–9359.

SUPPLEMENTARY INFORMATION: COOP is a foundational NWS meteorological observation network established by the Organic Act of 1890 to record the climatic conditions of the United States. The National Integrated Drought Information System Reauthorization Act of 2018 further underscored the program’s importance, and directed the NWS to (among other things) modernize and optimize the program, ensure data continuity from long-term sites, and reduce the burden on volunteers. For over 130 years, this program has relied on a vast network of dedicated volunteers to provide critical daily reports on temperature, precipitation, snowfall, and snow depth. This authoritative data is essential for a wide range of operational needs, from supporting agricultural planning and disaster declarations to validating radar environmental conditions and establishing the nation’s long-term climate records.

Since the inception of the COOP program, weather sensor technology has rapidly advanced, and the availability of other non-Federal, high quality surface observation datasets has also grown. The NWS aims to improve and modernize this historic network by leveraging modern commercial sensor technology and optimizing the network footprint to more efficiently and effectively deliver key surface observation data. Primary objectives include:

- Upgrading aging COOP equipment with easier-to-maintain commercially available weather observation systems;
- Automating data collection to reduce volunteer burden;
- Increasing observations in data-sparse regions;
- Integrating other high-quality environmental data (e.g., state and private mesonets) sets to augment federally-provided COOP data where appropriate;
- Right-sizing and optimizing the scope and coverage of the existing ~6,700-site COOP network.

Public comment will directly inform our transition to a more agile, technologically advanced backbone that continues to meet the NWS mission while addressing the evolving needs of the stakeholder community. We invite you to provide your feedback and expertise to help shape the future of this critical national resource.

Issues for Comment

We invite stakeholders to provide detailed information on their current use of COOP data in operations, research, and decision-making to help the NWS identify which data streams are most essential to maintain and enhance through the modernization process. We also request feedback on the utility of shifting from daily to sub-hourly reporting and adding automated parameters not currently collected by COOP observers. We request input on geographic optimization, specifically identifying where COOP is the sole or primary observation source, and determining when external, high-quality mesonet data can supplement the Federal backbone of COOP stations. Additionally, the NWS seeks strategies for maintaining snowfall and snow depth data continuity during automation and understanding how the volunteer role might evolve from manual observation to site stewardship.

To this end, NWS has posed the below series of questions designed to elicit relevant public feedback; however, response to some or all questions is not necessary for the agency’s full consideration of the comment. We value your insights as we work to modernize this important observational network.

Questions*I. General Data User Community*

1. For what specific operational, research, or business purposes do you or your organization currently use COOP data?
2. How long have you or your organization been a COOP data user and how often do you access it?

3. Are there specific applications for which the COOP program is the sole or primary data source?

4. How do you assess the reliability and quality of COOP data compared to other sources such as private or state mesonet network data?

II. COOP Modernization: Technical Modernization and Scientific Continuity

1. How do you anticipate the utility of COOP data would change if the reporting frequency increased from daily to sub-hourly?

2. While temperature and precipitation remain core parameters, some commercial automated weather systems offer additional parameters such as relative humidity, solar radiation, and barometric pressure that have not historically been collected by COOP stations. What additional parameters would have the greatest impact on your sector's or organization's uses and why?

3. For stakeholders in legal and insurance sectors, what metadata or certification requirements are necessary for automated sensor data to be accepted as *prima facie* evidence in dispute resolution?

4. Do you have any experience with data sets provided by automated weather systems? Please share your experiences regarding data utility, quality, and reliability.

5. Given that most commercial all-in-one automated weather systems lack sensors for measuring snowfall and snow depth, what strategies should the National Weather Service consider to maintain data continuity for these parameters?

III. COOP Modernization: Network Footprint and Optimization

1. What specific geographic or scientific considerations should the NWS be weighing when determining priority sites for modernization?

2. Are there known areas in your region where the COOP program provides the only source of high-quality ground-level observations?

3. Are there any clear geographic voids that should be prioritized for hosting new COOP sites? Are there any other known sources of reliable and accurate data (e.g., public or private mesonet data) that are capable of addressing those gaps?

4. The recent growth in high-quality state and private mesonets represents a key opportunity for the NWS to leverage when optimizing the COOP network footprint. Under which conditions—such as operating within high-density data regions or monitoring environmental parameters of lesser

criticality to your application—would data from external networks be suitable alternatives to federally managed COOP stations? Please be specific.

IV. Volunteer Engagement

1. Do you have personal experience with hosting or maintaining a COOP site?

2. For current or potential volunteers, how would your interest in the program change if the role shifted from daily manual observation to site stewardship and impact reporting?

3. If your site were automated, would having access to near real-time local weather observations increase your engagement with the National Weather Service mission?

4. Do you have any additional feedback about volunteer engagement or how to improve the overall program?

Authority: 15 U.S.C. 8550.

Dated: May 4, 2026.

Michael Lee Hopkins,

*Director, Surface and Upper Air Division,
National Weather Service.*

[FR Doc. 2026–09099 Filed 5–6–26; 8:45 am]

BILLING CODE 3510-KE-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 products and 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: June 06, 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

The Committee for Purchase From People Who Are Blind or Severely Disabled (operating as the U.S. AbilityOne Commission) is proposing to add the product listed below to the Procurement List that will be furnished by nonprofit agencies employing persons who are blind or have other severe disabilities.

Product(s)

NSN(s)—Product Name(s):

8115–01–724–4243—Box, Shipping, 15" x 15" x 10", Weather Resistant, Double Wall

Authorized Source of Supply: ReadyOne Industries, Inc., El Paso, TX

Mandatory For: Broad Government Requirement

Contracting Activity: DEPT OF DEFENSE, DLA TROOP SUPPORT

In accordance with 41 CFR 51–2.4(b), Government personnel within the contracting activity have identified this as a product requirement not applicable to other Federal entities and has requested the Committee consider granting a purchase or distribution preference if the product is added to the Procurement List. *See* 71 FR 69536 (Dec. 1, 2006). If the Committee grants this request, the product listed below will not be available through the U.S. AbilityOne Commission's Commercial Distribution Program. The Committee will consider this request along with relevant comments received from interested parties.

6135–01–619–4423—Battery Assembly, Non-Rechargeable, AA, 1.5V, Lithium Manganese Dioxide, PN L91, EA/1

6135–01–669–4691—Battery, Non-Rechargeable, 1/2AA, 3.6V, Lithium Thionyl Chloride, PN LS14250, EA/1

6135–01–659–5393—Battery, Non-Rechargeable, AA, 1.5V, Alkaline, PN E91, EA/1

6140–01–531–6834—Battery, Storage, 12V, Sealed Lead Acid, 880 Cold Cranking Amps, EA/1

Authorized Source of Supply: Eastern Carolina Vocational Center, Inc., Greenville, NC

Mandatory For: DEPT OF DEFENSE

Contracting Activity: DEPT OF DEFENSE, DLA LAND AND MARITIME

In accordance with 41 CFR 51–5.3(b), the Committee intends to add the service requirement listed below to the Procurement List as a mandatory purchase only for the 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.

Services(s)

Service Type: Custodial Service

Mandatory for: US Air Force, Mountain Home AFB, ID, 366 Gunfighter Ave.,

Mountain Home AFB, ID
Authorized Source of Supply: Nobis
 Enterprises, Inc., Marietta, GA
Contracting Activity: DEPT OF DEFENSE,
 FA4897 366 CONS LGCP

Deletion

The following product(s) and service(s) are proposed for deletion from the Procurement List:

Product(s)

NSN(s)—Product Name(s):

- 7220-01-658-8039—Peel-and-Stick Nonskid, Coarse Slip-Resistant Tread, 6" x 24" Pieces, Gray
- 7220-01-648-1771—Peel-and-Stick Nonskid, Medium Duty Resilient Slip-Resistant Tape, 12" x 60' Roll, Gray
- 7220-01-658-8037—Peel-and-Stick Nonskid, Coarse Slip-Resistant Tape, 6" x 30' Roll, Gray
- 7220-01-648-1769—Peel-and-Stick Nonskid, Medium Duty Resilient Slip-Resistant Tape, 6" x 60' Roll, Gray
- 7220-01-648-0998—Peel-and-Stick Nonskid, General Purpose Slip-Resistant Tread, 5½" x 5½" Pieces, Black
- 7220-01-648-1005—Peel-and-Stick Nonskid, Conformable Slip-Resistant Tape, 18" x 60' Roll, Black

Authorized Source of Supply: Louisiana Association for the Blind, Shreveport, LA

Mandatory For: Total Government Requirement

Contracting Activity: GENERAL SERVICES ADMINISTRATION, GSA/FAS FURNITURE SYSTEMS MGT DIV

NSN(s)—Product Name(s):

- 8415-01-234-4409—Sweatpants, Physical Fitness Uniform, Army, Gray, X-Small
- 8415-01-234-4410—Sweatpants, Physical Fitness Uniform, Army, Gray, Small
- 8415-01-234-4411—Sweatpants, Physical Fitness Uniform, Army, Gray, Medium
- 8415-01-234-4412—Sweatpants, Physical Fitness Uniform, Army, Gray, Large
- 8415-01-234-4413—Sweatpants, Physical Fitness Uniform, Army, Gray, X-Large

Authorized Source of Supply: Blind Industries & Services of Maryland, Baltimore, MD

Mandatory For: Department of Defense

Contracting Activity: DEPT OF DEFENSE, DLA TROOP SUPPORT

NSN(s)—Product Name(s):

- 8415-01-234-4420—Sweat Shirt, Physical Fitness Uniform, Army, Unisex, Gray, X-Small
- 8415-01-234-4421—Sweat Shirt, Physical Fitness Uniform, Army, Unisex, Gray, Small
- 8415-01-234-4422—Sweat Shirt, Physical Fitness Uniform, Army, Unisex, Gray, Medium
- 8415-01-234-4423—Sweat Shirt, Physical Fitness Uniform, Army, Unisex, Gray, Large
- 8415-01-234-4424—Sweat Shirt, Physical Fitness Uniform, Army, Unisex, Gray, X-Large

Authorized Source of Supply: Alabama Industries for the Blind, Talladega, AL

Mandatory For: Department of the Army

Contracting Activity: DEPT OF DEFENSE, DLA TROOP SUPPORT

NSN(s)—Product Name(s):

- 7910-00-NIB-0236—Pad, Surface Preparation, 13" Disc, Maroon
- 7910-00-NIB-0240—Pad, Surface Preparation, 17" Disc, Maroon

Authorized Source of Supply: Beacon Lighthouse, Inc., Wichita Falls, TX

Mandatory For: Total Government Requirement

Contracting Activity: DEPARTMENT OF VETERANS AFFAIRS, 241-NETWORK CONTRACT OFC 01(00241)

NSN(s)—Product Name(s):

- 8410-01-478-1217—Slacks, Army, Women's, Green, 4JP
- 8410-01-478-1229—Slacks, Army, Women's, Green, 6JP
- 8410-01-478-1231—Slacks, Army, Women's, Green, 8JP
- 8410-01-478-1232—Slacks, Army, Women's, Green, 20MT
- 8410-01-478-1233—Slacks, Army, Women's, Green, 20WT
- 8410-01-478-1253—Slacks, Army, Women's, Green, 22MT
- 8410-01-478-1254—Slacks, Army, Women's, Green, 22WT
- 8410-01-478-1381—Slacks, Army, Women's, Green, 24MT
- 8410-01-478-1382—Slacks, Army, Women's, Green, 26MT
- 8410-01-478-1385—Slacks, Army, Women's, Green, 26WT
- 8410-01-478-1386—Slacks, Army, Women's, Green, 24WT
- 8410-00-OSL-K699—Slacks, Army, Women's, Green, Special Measurement

Authorized Source of Supply: VGS, Inc., Cleveland, OH

Mandatory For: Department of the Army
Contracting Activity: DEPT OF THE ARMY, W6QK ACC-APG NATICK

NSN(s)—Product Name(s):

- 7910-00-NIB-0249—Pad, Floor Burnishing, Sky Blue, 20" Diameter
- 7910-00-NIB-0250—Pad, Floor Burnishing, Sky Blue, 27" Diameter
- 7910-01-513-2214—Pad, Floor Polishing Machine, Burnishing, 3100 Series, Aqua, 15"
- 7910-01-513-2216—Pad, Floor Polishing Machine, Burnishing, 3100 Series, Aqua, 14"
- 7910-01-513-2218—Pad, Floor Polishing Machine, Burnishing, 3100 Series, Aqua, 13"
- 7910-01-513-2219—Pad, Floor Polishing Machine, Burnishing, 3100 Series, Aqua, 17"
- 7910-01-513-2221—Pad, Floor Polishing Machine, Topline Speed Burnishing, 3200 Series, Peach, 13"
- 7910-01-513-2224—Pad, Floor Polishing Machine, Burnishing, 3100 Series, Aqua, 19"
- 7910-01-513-2225—Pad, Floor Polishing Machine, Burnishing, 3400 Series, Tan, 21"
- 7910-01-513-2226—Pad, Floor Polishing Machine, Burnishing, 3400 Series, Tan, 15"
- 7910-01-513-2227—Pad, Floor Polishing Machine, Burnishing, 3100 Series, Aqua, 21"

7910-01-513-2229—Pad, Floor Polishing Machine, Topline Speed Burnishing, 3200 Series, Peach, 15"

7910-01-513-2230—Pad, Floor Polishing Machine, Burnishing, 3400 Series, Tan, 17"

7910-01-513-2231—Pad, Floor Polishing Machine, Burnishing, 3400 Series, Tan, 22"

7910-01-513-2233—Pad, Floor Polishing Machine, Burnishing, 3400 Series, Tan, 13"

7910-01-513-2234—Pad, Floor Polishing Machine, Topline Speed Burnishing, 3200 Series, Peach, 16"

7910-01-513-2235—Pad, Floor Polishing Machine, Burnishing, 3400 Series, Tan, 19"

7910-01-513-2236—Pad, Floor Polishing Machine, Topline Speed Burnishing, 3200 Series, Peach, 17"

7910-01-513-2237—Pad, Floor Polishing Machine, Burnishing, 3400 Series, Tan, 14"

7910-01-513-2239—Pad, Floor Polishing Machine, Stripper, 7100 Series, Brown, 12"

7910-01-513-2240—Pad, Floor Polishing Machine, Stripper, 7100 Series, Brown, 16"

7910-01-513-2241—Pad, Floor Polishing Machine, Topline Speed Burnishing, 3200 Series, Peach, 18"

7910-01-513-2242—Pad, Floor Polishing Machine, Stripper, 7100 Series, Brown, 17"

7910-01-513-2243—Pad, Floor Polishing Machine, Topline Speed Burnishing, 3200 Series, Peach, 21"

7910-01-513-2244—Pad, Floor Polishing Machine, Topline Speed Burnishing, 3200 Series, Peach, 27"

7910-01-513-2245—Pad, Floor Polishing Machine, Stripper, 7100 Series, Brown, 18"

7910-01-513-2246—Pad, Floor Polishing Machine, Stripper, 7100 Series, Brown, 13"

7910-01-513-2247—Pad, Floor Polishing Machine, Stripper, 7100 Series, Brown, 19"

7910-01-513-2248—Pad, Floor Polishing Machine, Topline Speed Burnishing, 3200 Series, Peach, 22"

7910-01-513-2249—Pad, Floor Polishing Machine, Topline Speed Burnishing, 3200 Series, Peach, 19"

7910-01-513-2250—Pad, Floor Polishing Machine, Stripper, 7200 Series, Black, 15"

7910-01-513-2252—Pad, Floor Polishing Machine, Stripper, 7200 Series, Black, 16"

7910-01-513-2253—Pad, Floor Polishing Machine, Burnishing, 3400 Series, Tan, 27"

7910-01-513-2254—Pad, Floor Polishing Machine, Stripper, 7100 Series, Brown, 21"

7910-01-513-2256—Pad, Floor Polishing Machine, Stripper, 7100 Series, Brown, 14"

7910-01-513-2257—Pad, Floor Polishing Machine, Stripper, 7200 Series, Black, 18"

- 7910-01-513-2258—Pad, Floor Polishing Machine, Stripper, 7200 Series, Black, 19"
- 7910-01-513-2259—Pad, Floor Polishing Machine, Stripper, 7100 Series, Brown, 15"
- 7910-01-513-2260—Pad, Floor Polishing Machine, Topline Speed Burnishing, 3200 Series, Peach, 20"
- 7910-01-513-2261—Pad, Floor Polishing Machine, Stripper, 7200 Series, Black, 12"
- 7910-01-513-2262—Pad, Floor Polishing Machine, Stripper, 7200 Series, Black, 21"
- 7910-01-513-2264—Pad, Floor Polishing Machine, Stripper, 7200 Series, Black, 13"
- 7910-01-513-2265—Pad, Floor Polishing Machine, Stripper, 7200 Series, Black, 14"
- 7910-01-513-2266—Pad, Floor Polishing Machine, Stripper, 7100 Series, Brown, 27"
- 7910-01-513-2268—Pad, Floor Polishing Machine, Stripper, 7200 Series, Black, 22"
- 7910-01-513-2269—Pad, Floor Polishing Machine, Stripper, 7200 Series, Black, 27"
- 7910-01-513-2270—Pad, Floor Polishing Machine, High Productivity, 7300 Series, Black, 13"
- 7910-01-513-2271—Pad, Floor Polishing Machine, High Productivity, 7300 Series, Black, 12"
- 7910-01-513-2273—Pad, Floor Polishing Machine, High Productivity, 7300 Series, Black, 16"
- 7910-01-513-2274—Pad, Floor Polishing Machine, High Productivity, 7300 Series, Black, 21"
- 7910-01-513-2276—Pad, Floor Polishing Machine, High Productivity, 7300 Series, Black, 18"
- 7910-01-513-2277—Pad, Floor Polishing Machine, High Productivity, 7300 Series, Black, 14"
- 7910-01-513-2278—Pad, Floor Polishing Machine, High Productivity, 7300 Series, Black, 15"
- 7910-01-513-2279—Pad, Floor Polishing Machine, High Productivity, 7300 Series, Black, 22"
- 7910-01-513-2659—Pad, Floor Polishing Machine, Topline Pre-Burnish, 5000 Series, Lime Green, 15"
- 7910-01-513-2660—Pad, Floor Polishing Machine, Topline Pre-Burnish, 5000 Series, Lime Green, 13"
- 7910-01-513-2665—Pad, Floor Polishing Machine, Topline Pre-Burnish, 5000 Series, Lime Green, 17"
- 7910-01-513-2666—Pad, Floor Polishing Machine, Topline Pre-Burnish, 5000 Series, Lime Green, 16"
- 7910-01-513-2667—Pad, Floor Polishing Machine, Topline Pre-Burnish, 5000 Series, Lime Green, 14"
- 7910-01-513-2669—Pad, Floor Polishing Machine, Topline Pre-Burnish, 5000 Series, Lime Green, 19"
- 7910-01-513-2670—Pad, Floor Polishing Machine, Topline Pre-Burnish, 5000 Series, Lime Green, 18"
- 7910-01-513-2671—Pad, Floor Polishing Machine, Topline Pre-Burnish, 5000 Series, Lime Green, 20"
- 7910-01-513-2673—Pad, Floor Polishing Machine, Heavy Duty Cleaner, 5300 Series, Blue, 17"
- 7910-01-513-2676—Pad, Floor Polishing Machine, Topline Pre-Burnish, 5000 Series, Lime Green, 22"
- 7910-01-513-2679—Pad, Floor Polishing Machine, Topline Pre-Burnish, 5000 Series, Lime Green, 27"
- 7910-01-513-2682—Pad, Floor Polishing Machine, Heavy Duty Cleaner, 5300 Series, Blue, 18"
- 7910-01-513-2683—Pad, Floor Polishing Machine, Super Polish, 4100 Series, White, 12"
- 7910-01-513-2684—Pad, Floor Polishing Machine, Heavy Duty Cleaner, 5300 Series, Blue, 19"
- 7910-01-513-2686—Pad, Floor Polishing Machine, Heavy Duty Cleaner, 5300 Series, Blue, 22"
- 7910-01-513-2687—Pad, Floor Polishing Machine, Heavy Duty Cleaner, 5300 Series, Blue, 21"
- 7910-01-513-2688—Pad, Floor Polishing Machine, Super Polish, 4100 Series, White, 17"
- 7910-01-513-2689—Pad, Floor Polishing Machine, Super Polish, 4100 Series, White, 14"
- 7910-01-513-2690—Pad, Floor Polishing Machine, Super Polish, 4100 Series, White, 13"
- 7910-01-513-2691—Pad, Floor Polishing Machine, Heavy Duty Cleaner, 5300 Series, Blue, 27"
- 7910-01-513-2692—Pad, Floor Polishing Machine, Super Polish, 4100 Series, White, 22"
- 7910-01-513-2693—Pad, Floor Polishing Machine, Super Polish, 4100 Series, White, 15"
- 7910-01-513-2694—Pad, Floor Polishing Machine, Super Polish, 4100 Series, White, 18"
- 7910-01-513-2695—Pad, Floor Polishing Machine, Super Polish, 4100 Series, White, 16"
- 7910-01-513-2696—Pad, Floor Polishing Machine, Super Polish, 4100 Series, White, 19"
- 7910-01-513-2698—Pad, Floor Polishing Machine, Heavy Duty Cleaner, 5300 Series, Blue, 16"
- 7910-01-513-2699—Pad, Floor Polishing Machine, Super Polish, 4100 Series, White, 21"
- 7910-01-513-3280—Pad, Floor Polishing Machine, Spray Buffer, 5100 Series, Red, 19"
- 7910-01-513-3281—Pad, Floor Polishing Machine, Spray Buffer, 5100 Series, Red, 18"
- 7910-01-513-3283—Pad, Floor Polishing Machine, Heavy Duty Cleaner, 5300 Series, Blue, 12"
- 7910-01-513-3285—Pad, Floor Polishing Machine, Heavy Duty Cleaner, 5300 Series, Blue, 13"
- 7910-01-513-3289—Pad, Floor Polishing Machine, Spray Buffer, 5100 Series, Red, 21"
- 7910-01-513-3292—Pad, Floor Polishing Machine, Heavy Duty Cleaner, 5300 Series, Blue, 14"
- 7910-01-513-3294—Pad, Floor Polishing Machine, Spray Buffer, 5100 Series, Red, 22"
- 7910-01-513-3299—Pad, Floor Polishing Machine, Heavy Duty Cleaner, 5300 Series, Blue, 15"
- 7910-01-513-3302—Pad, Floor Polishing Machine, Spray Buffer, 5100 Series, Red, 12"
- 7910-01-513-3307—Pad, Floor Polishing Machine, Spray Buffer, 5100 Series, Red, 27"
- 7910-01-513-3312—Pad, Floor Polishing Machine, Spray Buffer, 5100 Series, Red, 13"
- 7910-01-513-3313—Pad, Floor Polishing Machine, Spray Buffer, 5100 Series, Red, 14"
- 7910-01-513-3314—Pad, Floor Polishing Machine, Spray Buffer, 5100 Series, Red, 16"
- 7910-01-513-3315—Pad, Floor Polishing Machine, Spray Buffer, 5100 Series, Red, 15"
- 7910-01-513-4301—Pad, Floor Polishing Machine, Burnishing, 3300 Series, White, 13"
- 7910-01-513-4302—Pad, Floor Polishing Machine, Burnishing Eraser, 3600 Series, Pink, 13"
- 7910-01-513-5251—Pad, Floor Polishing Machine, Burnishing, 3300 Series, White, 15"
- 7910-01-513-5252—Pad, Floor Polishing Machine, Burnishing, 3300 Series, White, 14"
- 7910-01-513-5253—Pad, Floor Polishing Machine, Burnishing, 3300 Series, White, 17"
- 7910-01-513-5255—Pad, Floor Polishing Machine, Burnishing, 3300 Series, White, 21"
- 7910-01-513-5256—Pad, Floor Polishing Machine, Burnishing, 3300 Series, White, 16"
- 7910-01-513-5257—Pad, Floor Polishing Machine, Burnishing Eraser, 3600 Series, Pink, 16"
- 7910-01-513-5258—Pad, Floor Polishing Machine, Burnishing, 3300 Series, White, 18"
- 7910-01-513-5259—Pad, Floor Polishing Machine, Burnishing, 3300 Series, White, 19"
- 7910-01-513-5261—Pad, Floor Polishing Machine, Burnishing Eraser, 3600 Series, Pink, 27"
- 7910-01-513-5262—Pad, Floor Polishing Machine, Burnishing Eraser, 3600 Series, Pink, 15"
- 7910-01-513-5263—Pad, Floor Polishing Machine, Burnishing Eraser, 3600 Series, Pink, 21"
- 7910-01-513-5264—Pad, Floor Polishing Machine, Burnishing Eraser, 3600 Series, Pink, 19"
- 7910-01-513-5265—Pad, Floor Polishing Machine, Burnishing Eraser, 3600 Series, Pink, 17"
- 7910-01-513-5268—Pad, Floor Polishing Machine, Burnishing Eraser, 3600 Series, Pink, 14"

7910-01-513-5701—Pad, Floor Polishing Machine, Burnishing, 3500 Series, Tan, 13"

7910-01-513-6857—Pad, Floor Polishing Machine, Burnishing, 3500 Series, Tan, 16"

7910-01-513-6859—Pad, Floor Polishing Machine, Burnishing, 3500 Series, Tan, 17"

7910-01-513-6861—Pad, Floor Polishing Machine, Burnishing, 3500 Series, Tan, 18"

7910-01-513-6862—Pad, Floor Polishing Machine, Burnishing, 3500 Series, Tan, 14"

7910-01-513-6863—Pad, Floor Polishing Machine, Burnishing, 3500 Series, Tan, 15"

7910-01-513-7445—Pad, Floor Polishing Machine, Burnishing, 3500 Series, Tan, 22"

7910-01-513-7446—Pad, Floor Polishing Machine, Burnishing, 3500 Series, Tan, 27"

7910-01-513-7447—Pad, Floor Polishing Machine, Burnishing, 3500 Series, Tan, 19"

7910-01-513-7450—Pad, Floor Polishing Machine, Burnishing, 3500 Series, Tan, 21"

7910-01-674-2655—Pad, Surface Preparation, Maroon, 14" x 32"

Authorized Source of Supply: Beacon Lighthouse, Inc., Wichita Falls, TX

Mandatory For: Total Government Requirement

Contracting Activity: GENERAL SERVICES ADMINISTRATION, GSA/FSS GREATER SOUTHWEST ACQUISITION CENTER

Contracting Activity: DEPARTMENT OF VETERANS AFFAIRS, STRATEGIC ACQUISITION CENTER

Contracting Activity: DEPARTMENT OF VETERANS AFFAIRS, 241-NETWORK CONTRACT OFC 01(00241)

Services(s)

Service Type: Administrative Support Service

Mandatory for: Defense Threat Reduction Agency (DTRA), Research and Development Directorate, Fort Belvoir, VA, 8725 John J. Kingman Road, Ft. Belvoir, VA

Authorized Source of Supply: Able Force, Inc., Tampa, FL

Contracting Activity: DEPT OF DEFENSE, DEFENSE THREAT REDUCTION AGENCY

Service Type: Janitorial Service

Mandatory for: US Army Corps of Engineers, CA160 Costa Mesa USARC, Costa Mesa, CA, 2651 Newport Boulevard, Costa Mesa, CA

Authorized Source of Supply: Elwyn of Pennsylvania and Delaware, Aston, PA

Contracting Activity: DEPT OF DEFENSE, W076 ENDIST LITTLE ROCK

Service Type: Base Supply Center

Mandatory for: National Aeronautics and Space Administration Ames Research Center, Moffett Blvd., Moffett Field, CA

Authorized Source of Supply: Associated Industries for the Blind, Milwaukee, WI

Contracting Activity: NATIONAL AERONAUTICS AND SPACE

ADMINISTRATION, NASA HEADQUARTERS

Service Type: Operation of Individual Equipment

Mandatory for: Brooks Air Force Base, 8016 Chennault Path, Brooks AFB, TX

Authorized Source of Supply: San Antonio Lighthouse for the Blind, San Antonio, TX

Contracting Activity: DEPT OF DEFENSE, FA7014 AFDW PK

Service Type: Custodial service

Mandatory for: US Forest Service, Blackduck Ranger District, Blackduck, MN, 417 Forestry Drive, Blackduck, MN, US Forest Service, Chippewa National Forest Supervisor's Office, Cass Lake, MN, 200 Ash Avenue NW, Cass Lake, MN

Contracting Activity: DEPARTMENT OF AGRICULTURE, USDA-FS, CSA EAST 7

Michael R. Jurkowski,
Director, Business Operations.

[FR Doc. 2026-09045 Filed 5-6-26; 8:45 am]

BILLING CODE 6353-01-P

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 26-0B]

Arms Sales Notification

AGENCY: Defense Security Cooperation Agency, Department of Defense (DoD).

ACTION: Arms sales notice.

SUMMARY: The DoD is publishing the unclassified text of an arms sales notification.

FOR FURTHER INFORMATION CONTACT:

Urooj Zahra at (703) 695-6233, urooj.zahra.civ@mail.mil, or dsca.ncr.rsrcmgmt.list.cns-mbx@mail.mil.

SUPPLEMENTARY INFORMATION: This 36(b) arms sales notification is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996. The following is a copy of the attached Transmittal 26-0B.

Dated: May 4, 2026.

Stephanie J. Bost,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

DEPARTMENT OF STATE

TRANSMITTAL NO. 26-0B

REPORT OF ENHANCEMENT OR UPGRADE OF SENSITIVITY OF TECHNOLOGY OR CAPABILITY (SEC. 36(B)(5)(C), AECA)

(i) (U) *Prospective Purchaser:* Kingdom of Saudi Arabia

(ii) (U) *Sec. 36(b)(1), AECA*

Transmittal No.: 20-13

Date: December 28, 2020

Implementing Agency: Air Force
Funding Source: National Funds
(iii) (U) *Description:* On December 28, 2020, Congress was notified by congressional certification transmittal number 20-13 of the possible sale, under Section 36(b)(1) of the Arms Export Control Act of three thousand (3,000) GBU-39 SDB I munitions. Also included were containers; weapon support and support equipment; spare and repair parts; U.S. Government and contractor engineering, technical and logistical support services; and other related elements of logistical and program support. The estimated total cost was \$290 million. Major Defense Equipment (MDE) constituted \$250 million of this total.

This transmittal notifies the inclusion of the following MDE items: ten thousand (10,000) GBU-39 Small Diameter Bombs—Increment I (SDB-I). The following non-MDE items will also be included: explosive charges, devices, propellants, and components; and other related elements of logistics and program support. The estimated total cost of the new items and services is \$2.5 billion. The estimated MDE value will increase by \$1.68 billion to a revised \$1.93 billion. The estimated non-MDE value will increase by \$820 million to a revised \$860 million. The estimated total case value will increase by \$2.5 billion to a revised \$2.79 billion.

(iv) (U) *Significance:* The inclusion of this MDE represents an increase in capability over what was previously notified. The proposed sale will improve Saudi Arabia's capability to meet current and future threats by increasing its stock of long-range, precision, air-to-ground munitions, which will strengthen interoperability between the United States and Saudi Arabia.

(v) (U) *Justification:* This proposed sale will support the foreign policy goals and national security objectives of the United States by improving the security of a partner country that contributes to political stability and economic progress in the Gulf Region.

(vi) (U) *Sensitivity of Technology:*

The Sensitivity of Technology Statement contained in the original notification applies to items reported here.

The highest level of classification of defense articles, components, and services included in this potential sale is SECRET.

(vii) (U) *Date Report Delivered to Congress:* April 1, 2026

[FR Doc. 2026-09001 Filed 5-6-26; 8:45 am]

BILLING CODE 6001-FR-P

DEPARTMENT OF DEFENSE**Office of the Secretary****[Transmittal No. 26–38]****Arms Sales Notification****AGENCY:** Defense Security Cooperation Agency, Department of Defense (DoD).**ACTION:** Arms sales notice.**SUMMARY:** The DoW is publishing the unclassified text of an arms sales notification.**FOR FURTHER INFORMATION CONTACT:**Urooj Zahra at (703) 695–6233, urooj.zahra.civ@mail.mil, or dsca.ncr.rsrmgmt.list.cns-mbx@mail.mil.**SUPPLEMENTARY INFORMATION:** This 36(b) arms sales notification is published to fulfill the requirements of section 155 of Public Law 104–164 dated July 21, 1996. The following is a copy of the attached Transmittal 26–38 and Policy Justification.

Dated: May 4, 2026.

Stephanie J. Bost,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

Transmittal No. RSAT 26–38

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b)(1) of the Arms Export Control Act, as amended

(i) *Prospective Purchaser:* Government of Jordan(ii) *Total Estimated Value:*

Major Defense Equipment *	\$ 0
Other	\$70.5 million
TOTAL	\$70.5 million
Funding Source:	Foreign Military Financing

(iii) *Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:* Foreign Military Sales (FMS) case JO–D–QDA was below congressional notification threshold at \$49.1 million (\$0 in major defense equipment (MDE)) and included spare parts, consumables and accessories, and repair and return support; U.S. Government and contractor engineering, technical, and logistics support services; and other related elements of logistics and program support. The Government of Jordan has requested that the case be amended to include aircraft and munitions support and support equipment; minor modifications and maintenance support; and other related elements of logistics and program support. This amendment will cause the case to exceed the notification threshold, and thus notification of the

entire program is required. The above notification requirements are combined as follows:

Major Defense Equipment (MDE): None*Non-Major Defense Equipment:*

The following non-MDE items will be included: aircraft and munitions support and support equipment; spare parts, consumables and accessories, and repair and return support; minor modifications and maintenance support; U.S. Government and contractor engineering, technical, and logistics support services; and other related elements of logistics and program support.

(iv) *Military Department:* Air Force (JO–D–QDA)(v) *Prior Related Cases, if any:* JO–D–QBQ; JO–D–QDG(vi) *Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid:* None known at this time(vii) *Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold:* None(viii) *Date Report Delivered to Congress:* March 19, 2026

* as defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION*Government of Jordan—Aircraft Repair, Return, and Spares*

The Government of Jordan has requested to buy aircraft and munitions support and support equipment; minor modifications and maintenance support; and other related elements of logistics and program support that will be added to a previously implemented case whose value was under the congressional notification threshold. The original Foreign Military Sales (FMS) case, valued at \$49.1 million (\$0 in major defense equipment), included spare parts, consumables and accessories, and repair and return support; U.S. Government and contractor engineering, technical, and logistics support services; and other related elements of logistics and program support. The estimated total cost is \$70.5 million.

This proposed sale will support the foreign policy and national security objectives of the United States by helping to improve the security of a Major Non-NATO Ally that is an important force for political stability and economic progress in the Middle East.

The proposed sale will improve Jordan's capability to meet current and future threats by leveraging these spare parts and repairs to maintain the

operational readiness of its F–16, C–130, and F–5 aircraft, ensuring its ability to effectively patrol its borders, respond to regional crises, and support CENTCOM's security objectives in the region. Sustaining these critical platforms allows Jordan to remain a reliable partner in countering terrorism and promoting regional stability, key components of both Jordanian national defense and broader CENTCOM priorities. Jordan will have no difficulty absorbing these articles and services into its armed forces.

The proposed sale of this equipment and support will not alter the basic military balance in the region.

The principal contractor will be S&K Aerospace, LLC, located in Warner Robbins, GA. At this time, the U.S. Government is not aware of any offset agreement proposed in connection with this potential sale. Any offset agreement will be defined in negotiations between the purchaser and the contractor.

Implementation of this proposed sale will not require the assignment of any additional U.S. Government or contractor representatives to Jordan.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

[FR Doc. 2026–09008 Filed 5–6–26; 8:45 am]

BILLING CODE 6001–FR–P**DEPARTMENT OF DEFENSE****Office of the Secretary****[Transmittal No. 26–28]****Arms Sales Notification****AGENCY:** Defense Security Cooperation Agency, Department of Defense (DoD).**ACTION:** Arms sales notice.**SUMMARY:** The DoW is publishing the unclassified text of an arms sales notification.**FOR FURTHER INFORMATION CONTACT:**Urooj Zahra at (703) 695–6233, urooj.zahra.civ@mail.mil, or dsca.ncr.rsrmgmt.list.cns-mbx@mail.mil.

SUPPLEMENTARY INFORMATION: This 36(b) arms sales notification is published to fulfill the requirements of section 155 of Public Law 104–164 dated July 21, 1996. The following is a copy of the attached Transmittal 26–28, Policy Justification, and Sensitivity of Technology.

Dated: May 5, 2026.

Stephanie J. Bost,

*Alternate OSD Federal Register Liaison
Officer, Department of Defense.*

Transmittal No. 26–28

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b)(1) of the Arms Export Control Act, as amended

(i) (U) *Prospective Purchaser:*

Government of Japan

(ii) (U) *Total Estimated Value:*

Major Defense Equipment *	\$ 0
Other	\$340 million

TOTAL \$340 million

(iii) (U) *Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:*

Major Defense Equipment (MDE):

None

Non-Major Defense Equipment:

The following non-MDE items will be included in support of its indigenous upgraded Hyper Velocity Gliding Projectiles (HVGP) capability: test preparation, test support, and transportation support, to include range support; test utility support (water, gas, electricity); range surveillance; range safety including flight termination system reviews; radio frequency assignments; test plan generation; test data; environmental and site approvals; office facilities, administrative services; transport of test equipment; procurement of measuring equipment; coordination meetings in the United States and Japan; and other related elements of logistics and program support.

(iv) (U) *Military Department:* Navy (JA–P–QSC)

(v) (U) *Prior Related Cases, if any:* JA–P–QOG, JA–P–QRB

(vi) (U) *Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid:* None known at this time

(vii) (U) *Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold:* See Attached Annex

(viii) (U) *Date Report Delivered to Congress:* March 24, 2026

* as defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

(U) *Japan—Upgraded Hyper Velocity Gliding Projectiles Support*

(U) The Government of Japan has requested to buy equipment and services in support of its indigenous upgraded Hyper Velocity Gliding Projectiles (HVGP) capability, including test preparation, test support, and

transportation support, to include range support; test utility support (water, gas, electricity); range surveillance; range safety including flight termination system reviews; radio frequency assignments; test plan generation; test data; environmental and site approvals; office facilities; administrative service; transport of test equipment; procurement of measuring equipment; coordination meetings in the United States and Japan; and other related elements of logistics and program support. The estimated total cost is \$340 million.

(U) This proposed sale will support the foreign policy goals and national security objectives of the United States by improving the security of a major ally that is a force for political stability and economic progress in the Indo-Pacific.

(U) The proposed sale will improve Japan's capability to meet current and future threats by providing defense for remote islands. Japan will have no difficulty absorbing these articles and services into its armed forces.

(U) The proposed sale of this equipment and support will not alter the basic military balance in the region.

(U) Equipment and services will be provided by the U.S. Government. At this time, the U.S. Government is not aware of any offset agreement proposed in connection with this potential sale. Any offset agreement will be defined in negotiations between the purchaser and the contractor.

(U) Implementation of this proposed sale will not require the assignment of any additional U.S. government or contractor representatives to Japan.

(U) There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

Transmittal No. 26–28

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b)(1) of the Arms Export Control Act

Annex

Item No. vii

(vii) *Sensitivity of Technology:*

1. (U) The upgraded Hyper Velocity Gliding Projectile (HVGP) is an indigenous weapon and standoff missile. The weapon uses a solid-propellant rocket booster, with the projectile separating at a high altitude and then gliding at hypersonic speeds until impact. The upgraded version will increase performance of the original HVGP.

2. (U) The highest level of classification of defense articles, components, and services included in this potential sale is SECRET.

3. (U) If a technologically advanced adversary were to obtain knowledge of the specific hardware and software elements, the information could be used to develop countermeasures that might reduce system effectiveness or be used in the development of a system with similar or advanced capabilities.

4. (U) A determination has been made that Japan can provide substantially the same degree of protection for the sensitive technology being released as the U.S. Government. This proposed sale is necessary in furtherance of the U.S. foreign policy and national security objectives outlined in the Policy Justification.

5. (U) All defense articles and services listed in this transmittal have been authorized for release and export to the Government of Japan.

[FR Doc. 2026–09109 Filed 5–6–26; 8:45 am]

BILLING CODE 6001–FR–P

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 26–24]

Arms Sales Notification

AGENCY: Defense Security Cooperation Agency, Department of Defense (DoD).

ACTION: Arms sales notice.

SUMMARY: The DoD is publishing the unclassified text of an arms sales notification.

FOR FURTHER INFORMATION CONTACT:

Urooj Zahra at (703) 695–6233, urooj.zahra.civ@mail.mil, or dsca.ncr.rsrcmgmt.list.cns-mbx@mail.mil.

SUPPLEMENTARY INFORMATION: This 36(b) arms sales notification is published to fulfill the requirements of section 155 of Public Law 104–164 dated July 21, 1996. The following is a copy of the attached Transmittal 26–24, Policy Justification, and Sensitivity of Technology.

Dated: May 4, 2026.

Stephanie J. Bost,

*Alternate OSD Federal Register Liaison
Officer, Department of Defense.*

DEPARTMENT OF STATE

TRANSMITTAL NO. RSAT 26–24

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b)(1) of the Arms Export Control Act, as amended

(i) (U) *Prospective Purchaser:*

Government of Singapore

(ii) (U) *Total Estimated Value:*

Major Defense Equipment *	\$82.50 million
Other	\$ 0.64 million

TOTAL \$83.14 million
 Funding Source: National Funds
 (iii) (U) *Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:*

Major Defense Equipment (MDE):

Forty-five (45) M30A2 guided multiple launch rocket system-alternative warhead pods

Non-MDE:

The following non-MDE items will also be included: telemetry kits; engineering services; technical assistance; and other related elements of logistics and program support.

(iv) (U) *Military Department: Army (SN-B-VIW)*

(v) (U) *Prior Related Cases, if any:*
 None

(vi) (U) *Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid:*
 None known at this time

(vii) (U) *Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold:*
 See Attached Annex

(viii) (U) *Date Report Delivered to Congress:* April 1, 2026

* as defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

(U) Singapore—Guided Multiple Launch Rocket System-Alternative Warhead

(U) The Government of Singapore has requested to buy forty-five (45) pods of M30A2 guided multiple launch rocket system-alternative. The following non-major defense equipment items will also be included: telemetry kits; engineering services; technical assistance; and other related elements of logistics and program support. The estimated total cost is \$83.14 million.

(U) This proposed sale will enhance the foreign policy and national security objectives of the United States by improving the security of a strategic partner that is an important force for political stability and economic progress in Asia.

(U) The proposed sale will improve Singapore's defensive capability to guard against hostile aggression and shield the allies who train and operate within their borders and improve its ability to defend its territorial integrity and deter regional threats, thereby increasing regional stability. Singapore will have no difficulty absorbing these articles and services into its armed forces.

(U) The proposed sale of this equipment and support will not alter the basic military balance in the region.

(U) The principal contractor(s) will be selected through competitive

procurements conducted by the U.S. Government in accordance with the Federal Acquisition Regulation. At this time, the U.S. Government is not aware of any offset agreement proposed in connection with this potential sale. Any offset agreement will be defined in negotiations between the purchaser and the contractor.

(U) Implementation of this proposed sale will require the assignment of two (2) additional U.S. Government and two (2) contractor representatives to Singapore, as required, for a duration of ten (10) days to provide engineering and technical support services as well as program and technical reviews.

(U) There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

Transmittal No. 26–24

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b)(1) of the Arms Export Control Act

Annex

Item No. vii

(vii) *Sensitivity of Technology:*

1. (U) The M30A2 guided multiple launch rocket system-alternative warhead (GMLRS-AW) is a program of record for the U.S. Department of War. The M30A2 GMLRS-AW shares a greater than 90% commonality with the M31A1 guided multiple launch rocket system-unitary (GMLRS-U). The primary difference between the GMLRS-U and GMLRS-AW is the replacement of the GMLRS-U's high explosive warhead with a 200-pound fragmentation warhead of pre-formed tungsten penetrators, which is optimized for effectiveness against large area and imprecisely located targets. The munitions otherwise share a common motor, global positioning system and precise positioning service (GPS/PPS)-aided inertial guidance provided by selective availability anti-spoofing module or M-Code, control system, fusing mechanism, multi-option height of burst capability, and an effective range between 15 and 70 kilometers.

2. (U) The highest level of classification of defense articles, components, and services included in this potential sale is SECRET.

3. (U) If a technologically advanced adversary were to obtain knowledge of the specific hardware and software elements, the information could be used to develop countermeasures that might reduce system effectiveness or be used in the development of a system with similar or advanced capabilities.

4. (U) A determination has been made that Singapore can provide substantially

the same degree of protection for the sensitive technology being released as the U.S. Government. This proposed sale is necessary in furtherance of the U.S. foreign policy and national security objectives outlined in the Policy Justification.

5. (U) All defense articles and services listed in this transmittal have been authorized for release and export to the Government of Singapore.

[FR Doc. 2026–09003 Filed 5–6–26; 8:45 am]

BILLING CODE 6001–FR–P

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 26–34]

Arms Sales Notification

AGENCY: Defense Security Cooperation Agency, Department of Defense (DoD).

ACTION: Arms sales notice.

SUMMARY: The DoW is publishing the unclassified text of an arms sales notification.

FOR FURTHER INFORMATION CONTACT:

Urooj Zahra at (703) 695–6233, urooj.zahra.civ@mail.mil, or dscn.ncr.rsrmgmt.list.cns-mbx@mail.mil.

SUPPLEMENTARY INFORMATION: This 36(b) arms sales notification is published to fulfill the requirements of section 155 of Public Law 104–164 dated July 21, 1996. The following is a copy of the attached Transmittal 26–34, Policy Justification, and Sensitivity of Technology.

Dated: May 4, 2026.

Stephanie J. Bost,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

Transmittal No. RSAT 26–34

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b)(1) of the Arms Export Control Act, as amended

(i) *Prospective Purchaser:* Government of Kuwait

(ii) *Total Estimated Value:*

Major Defense Equipment *	\$5.5 billion
Other	\$2.5 billion

TOTAL \$8.0 billion

Funding Source: National Funds
 (iii) *Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:*

Major Defense Equipment (MDE):

Up to eight (8) Lower Tier Air and Missile Defense Sensors (LTAMDS) radars

Five (5) Large Tactical Power Systems

Eight (8) frequency converters (1 per tactical site and 1 per central maintenance facility; 2 spares)

Non-MDE:

The following non-MDE items will also be included: identification, friend or foe KIV-77 encryptor; AN/PYQ-10 simple key loaders; ancillary devices to support controlled cryptographic items; LTAMDS emulators (simulators); heavy expanded mobility tactical truck M983A4 light equipment transporter modified high temp kit; battery maintenance center (BMC) shelters; sets tools and test equipment; small repair parts trailer (SRPT); prime mover—BMC shelters/SRPT; fielding and follow-on support field service representative (FSR); prime mover FSR support; technical assistance field team; spares; publications; personnel training and training equipment; software development; U.S. Government and contractor engineering, technical, and logistics support services; and other related elements of logistics and program support.

(iv) *Military Department: Army (KU-B-UZH)*

(v) *Prior Related Cases, if any: None*

(vi) *Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None known at this time*

(vii) *Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: See Attached Annex*

(viii) *Date Report Delivered to Congress: March 19, 2026*

* as defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

Kuwait—Lower Tier Air and Missile Defense Sensor Radars

The Government of Kuwait has requested to buy up to eight (8) Lower Tier Air and Missile Defense Sensor (LTAMDS) radars; five (5) Large Tactical Power Systems; and eight (8) frequency converters (1 per tactical site and 1 per central maintenance facility; 2 spares). The following non-major defense equipment items will also be included: identification, friend or foe KIV-77 encryptor; AN/PYQ-10 simple key loaders; ancillary devices to support controlled cryptographic items; LTAMDS emulators (simulators); heavy expanded mobility tactical truck M983A4 light equipment transporter modified high temp kit; battery maintenance center (BMC) shelters; sets tools and test equipment; small repair parts trailer (SRPT); prime mover—BMC

shelters/SRPT; fielding and follow-on support field service representative (FSR); prime mover FSR support; technical assistance field team; spares; publications; personnel training and training equipment; software development; U.S. Government and contractor engineering, technical, and logistics support services; and other related elements of logistics and program support. The estimated total cost is \$8 billion.

This proposed sale will support the foreign policy and national security objectives of the United States by improving the security of a major non-NATO ally that has been an important force for political stability and economic progress in the Middle East.

The proposed sale will improve Kuwait's capability to meet current and future threats by providing advanced air defense detection as part of procurement of the LTAMDS radar system and thereby enhancing its air defense capability. This enhanced capability will protect Kuwait and local allied land forces and will significantly improve Kuwait's contribution to Integrated Air Missile Defense. Kuwait will have no difficulty absorbing these articles and services into its armed forces.

The proposed sale of this equipment and support will not alter the basic military balance in the region.

The principal contractor will be RTX Corporation, located in Arlington, VA. At this time, the U.S. Government is not aware of any offset agreement proposed in connection with this potential sale. Any offset agreement will be defined in negotiations between the purchaser and the contractor.

Implementation of this proposed sale will require the assignment of twelve (12) U.S. Government and twelve (12) contractor representatives to Kuwait for a duration up to twenty (20) years to support maintenance and sustain operations.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

Transmittal No. 26-34

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b)(1) of the Arms Export Control Act

Annex

Item No. vii

(vii) *Sensitivity of Technology:*

1. The Lower Tier Air and Missile Defense Sensor (LTAMDS) radar is a system designed to counter advanced threats such as hypersonic, drones, and cruise missiles. Featuring a 360-degree surveillance capability with three

antenna arrays (one in front and two in back), the system is intended to replace the Patriot radar and integrate into the U.S. Army's Integrated Air and Missile Defense System.

2. The Large Tactical Power System is a military program providing tactical electric power for the Department of War, featuring dual 500 kW generators in both skid-mounted and trailer-mounted configuration. These systems are designed for a large-scale power need in tactical environments, aiming to increase mission endurance, reach, and survivability.

3. The frequency converters change the frequency of an alternating current (AC) to a different frequency, either higher or lower, for applications such as controlling motor speed or running equipment designed for a different power standard. It works by first converting the incoming AC power to direct current (DC), then using an inverter to convert the DC back into AC at the desired frequency and voltage.

4. The identification, friend or foe KIV-77 encryptors is a combat identification system designed for command and control. It uses a transponder that listens to an interrogation signal and sends a response that identifies the broadcaster.

5. The AN/PYQ-10 simple key loader is an advanced secure cryptographic device, enabling safe distribution and storage of communication security keys.

6. The Global Positioning System Precise Positioning Service Selective Availability Anti-Spoofing Module (GPS PPS SAASM) is embedded within the LTAMDS radar. The GPS PPS SAASM is a secure, encrypted navigation system providing users with highly accurate position, navigation, and timing data.

7. The highest level of classification of defense articles, components, and services included in this potential sale is SECRET.

8. If a technologically advanced adversary were to obtain knowledge of the specific hardware and software elements, the information could be used to develop countermeasures that might reduce system effectiveness or be used in the development of a system with similar or advanced capabilities.

9. A determination has been made that Kuwait can provide substantially the same degree of protection for the sensitive technology being released as the U.S. Government. This proposed sale is necessary in furtherance of the U.S. foreign policy and national security objectives outlined in the Policy Justification.

10. All defense articles and services listed in this transmittal have been

authorized for release and export to the Government of Kuwait.

[FR Doc. 2026-09004 Filed 5-6-26; 8:45 am]

BILLING CODE 6001-FR-P

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 26-21]

Arms Sales Notification

AGENCY: Defense Security Cooperation Agency, Department of Defense (DoD).

ACTION: Arms sales notice.

SUMMARY: The DoW is publishing the unclassified text of an arms sales notification.

FOR FURTHER INFORMATION CONTACT:

Urooj Zahra at (703) 695-6233, urooj.zahra.civ@mail.mil, or dsca.ncr.rsrmgmt.list.cns-mbx@mail.mil.

SUPPLEMENTARY INFORMATION: This 36(b) arms sales notification is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996. The following is a copy of the attached Transmittal 26-21, Policy Justification, and Sensitivity of Technology.

Dated: May 4, 2026.

Stephanie J. Bost,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

Transmittal No. 26-21

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b)(1) of the Arms Export Control Act, as amended

(i) *Prospective Purchaser:* Government of Belgium

(ii) *Total Estimated Value:*

Major Defense Equipment *	\$	0 million
Other	\$156.1 million	

TOTAL	\$156.1 million

(iii) *Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:* Foreign Military Sales case BE-B-WDQ was below congressional notification threshold at \$86.95 million (\$0 in major defense equipment (MDE)) and included AN/PRC-117G radios; AN/PRC-152A radios; AN-PRC-160 radios; AN/PRC-158 radios; and AN/PRC-163 radios. The Government of Belgium has requested that the case be amended to include additional non-MDE items. This amendment will cause the case to exceed the notification threshold, and thus notification of the entire program is required. The above notification requirements are combined as follows:

Major Defense Equipment (MDE):

None

Non-Major Defense Equipment:

The following non-MDE items will be included: AN/PRC-117G radios; AN/PRC-152A radios; AN-PRC-160 radios; AN/PRC-158 radios; AN/PRC-163 radios, AN/PRC-167 radios; KIK-11 tactical key loader, AN/PRC-117G accessories, dismount kit, vehicular integration, and batteries; AN/PRC-152A accessories, dismount kit, and vehicular integration; AN/PRC-158 accessories, dismount kit, vehicular integration, and training; AN/PRC-160 accessories, dismount kit, vehicular integration, batteries, and training; AN/PRC-163 ancillaries, batteries, and dismount accessories; AN/PRC-167 ancillaries, batteries, and dismount accessories; RF-9820S radio and dismount accessories; radio specific audio, power, and configuration accessories; U.S. Government and contractor technical engineering, logistics, and personnel services; and other related elements of logistics and program support.

(iv) *Military Department:* Army (BE-B-WDQ)

(v) *Prior Related Cases, if any:* None

(vi) *Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid:* None known at this time

(vii) *Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold:* See Attached Annex

(viii) *Date Report Delivered to Congress:* March 24, 2026

* as defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

Belgium—Communications Equipment

The Government of Belgium has requested to buy additional AN/PRC-163 radios; AN/PRC-167 radios; AN/PRC-160 radios; AN/PRC-117G radios; AN/PRC 152A radios; AN/PRC 158 radios; KIK-11 tactical key loader, AN/PRC-117G accessories, dismount kit, vehicular integration, and batteries; AN/PRC-152A accessories, dismount kit, and vehicular integration; AN/PRC-158 accessories, dismount kit, vehicular integration, batteries, and training; AN/PRC-163 ancillaries, batteries, and dismount accessories; AN/PRC-167 ancillaries, batteries, and dismount accessories; RF-9820S radio and dismount accessories; radio specific audio, power, and configuration accessories; U.S. Government and

contractor technical engineering, logistics, and personnel services; and other related elements of logistics and program support that will be added to a previously implemented case whose value was under the congressional notification threshold. The original Foreign Military Sales case, valued at \$86.95 million, included the following non-major defense equipment items: AN/PRC-117G radios; AN/PRC-152A radios; AN-PRC-160 radios; AN/PRC-158 radios; and AN/PRC-163 radios. The estimated total cost is \$156.1 million.

This proposed sale will support the foreign policy and national security objectives of the United States by improving the security of a NATO Ally which is an important force for political stability and economic progress in Europe.

The proposed sale will enable the Belgium Army to communicate across moderate to extended distances using encryption that prevents interception. The proposed sale will support its goal of improving national and territorial defense, as well as interoperability with U.S. and NATO forces. Belgium will have no difficulty absorbing this equipment into its armed forces.

The proposed sale of this equipment and support will not alter the basic military balance in the region.

The principal contractor will be L3 Harris, located in Melbourne, FL. At this time, the U.S. Government is not aware of any offset agreement proposed in connection with this potential sale. Any offset agreement will be defined in negotiations between the purchaser and the contractor.

Implementation of this proposed sale will not require the assignment of any additional U.S. Government or contractor representatives to Belgium.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

Transmittal No. 26-21

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b)(1) of the Arms Export Control Act

Annex

Item No. vii

(vii) *Sensitivity of Technology:*

1. The AN/PRC-163 multi-channel handheld radio is a versatile, secure solution that leverages crossbanding to provide simultaneous data and voice across satellite communications (SATCOM), line-of-sight, and mobile ad-hoc networking modes. As mission needs evolve, this software-defined handheld radio supports fast, in-field updates to new capabilities. An external

mission module hardware interface allows warfighters to quickly add options including intelligence, surveillance, and reconnaissance video and SATCOM. The radio supports U.S. Type-1 security and includes an embedded selective availability anti-spoofing module (SAASM) global positioning system (GPS) receiver for accurate timing and location information.

2. The AN/PRC-167 is a multi-domain, multi-channel tactical narrow, and wide-band dual transceiver radio system providing Type-1 encryption and SAASM GPS location and timing capabilities. The system can provide wide-band high-assurance self-healing networking capabilities and mobile user objective system over-the-horizon capabilities. Each transceiver is software-programmable and operates in the 30–512 megahertz and 764–2600-megahertz frequency ranges. The system can operate using the following waveforms: narrow-band analog/PCM AM/FM, CVSD ASK/FSK cipher text, wideband 2400 bps and LPC/2400 MELP—SATCOM.

3. The AN/PRC-158 is a very high frequency (VHF)/ultra-high frequency multiband multi-channel (dual channel) radio. It is a portable, compact, tactical software-defined combat-net radio. The AN/PRC-158 includes Type-1 encryption and a SAASM GPS receiver.

4. The AN/PRC-160 radio is a tactical wideband high frequency (HF)/VHF transceiver providing Type-1 encryption and SAASM GPS location and timing capabilities. The system provides continuous frequency coverage from 1.5 to 60 megahertz. The manpack version provides 20 watts HF and 10 watts VHF and transmits power from a single battery. The system transmits in bandwidths from 3 kilohertz to 24 kilohertz with data rates up to 120 kilobytes per second. The software programmable system can operate using NATO standard 2G, 3G, and 4G automatic link establishment waveforms and is compatible with AM single sideband and CW modes.

5. The AN/PRC-117G is an advanced, software-defined multiband radio providing Type-1 encryption and SASSM GPS location and timing capabilities. It supports a wide range of waveforms, including SATCOM, single channel ground and airborne radio system (SINCGARS), and wideband networking waveforms like ANW2C, enabling communication in both line-of-sight and beyond-line-of-sight scenarios.

6. The AN/PRC-152A is a lightweight, handheld, software-defined radio providing Type-1 encryption that provides secure, multiband

communication for tactical operations. It supports a variety of waveforms, including SATCOM, SINCGARS, and TrellisWare Secure Mobile, enabling simultaneous voice, data, and networking capabilities.

7. The KIK-11 tactical key loader is a lightweight software-programmable crypto key loader capable of storing 40 keys in 12 slots. It supports current U.S. Type-1 keys and SINCGARS load sets. As a Type-1 Cryptographic Controlled Item, the KIK-11 requires strict export controls and access restrictions to prevent unauthorized disclosure of sensitive classified crypto keys.

8. The highest level of classification of defense articles, components, and services included in this potential sale is UNCLASSIFIED.

9. If a technologically advanced adversary were to obtain knowledge of the specific hardware and software elements, the information could be used to develop countermeasures that might reduce system effectiveness or be used in the development of a system with similar or advanced capabilities.

10. A determination has been made that Belgium can provide substantially the same degree of protection for the sensitive technology being released as the U.S. Government. This proposed sale is necessary in furtherance of the U.S. foreign policy and national security objectives outlined in the Policy Justification.

11. All defense articles and services listed in this transmittal have been authorized for release and export to the Government of Belgium.

[FR Doc. 2026-09005 Filed 5-6-26; 8:45 am]

BILLING CODE 6001-FR-P

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 26–29]

Arms Sales Notification

AGENCY: Defense Security Cooperation Agency, Department of Defense (DoD).

ACTION: Arms sales notice.

SUMMARY: The DoW is publishing the unclassified text of an arms sales notification.

FOR FURTHER INFORMATION CONTACT:

Urooj Zahra at (703) 695–6233, urooj.zahra.civ@mail.mil, or dscna.ncr.rsrcmgmt.list.cns-mbx@mail.mil.

SUPPLEMENTARY INFORMATION: This 36(b) arms sales notification is published to fulfill the requirements of section 155 of Public Law 104–164 dated July 21,

1996. The following is a copy of the attached Transmittal 26–29, Policy Justification, and Sensitivity of Technology.

Dated: May 4, 2026.

Stephanie J. Bost,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

DEPARTMENT OF STATE

TRANSMITTAL No. RSAT 26–29

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b)(1) of the Arms Export Control Act, as amended

(i) (U) *Prospective Purchaser:*

Republic of Korea

(ii) (U) *Total Estimated Value:*

Major Defense Equipment *	\$ 0 million
Other	\$200 million

TOTAL	\$200 million

Funding Source: National Funds

(iii) (U) *Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:*

Major Defense Equipment (MDE):

None

Non-MDE:

The following non-MDE items will be included: ARC-210 RT-2036 (C) secure radios and ancillary material for F-15K and KC-330 aircraft; KY-100M communication security devices and associated ancillary materials, platform design, integration, and installation efforts for AW-159, MC-130K, CH-47NE, UH-60, CN-235-100M, CN-235-220M, CH-47, TA-50, TA-50 BLK 2, FA-50, and KA-1 aircraft; repair and return support; publications; training; and other related elements of logistics and program support.

(iv) (U) *Military Department:* Navy (KS-P-BZB)

(v) (U) *Prior Related Cases, if any:*

None

(vi) (U) *Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid:*

None known at this time

(vii) (U) *Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold:* See Attached Annex

(viii) (U) *Date Report Delivered to Congress:* March 24, 2026

* as defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

(U) Korea—ARC-210 RT-2036(C)

Secure Radios and KY-100M Communication Security Devices

(U) The Republic of Korea has requested to buy ARC-210 RT-2036 (C) secure radios and ancillary material for F-15K and KC-330 aircraft; KY-100M

communication security devices and associated ancillary materials, platform design, integration, and installation efforts for AW-159, MC-130K, CH-47NE, UH-60, CN-235-100M, CN-235-220M, CH-47, TA-50, TA-50 BLK 2, FA-50, and KA-1 aircraft; repair and return support; publications; training; and other related elements of logistics and program support. The estimated total cost is \$200 million.

(U) This proposed sale will support the foreign policy and national security objectives of the United States by improving the security of a major ally that is an important force for political stability and economic progress in the Indo-Pacific region.

(U) The proposed sale will improve Korea's capability to meet current and future threats by providing the secure SATURN communication capability from various aircraft. Korea will have no difficulty absorbing these articles and services into its armed forces.

(U) The proposed sale of this equipment and support will not alter the basic military balance in the region.

(U) The principal contractor will be Collins Aerospace, located in Charlotte, NC. At this time, the U.S. Government is not aware of any offset agreement proposed in connection with this potential sale. Any offset agreement will be defined in negotiations between the purchaser and the contractor.

(U) Implementation of this proposed sale will not require the assignment of any additional U.S. Government or contractor representatives to Korea.

(U) There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

Transmittal No. 26-BC

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b)(1) of the Arms Export Control Act

Annex

Item No. vii

(vii) *Sensitivity of Technology:*

1. (U) The defense articles included are secure communication equipment and systems which encrypt ultra-high frequency (UHF) satellite and line-of-sight (LOS) communications. The ARC-210 RT-2036 (C) is a secure, software-defined radio transceiver with multiple embedded encryption algorithms and waveforms. The ARC-210 RT-2036 (C) provides secure jam-resistant UHF satellite and LOS communications. The KY-100M is a modernized Vinson/advanced narrowband digital voice terminal cryptographic modernization communication security device. The KY-100M provides encryption and

decryption of satellite or LOS voice data between two radio transceivers.

2. (U) The highest level of classification of defense articles, components, and services included in this potential sale is SECRET.

3. (U) If a technologically advanced adversary were to obtain knowledge of the specific hardware and software elements, the information could be used to develop countermeasures that might reduce system effectiveness or be used in the development of a system with similar or advanced capabilities.

4. (U) A determination has been made that Korea can provide substantially the same degree of protection for the sensitive technology being released as the U.S. Government. This proposed sale is necessary in furtherance of the U.S. foreign policy and national security objectives outlined in the Policy Justification.

5. (U) All defense articles and services listed in this transmittal have been authorized for release and export to the Republic of Korea.

[FR Doc. 2026-08999 Filed 5-6-26; 8:45 am]

BILLING CODE 6001-FR-P

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 26-49]

Arms Sales Notification

AGENCY: Defense Security Cooperation Agency, Department of Defense (DoD).

ACTION: Arms sales notice.

SUMMARY: The DoW is publishing the unclassified text of an arms sales notification.

FOR FURTHER INFORMATION CONTACT:

Urooj Zahra at (703) 695-6233, urooj.zahra.civ@mail.mil, or dsca.ncr.rsrcmgmt.list.cns-mbx@mail.mil.

SUPPLEMENTARY INFORMATION: This 36(b) arms sales notification is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996. The following is a copy of the attached Transmittal 26-49, Policy Justification, and Sensitivity of Technology.

Dated: May 4, 2026.

Stephanie J. Bost,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

Transmittal No. RSAT 26-49

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b)(1) of the Arms Export Control Act, as amended

(i) *Prospective Purchaser:* Government of the United Arab Emirates

(ii) *Total Estimated Value:*

Major Defense Equipment *	\$1.05 billion
Other	\$0.17 billion

TOTAL \$1.22 billion

Funding Source: National Funds

(iii) *Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:*

Major Defense Equipment (MDE):

Four hundred (400) AIM-120C-7 or AIM-120C-8 Advanced Medium Range Air-to-Air Missiles (AMRAAMs)

Eight (8) AIM-120C-8 AMRAAM guidance sections

Non-MDE:

The following non-MDE items will also be included: AMRAAM control sections, storage containers, and support equipment; spare parts, consumables and accessories, and repair and return support; classified and unclassified software; U.S. Government and contractor engineering, technical and logistics support services; and other related elements of logistics and program support.

(iv) *Military Department:* Air Force (AE-D-YAI)

(v) *Prior Related Cases, if any:* AE-D-YAC

(vi) *Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid:* None known at this time

(vii) *Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold:* See Attached Annex

(viii) *Date Report Delivered to Congress:* March 19, 2026

* as defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

United Arab Emirates—Advanced Medium-Range Air-to-Air Missiles

The Government of the United Arab Emirates (UAE) has requested to buy four hundred (400) AIM-120C-7 or AIM-120C-8 Advanced Medium Range Air-to-Air Missiles (AMRAAMs); and eight (8) AIM-120C-8 AMRAAM guidance sections. The following non-major defense equipment items will also

be included: AMRAAM control sections, storage containers, and support equipment; spare parts, consumables and accessories, and repair and return support; classified and unclassified software; U.S. Government and contractor engineering, technical and logistics support services; and other related elements of logistics and program support. The estimated total cost is \$1.22 billion.

This proposed sale will support the foreign policy and national security objectives of the United States by improving the security of a major defense partner. The UAE is a force for political stability and economic progress in the Middle East.

The proposed sale will improve UAE's capability to meet current and future threats by ensuring it has modern and capable air-to-air munitions. This sale will further advance the high level of UAE Air Force interoperability with U.S. Joint Forces and other regional and forces. The UAE will have no difficulty absorbing these articles and services into its armed forces.

The proposed sale of this equipment and support will not alter the basic military balance in the region.

The principal contractor will be RTX Corporation, located in Arlington, VA. At this time, the U.S. Government is not aware of any offset agreement proposed in connection with this potential sale. Any offset agreement will be defined in negotiations between the purchaser and the contractor.

Implementation of this proposed sale will not require the assignment of any additional U.S. Government or contractor representatives to UAE.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

Transmittal No. 26–49

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b)(1) of the Arms Export Control Act

Annex

Item No. vii

(vii) *Sensitivity of Technology:*

1. The AIM–120C–7/C–8 Advanced Medium Range Air-to-Air Missile (AMRAAM) is a supersonic, air launched, aerial intercept, guided missile featuring digital technology and micro-miniature solid-state electronics. AMRAAM capabilities include look-down/shoot-down, multiple launches against multiple targets, resistance to electronic countermeasures, and interception of high and low flying and maneuvering targets. The AIM–120C–8 is a form, fit, and function refresh of the AIM–120C–7 and is the next generation

to be produced. This potential sale will include AMRAAM guidance and control sections, spares, and containers.

2. The highest level of classification of defense articles, components, and services included in this potential sale is SECRET.

3. If a technologically advanced adversary were to obtain knowledge of the specific hardware and software elements, the information could be used to develop countermeasures that might reduce system effectiveness or be used in the development of a system with similar or advanced capabilities.

4. A determination has been made that the United Arab Emirates can provide substantially the same degree of protection for the sensitive technology being released as the U.S. Government. This proposed sale is necessary in furtherance of the U.S. foreign policy and national security objectives outlined in the Policy Justification.

5. All defense articles and services listed in this transmittal have been authorized for release and export to the Government of the United Arab Emirates.

[FR Doc. 2026–09006 Filed 5–6–26; 8:45 am]

BILLING CODE 6001–FR–P

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 26–0E]

Arms Sales Notification

AGENCY: Defense Security Cooperation Agency, Department of Defense (DoD).

ACTION: Arms sales notice.

SUMMARY: The DoW is publishing the unclassified text of an arms sales notification.

FOR FURTHER INFORMATION CONTACT:

Urooj Zahra at (703) 695–6233, urooj.zahra.civ@mail.mil, or dscn.ncr.rsrcmgmt.list.cns-mbx@mail.mil.

SUPPLEMENTARY INFORMATION: This 36(b) arms sales notification is published to fulfill the requirements of section 155 of Public Law 104–164 dated July 21, 1996. The following is a copy of the attached Transmittal 26–0E.

Dated: May 4, 2026.

Stephanie J. Bost,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

Transmittal No. 26–0E

REPORT OF ENHANCEMENT OR UPGRADE OF SENSITIVITY OF TECHNOLOGY OR CAPABILITY (SEC. 36(b)(5)(C), AECA)

(i) (U) *Prospective Purchaser:*

Government of Singapore

(ii) (U) *Sec. 36(b)(1), AECA*

Transmittal No.: 14–16

Date: June 16, 2014

Implementing Agency: Air Force
Funding Source: National Funds

(iii) (U) *Description:* On June 16, 2014, Congress was notified by congressional certification transmittal number 14–16 of the possible sale, under Section 36(b)(1) of the AECA, of follow-on support and services for Singapore's Continental United States (CONUS) detachment PEACE CARVIN II (F–16) based at Luke Air Force Base (AFB) for a five-year period. MDE consisted of 80 CATM–9M Captive Air Training Missiles. Also included: jet fuel, containers, publications and technical documentation; tactics manuals and academic instruction; maintenance; clothing and individual equipment; execution and support of CONUS exercise deployments; airlift and aerial refueling; support equipment; spare and repair parts; repair and return; personnel training and training equipment; U.S. Government and contractor technical and logistics support services; and other related elements of logistical and program support. The total estimated value was \$251 million. Major Defense Equipment (MDE) constituted \$0 of this total.

On February 11, 2020, Congress was notified by Congressional certification transmittal number 20–0D of the possible sale, under Section 36(b)(5)(C) of the Arms Export Control Act of the extension of the PEACE CARVIN II detachment at Luke Air Force Base for an additional three and a half years (3.5 years). It included the following non-MDE items: eight (8) CATM–9M Captive Air Training Missiles; jet fuel; containers; publications and technical documentation; tactics manuals and academic instruction; maintenance; clothing and individual equipment; execution and support of CONUS exercise deployments; airlift and aerial refueling; support equipment; spare and repair parts; repair and return; personnel training and training equipment; U.S. Government and contractor technical and logistics support services; and other related

elements of logistical and program support. The estimated additional non-MDE value was \$200 million, which increased the total program value to \$451 million. MDE remained \$0 of this total.

On April 26, 2024, Congress was notified by congressional certification transmittal number 24-0D of the possible sale, under Section 36(b)(5)(C), of the Arms Export Control Act of the addition of the following MDE items: six hundred forty-four (644) MK-82 Inert 500-pound bombs (included 210 new, 434 inadvertently provided as non-MDE); eighty-four (84) MK-82 500-pound general purpose (GP) bombs for the Guided Bomb Unit (GBU) GBU-38 Joint Direct Attack Munition (JDAM), GBU-54 Laser JDAM (LJDAM) and GBU-12 Paveway II (PWII); forty (40) KMU-556 tail kits for the GBU-31 JDAM and GBU-56 LJDAM; forty (40) KMU-572 tail kits for the GBU-38 JDAM and GBU-54 LJDAM; forty (40) MAU-169 computer control groups for the GBU-10 and GBU-12 PWII; twenty (20) MXU-651 Air Foil Groups (AFG) for the GBU-10 PWII; twenty (20) MXU-650 AFGs for the GBU-12 PWII; eighty-four (84) MK-84 2,000-pound GP bombs for the GBU-31 JDAM, GBU-56 LJDAM, and GBU-10 PWII; ten (10) GBU-39 Small Diameter Bombs-Increment I (SDB-I); ten (10) GBU-39 (T-1) inert practice bombs; and forty (40) FMU-152 fuzes. Also included were testing and training munitions, ammunition, and munitions support and support equipment; DSU-38 and DSU-40 laser guidance sets for LJDAM; GBU-39 Tactical Training Rounds; telemetry kits; additional training munitions, ammunition, impulse cartridges, chaff, and flares; communications security devices; studies and analyses; transportation and relocation support; and facilities and construction support, including facility and infrastructure assessments and surveys, design services, planning, programming, design, acquisition, contract administration, facility management, and other engineering services and technical support. The estimated total value of the additional items and services was \$249 million. The estimated MDE value was \$9 million. The estimated non-MDE value increased by \$240 million to a revised \$691 million. The estimated total case value was increased to \$700 million. MDE constituted \$9 million of this total.

This transmittal notifies a correction to the previous designation of the CATM-9M Captive Air Training Missiles from MDE to non-MDE. This transmittal also notifies the following additional MDE items: eighteen (18)

MK-82 500-lb GP bombs; thirty-two (32) MK-84 2,000-lb GP bombs; thirty-six (36) KMU-556 JDAM tail kits; sixty (60) KMU-572 JDAM tail kits; thirty (30) MXU-650 AFGs; thirty (30) MAU-169 computer control groups; and sixty (60) FMU-152 fuze systems. The following non-MDE items will also be included: practice bombs; KGV-135A encryption devices; FMU-139 fuzes; component parts and support equipment; and other related elements of program and logistics support. The estimated total value of the new items is \$232 million. The estimated MDE value will increase by \$5 million to a revised \$14 million. The estimated non-MDE value will increase by \$227 million to a revised \$918 million. The estimated total case value will increase by \$232 million to a revised \$932 million. MDE constitutes \$14 million of this total.

(iv) (U) *Significance*: This notification corrects an error in the original notification and includes additional MDE items that were not enumerated in the original notification. The inclusion of this MDE represents an increase in capability over what was previously notified. The proposed sale will continue to improve Singapore's ability to develop mission-ready and experienced pilots to support its F-16 aircraft inventory.

(v) (U) *Justification*: This proposed sale will enhance the foreign policy and national security objectives of the United States by improving the security of a strategic partner that is an important force for political stability and economic progress in Asia.

(vi) (U) *Sensitivity of Technology*: The KGV-135A communications security device is a high-speed general purpose encryptor and decryptor module used for wideband data encryption.

The Sensitivity of Technology Statement contained in the original notification applies to additional items reported here.

The highest level of classification of defense articles, components, and services included in this potential sale is SECRET.

(vii) (U) *Date Report Delivered to Congress*: April 1, 2026

[FR Doc. 2026-09002 Filed 5-6-26; 8:45 am]

BILLING CODE 6001-FR-P

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 26-18]

Arms Sales Notification

AGENCY: Defense Security Cooperation Agency, Department of Defense (DoD).

ACTION: Arms sales notice.

SUMMARY: The DoW is publishing the unclassified text of an arms sales notification.

FOR FURTHER INFORMATION CONTACT: Urooj Zahra at (703) 695-6233, urooj.zahra.civ@mail.mil, or dsca.ncr.rsrmgmt.list.cns-mbx@mail.mil.

SUPPLEMENTARY INFORMATION: This 36(b) arms sales notification is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996. The following is a copy of the attached Transmittal 26-18, Policy Justification, and Sensitivity of Technology.

Dated: May 4, 2026.

Stephanie J. Bost,
Alternate OSD Federal Register Liaison Officer, Department of Defense.

Transmittal No. 26-18

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b)(1) of the Arms Export Control Act, as amended

(i) *Prospective Purchaser*: Government of the United Kingdom

(ii) *Total Estimated Value*:

Major Defense Equipment *	\$0
Other	\$1 billion
TOTAL	\$1 billion

(iii) *Description and Quantity or Quantities of Articles or Services under Consideration for Purchase*: Foreign Military Sales case UK-P-FDL was below congressional notification threshold at \$50 million (\$0 in MDE) and included non-recurring engineering support; design integration of U.S. equipment; and submarine combat and weapons systems support for design and production of next generation, future class of nuclear-powered attack submarines developed for the Royal Australian Navy and United Kingdom Royal Navy, and developed as part of the trilateral security partnership between Australia, the United Kingdom (UK), the U.S. (AUKUS); delivery of software and technical publications for combat and weapon systems, and UK liaison office administrative support to the purchaser's security assistance foreign representative(s) at Naval Sea Systems Command Headquarters. The

Government of the UK has requested that the case be amended to include additional non-major defense equipment. This amendment will cause the case to exceed the notification threshold, and thus notification of the entire program is required. The above notification requirements are combined as follows:

Major Defense Equipment (MDE):

None

Non-Major Defense Equipment:

The following non-MDE items will be included: technical assistance to the design and development of AUKUS-specific vertical deployment tubes; common weapon launchers; multiple all-up-round canister support service modules; network input output units; servers and switches and custom electronics, which are specific components of the submarine warfare federated tactical system; simulation equipment; engineering demonstration models; testing and installation equipment; equipment components; information technology hardware; publications and technical documentation; software and source code; U.S. industry support; facility support; personnel training; and embedded U.S. and UK personnel located in both UK and U.S. facilities to support submarine design. Other support services included are U.S. Government and contractor engineering, technical, and logistics support services; test and trials support; studies and surveys; other related elements of engineering services for associated equipment and program support; and other related elements of logistics and program support.

(iv) *Military Department:* Navy (UK–P–FDL)

(v) *Prior Related Cases, if any:* None

(vi) *Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid:* None known at this time

(vii) *Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold:* See Attached Annex

(viii) *Date Report Delivered to Congress:* March 20, 2026

* as defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

United Kingdom—Submarine Combat and Weapon Systems, Technical Support, U.S. and UK Embedded Personnel, and Associated Training

The Government of the United Kingdom (UK) has requested to buy

technical assistance to the design and development of AUKUS-specific vertical deployment tubes; common weapon launchers; multiple all-up-round canister support service modules; network input output units; servers and switches and custom electronics, which are specific components of the submarine warfare federated tactical system; simulation equipment; engineering demonstration models; testing and installation equipment; equipment components; information technology hardware; publications and technical documentation; software and source code; U.S. industry support; facility support; personnel training; and embedded U.S. and UK personnel located in both UK and U.S. facilities to support submarine design. Other support services included are U.S. Government and contractor engineering, technical, and logistics support services; test and trials support; studies and surveys; other related elements of engineering services for associated equipment and program support; and other related elements of logistics and program support that will all be added to a previously implemented case whose value was under the congressional notification threshold. The original Foreign Military Sales case, valued at \$50 million, included the following non-MDE items: non-recurring engineering support; design integration of U.S. equipment; submarine combat and weapons systems support for design and production of next generation, future class of nuclear-powered attack submarines developed for the Royal Australian Navy and United Kingdom Royal Navy, and developed as part of the trilateral security partnership between Australia, UK, and the U.S. (AUKUS); delivery of software and technical publications for combat and weapon systems, and UK liaison office administrative support to the purchaser's security assistance foreign representative(s) at Naval Sea Systems Command Headquarters. The estimated total cost is \$1 billion.

This proposed sale will support the foreign policy and national security objectives of the United States by improving the security of a NATO ally that is an important force for political stability and economic progress in Europe.

The proposed sale will improve the UK's capability to meet current and future threats by providing an effective combatant deterrent capability to protect maritime interests and infrastructure. This acquisition will enhance stability and maritime security in the northwestern region of Europe and contribute to the security and

strategic objectives of NATO and the United States. The UK will have no difficulty absorbing this equipment into its armed forces.

The proposed sale of this equipment and support will not alter the basic military balance in the region.

The principal contractors will be Huntington Ingalls Industries, located in Newport News, VA; General Dynamics Electric Boat, located in Groton, CT; General Dynamics Mission Systems, located in Fairfax, VA; Progeny Systems, located in Manassas, VA; Lockheed Martin, located in Bethesda, MD; and Systems Planning and Analysis, located in Alexandria, VA. At this time, the U.S. Government is not aware of any offset agreement proposed in connection with this potential sale. Any offset agreement will be defined in negotiations between the purchaser and the contractor.

Implementation of this proposed sale will require the assignment of approximately three hundred (300) additional U.S. Government and contractor representatives to the UK for a duration of approximately five (5) years to support in-person training, equipment familiarization, and on-site engineering and maintenance.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

Transmittal No. 26–18

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b)(1) of the Arms Export Control Act

Annex

Item No. vii

(vii) *Sensitivity of Technology:*

1. The United States industry support, facility support, submarine combat and weapons systems hardware, training and embedded U.S. civilian, military and contractor personnel located at United Kingdom (UK) facilities to support nuclear-powered attack submarine (SSN) Australia, the UK, and the United States (AUKUS) design, non-recurring engineering services collectively provisions for the trilateral AUKUS Pillar I program and the Government of the UK's effort to design and deliver the next generation UK attack submarine, SSN-AUKUS. This next generation attack submarine will provide the UK with an effective deterrent capability to protect maritime interests and infrastructure. Technical data and documentation for combat and weapons systems include:

Common Weapons Launcher (CWL) is a system that provides electrical and logical interfaces to, and controls the launch of, payloads launched from

several classes of submarines through the ships' torpedo tubes, vertical launch (missile/payload) tubes, and external countermeasure launch modules.

The Vertical Deployment Tube (VDT) mechanical assembly is the primary payload tube and ship structure that maintains watertight integrity and can store a removable payload module. The components of the VDT mechanical assembly include the outer hatch system, access doors internal to the ship, and numerous ship system interfaces to support mission specific removable Payload Modules. More specifically, components like the Multiple All-up-round Canister (MAC) support service module, which is a removable assembly located within the submarine's payload tube whose function is to provide ship services to the MAC and ultimately, the Tomahawk cruise missile.

The Network Input Output Unit (NIOU) is a part of the Payload Tube Control System and provides the interface between the Payload Tube Control Panel (PTCP) and payload tube system, ship systems (hydraulic system, P/V system, etc.), and the program manager provided equipment. NIOU receives discrete and analog sensor data, converts the sensor data to digital data, and sends the data to the PTCP controllers.

Submarine Warfare Federated Tactical System servers provide powerful specialized computing, storage, and input/output processing solutions to run multiple combat and control systems tactical applications and manage data across multiple submarine sensors, payloads, and communications subsystems.

This proposed sale will provide the UK with Tomahawk missile design information required to support the integration of Tomahawk into a vertical launch configuration for SSN-AUKUS, which will be accomplished via the SSN-AUKUS vertical deployment tubes and the U.S. sourced MAC.

2. The highest level of classification of defense articles, components, and services included in this potential sale is TOP SECRET/SENSITIVE COMPARTMENTED INFORMATION.

3. If a technologically advanced adversary were to obtain knowledge of the specific hardware and software elements, the information could be used to develop countermeasures that might reduce system effectiveness or be used in the development of a system with similar or advanced capabilities.

4. A determination has been made that the UK can provide substantially the same degree of protection for the sensitive technology being released as

the U.S. Government. This proposed sale is necessary in furtherance of the U.S. foreign policy and national security objectives outlined in the Policy Justification.

5. All defense articles and services listed in this transmittal have been authorized for release and export to the Government of the UK.

[FR Doc. 2026-09000 Filed 5-6-26; 8:45 am]

BILLING CODE 6001-FR-P

DEPARTMENT OF EDUCATION

[Docket No.: ED-2026-SCC-0298]

Agency Information Collection Activities; Submission to the Office of Management and Budget for Review and Approval; Comment Request; Cash Management Contract URL Collection

AGENCY: Federal Student Aid (FSA), Department of Education (ED).

ACTION: Notice.

SUMMARY: In accordance with the Paperwork Reduction Act (PRA) of 1995, the Department is proposing an extension without change of a currently approved information collection request (ICR).

DATES: Interested persons are invited to submit comments on or before June 8, 2026.

ADDRESSES: Written comments and recommendations for proposed information collection requests should be submitted within 30 days of publication of this notice. Click on this link www.reginfo.gov/public/do/PRAMain to access the site. Find this information collection request (ICR) by selecting "Department of Education" under "Currently Under Review," then check the "Only Show ICR for Public Comment" checkbox. Reginfo.gov provides two links to view documents related to this information collection request. Information collection forms and instructions may be found by clicking on the "View Information Collection (IC) List" link. Supporting statements and other supporting documentation may be found by clicking on the "View Supporting Statement and Other Documents" link.

FOR FURTHER INFORMATION CONTACT: For specific questions related to collection activities, please contact Carolyn Rose, 202-453-5967.

SUPPLEMENTARY INFORMATION: 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: Cash Management Contract URL Collection.

OMB Control Number: 1845-0147.

Type of Review: An extension without change of a currently approved ICR.

Respondents/Affected Public: Private Sector; State, Local, and Tribal Governments.

Total Estimated Number of Annual Responses: 611.

Total Estimated Number of Annual Burden Hours: 48.

Abstract: The Department of Education (the Department) is seeking an extension of OMB control number 1845-0147 for the collection of URLs hosting institutional contracts and contract data relating to campus banking agreements. The regulatory sections for this collection include 34 CFR 668.164(e)(2)(viii) and 34 CFR 668.164(f)(4)(iii)(B), are unchanged. The Department and the public have a strong interest in knowing the terms of marketing contracts of the millions of students receiving millions of dollars in Federal student aid. The Higher Education Act of 1965, as amended (HEA) strongly supports providing important consumer information to students and the public, as evidenced in several parts of the law. The increased transparency will help ensure accountability and encourage institutional practices that are in the interest of students.

Ross Santy,

Chief Data Officer, Office of Planning, Evaluation and Policy Development.

[FR Doc. 2026-09110 Filed 5-6-26; 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 Accounting Request filings:

Docket Numbers: AC26-65-000.

Applicants: NorthWestern Corporation.

Description: NorthWestern Corporation submits required particulars and justification for the test run extending beyond 90 days re the Yellowstone County Generating Station.

Filed Date: 5/1/26.

Accession Number: 20260501–5456.

Comment Date: 5 p.m. ET 5/22/26.

Take notice that the Commission received the following exempt wholesale generator filings:

Docket Numbers: EG26–228–000.

Applicants: Clean Flexible Energy LLC.

Description: Clean Flexible Energy LLC submits Notice of Self-Certification of Exempt Wholesale Generator Status.

Filed Date: 5/1/26.

Accession Number: 20260501–5441.

Comment Date: 5 p.m. ET 5/22/26.

Docket Numbers: EG26–229–000.

Applicants: Clean Flexible Energy LLC.

Description: Clean Flexible Energy LLC submits Notice of Self-Certification of Exempt Wholesale Generator Status.

Filed Date: 5/1/26.

Accession Number: 20260501–5442.

Comment Date: 5 p.m. ET 5/22/26.

Docket Numbers: EG26–230–000.

Applicants: Clean Flexible Energy LLC.

Description: Clean Flexible Energy LLC submits Notice of Self-Certification of Exempt Wholesale Generator Status.

Filed Date: 5/1/26.

Accession Number: 20260501–5443.

Comment Date: 5 p.m. ET 5/22/26.

Docket Numbers: EG26–231–000.

Applicants: Clean Flexible Energy LLC.

Description: Clean Flexible Energy LLC submits Notice of Self-Certification of Exempt Wholesale Generator Status.

Filed Date: 5/1/26.

Accession Number: 20260501–5444.

Comment Date: 5 p.m. ET 5/22/26.

Take notice that the Commission received the following electric rate filings:

Docket Numbers: ER10–2238–013.

Applicants: Indigo Generation LLC.

Description: Notice of Non-Material Change in Status of Indigo Generation LLC.

Filed Date: 4/29/26.

Accession Number: 20260429–5349.

Comment Date: 5 p.m. ET 5/20/26.

Docket Numbers: ER10–2354–020.

Applicants: Midway-Sunset Cogeneration Company.

Description: Notice of Non-Material Change in Status of Midway-Sunset Cogeneration Company.

Filed Date: 4/29/26.

Accession Number: 20260429–5351.

Comment Date: 5 p.m. ET 5/20/26.

Docket Numbers: ER19–119–006.

Applicants: Techren Solar I LLC.

Description: Compliance filing: Response to Staff Letter Requesting Additional Information on NW Triennial to be effective N/A.

Filed Date: 5/4/26.

Accession Number: 20260504–5320.

Comment Date: 5 p.m. ET 5/26/26.

Docket Numbers: ER19–2462–014; ER18–2264–016.

Applicants: Macquarie Energy

Trading LLC, Macquarie Energy LLC.

Description: Notice of Non-Material Change in Status of Macquarie Energy LLC, et al.

Filed Date: 4/28/26.

Accession Number: 20260428–5319.

Comment Date: 5 p.m. ET 5/19/26.

Docket Numbers: ER19–2476–006.

Applicants: Techren Solar II LLC.

Description: Compliance filing: Response to Staff Letter Requesting Additional Information on NW Triennial to be effective N/A.

Filed Date: 5/4/26.

Accession Number: 20260504–5321.

Comment Date: 5 p.m. ET 5/26/26.

Docket Numbers: ER20–1799–005.

Applicants: Techren Solar III LLC.

Description: Compliance filing: Response to Staff Letter Requesting Additional Information on NW Triennial to be effective N/A.

Filed Date: 5/4/26.

Accession Number: 20260504–5323.

Comment Date: 5 p.m. ET 5/26/26.

Docket Numbers: ER20–1800–005.

Applicants: Techren Solar IV LLC.

Description: Compliance filing: Response to Staff Letter Requesting Additional Information on NW Triennial to be effective N/A.

Filed Date: 5/4/26.

Accession Number: 20260504–5324.

Comment Date: 5 p.m. ET 5/26/26.

Docket Numbers: ER20–1801–006.

Applicants: Techren Solar V LLC.

Description: Compliance filing: Response to Staff Letter Requesting Additional Information on NW Triennial to be effective N/A.

Filed Date: 5/4/26.

Accession Number: 20260504–5327.

Comment Date: 5 p.m. ET 5/26/26.

Docket Numbers: ER23–2837–003.

Applicants: Earp Solar, LLC.

Description: Compliance filing: Earp Solar, LLC Change in Status to be effective 5/5/2026.

Filed Date: 5/4/26.

Accession Number: 20260504–5287.

Comment Date: 5 p.m. ET 5/26/26.

Docket Numbers: ER23–2838–003.

Applicants: BCD 2023 Fund 1 Lessee, LLC.

Description: Compliance filing: BCD 2023 Fund 1 Lessee, LLC Change in Status to be effective 5/5/2026.

Filed Date: 5/4/26.

Accession Number: 20260504–5268.

Comment Date: 5 p.m. ET 5/26/26.

Docket Numbers: ER24–113–003.

Applicants: Salt Creek Township Solar, LLC.

Description: Compliance filing: Salt Creek Township Solar, LLC Change in Status to be effective 5/5/2026.

Filed Date: 5/4/26.

Accession Number: 20260504–5318.

Comment Date: 5 p.m. ET 5/26/26.

Docket Numbers: ER24–114–003.

Applicants: BCD 2024 Fund 1 Lessee, LLC.

Description: Compliance filing: BCD 2024 Fund 1 Lessee, LLC Change in Status to be effective 5/5/2026.

Filed Date: 5/4/26.

Accession Number: 20260504–5269.

Comment Date: 5 p.m. ET 5/26/26.

Docket Numbers: ER24–116–007; ER14–1140–012.

Applicants: Inspire Energy Holdings, LLC, Rhythm Ops, LLC.

Description: Notice of Non-Material Change in Status of Rhythm Ops, LLC, et al.

Filed Date: 4/29/26.

Accession Number: 20260429–5352.

Comment Date: 5 p.m. ET 5/20/26.

Docket Numbers: ER24–343–004.

Applicants: Nestlewood Solar I LLC.

Description: Notice of Non-Material Change in Status of Nestlewood Solar I LLC.

Filed Date: 4/28/26.

Accession Number: 20260428–5318.

Comment Date: 5 p.m. ET 5/19/26.

Docket Numbers: ER24–1039–003.

Applicants: Altona Solar, LLC.

Description: Compliance filing: Altona Solar, LLC Change in Status to be effective 5/5/2026.

Filed Date: 5/4/26.

Accession Number: 20260504–5265.

Comment Date: 5 p.m. ET 5/26/26.

Docket Numbers: ER24–1862–002.

Applicants: Kimmel Road Solar, LLC.

Description: Compliance filing: Kimmel Road Solar, LLC Change in Status to be effective 5/5/2026.

Filed Date: 5/4/26.

Accession Number: 20260504–5291.

Comment Date: 5 p.m. ET 5/26/26.

Docket Numbers: ER24–1863–002.

Applicants: BCD 2024 Fund 3 Lessee, LLC.

Description: Compliance filing: BCD 2024 Fund 3 Lessee, LLC Change in Status to be effective 5/5/2026.

Filed Date: 5/4/26.

Accession Number: 20260504–5274.

Comment Date: 5 p.m. ET 5/26/26.

Docket Numbers: ER24–2508–002.

Applicants: Envoy Solar, LLC.

Description: Compliance filing: Envoy Solar, LLC Change in Status to be effective 5/5/2026.

Filed Date: 5/4/26.
Accession Number: 20260504–5289.
Comment Date: 5 p.m. ET 5/26/26.
Docket Numbers: ER24–2509–002.
Applicants: BCD 2024 Fund 5 Lessee, LLC.

Description: Compliance filing: BCD 2024 Fund 5 Lessee, LLC Change in Status to be effective 5/5/2026.

Filed Date: 5/4/26.
Accession Number: 20260504–5285.
Comment Date: 5 p.m. ET 5/26/26.
Docket Numbers: ER24–3112–003.
Applicants: Richland Township Solar, LLC.

Description: Compliance filing: Richland Township Solar, LLC Change in Status to be effective 5/5/2026.

Filed Date: 5/4/26.
Accession Number: 20260504–5298.
Comment Date: 5 p.m. ET 5/26/26.
Docket Numbers: ER25–2818–002.
Applicants: Adelite Solar, LLC.

Description: Compliance filing: Adelite Solar, LLC Change in Status to be effective 5/5/2026.

Filed Date: 5/4/26.
Accession Number: 20260504–5163.
Comment Date: 5 p.m. ET 5/26/26.
Docket Numbers: ER25–2819–002.
Applicants: Ruby Solar, LLC.

Description: Compliance filing: Ruby Solar, LLC Change in Status to be effective 5/5/2026.

Filed Date: 5/4/26.
Accession Number: 20260504–5309.
Comment Date: 5 p.m. ET 5/26/26.
Docket Numbers: ER26–1246–001.
Applicants: Public Service Company of Colorado.

Description: Compliance filing: 2026–05–04 Yampa Valley—NOA—924—0.0.0 to be effective 4/4/2026.

Filed Date: 5/4/26.
Accession Number: 20260504–5330.
Comment Date: 5 p.m. ET 5/26/26.
Docket Numbers: ER26–2431–000.
Applicants: Panther Solar B912, LLC.

Description: Request for Limited and Prospective Waiver, et al. of Panther Solar B912, LLC.

Filed Date: 4/30/26.
Accession Number: 20260430–5596.
Comment Date: 5 p.m. ET 5/21/26.
Docket Numbers: ER26–2445–000.
Applicants: Tucson Electric Power Company.

Description: § 205(d) Rate Filing: Service Agreement No. 639 to be effective 4/14/2026.

Filed Date: 5/1/26.
Accession Number: 20260501–5366.
Comment Date: 5 p.m. ET 5/22/26.
Docket Numbers: ER26–2446–000.
Applicants: PJM Interconnection, L.L.C.

Description: § 205(d) Rate Filing: Regulation Market Redesign Phase 2

Revisions to Extend Effective Date to be effective 7/1/2026.

Filed Date: 5/1/26.
Accession Number: 20260501–5376.
Comment Date: 5 p.m. ET 5/22/26.
Docket Numbers: ER26–2447–000.
Applicants: Southwest Power Pool, Inc.

Description: § 205(d) Rate Filing: 4740 Town of Fredonia, AZ NITSA NOA to be effective 4/1/2026.

Filed Date: 5/1/26.
Accession Number: 20260501–5396.
Comment Date: 5 p.m. ET 5/22/26.
Docket Numbers: ER26–2448–000.
Applicants: Entergy Mississippi, LLC, Entergy Louisiana, LLC, Entergy Arkansas, LLC, Entergy New Orleans, LLC, Entergy Texas, Inc.

Description: Post-Retirement Benefits Other than Pensions for 2025 Calendar Year of Entergy Arkansas, LLC, et al.
Filed Date: 5/1/26.
Accession Number: 20260501–5451.
Comment Date: 5 p.m. ET 5/22/26.

Docket Numbers: ER26–2449–000.
Applicants: Rocky Forge Wind, LLC.
Description: Initial Rate Filing: Application for Market Based Rate Authority to be effective 6/1/2026.

Filed Date: 5/4/26.
Accession Number: 20260504–5202.
Comment Date: 5 p.m. ET 5/26/26.
Docket Numbers: ER26–2450–000.
Applicants: Entergy Arkansas, LLC, Entergy Louisiana, LLC, Entergy Mississippi, LLC, Entergy New Orleans, LLC, Entergy Texas, Inc.

Description: Annual Informational Filing regarding Prepaid Pension Cost and Accrued Pension Cost of Entergy Arkansas, LLC, et al.
Filed Date: 5/1/26.
Accession Number: 20260501–5453.
Comment Date: 5 p.m. ET 5/22/26.

Docket Numbers: ER26–2451–000.
Applicants: System Energy Resources, Inc.
Description: Annual Informational Filing regarding Prepaid Pension Cost and Accrued Pension Cost of System Energy Resources, Inc.

Filed Date: 5/1/26.
Accession Number: 20260501–5454.
Comment Date: 5 p.m. ET 5/22/26.
Docket Numbers: ER26–2453–000.
Applicants: PJM Interconnection, L.L.C.

Description: § 205(d) Rate Filing: Original NSA, Service Agreement No. 8008; Queue No. AC2–103 to be effective 7/4/2026.

Filed Date: 5/4/26.
Accession Number: 20260504–5217.
Comment Date: 5 p.m. ET 5/26/26.
Docket Numbers: ER26–2454–000.
Applicants: OxyChem Power Services, LLC.

Description: Compliance filing: Notice of Succession to be effective 5/5/2026.
Filed Date: 5/4/26.
Accession Number: 20260504–5263.
Comment Date: 5 p.m. ET 5/26/26.

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: May 4, 2026.
Carlos D. Clay,
Deputy Secretary.
 [FR Doc. 2026–09068 Filed 5–6–26; 8:45 am]
BILLING CODE 6717–01–P

Description: Compliance filing: Notice of Succession to be effective 5/5/2026.

Filed Date: 5/4/26.
Accession Number: 20260504–5263.
Comment Date: 5 p.m. ET 5/26/26.

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: May 4, 2026.

Carlos D. Clay,
Deputy Secretary.

[FR Doc. 2026–09068 Filed 5–6–26; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Project No. 2550–030]

Wisconsin8, LLC; Notice of Reasonable Period of Time for Water Quality Certification Application

On May 1, 2026 the Wisconsin Department of Natural Resources (Wisconsin DNR) submitted to the Federal Energy Regulatory Commission (Commission) notice that it received a request for a Clean Water Act section 401(a)(1) water quality certification as defined in 40 CFR 121.5, from Wisconsin8, LLC, in conjunction with the above captioned project on March 18, 2026. Pursuant to the Commission's regulations,¹ we hereby notify Wisconsin DNR of the following dates.

Date of Receipt of the Certification Request: March 18, 2026.

¹ 18 CFR 4.34(b)(5)(iii).

Reasonable Period of Time to Act on the Certification Request: One year, March 18, 2027.

If Wisconsin DNR fails or refuses to act on the water quality certification request on or before the above date, then the certifying authority is deemed waived pursuant to section 401(a)(1) of the Clean Water Act, 33 U.S.C. 1341(a)(1).

(Authority: 18 CFR 2.1)

Dated: May 4, 2026.

Debbie-Anne A. Reese,
Secretary.

[FR Doc. 2026–09065 Filed 5–6–26; 8:45 am]

BILLING CODE 6717–01–P

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: RP26–831–000.

Applicants: Algonquin Gas Transmission, LLC.

Description: § 4(d) Rate Filing: Negotiated Rates Various Releases eff 5–1–26 to be effective 5/1/2026.

Filed Date: 5/1/26.

Accession Number: 20260501–5284.

Comment Date: 5 p.m. ET 5/13/26.

Docket Numbers: RP26–832–000.

Applicants: Sabal Trail Transmission, LLC.

Description: § 4(d) Rate Filing: 2026 TUP/SBA Annual Filing to be effective 6/1/2026.

Filed Date: 5/1/26.

Accession Number: 20260501–5293.

Comment Date: 5 p.m. ET 5/13/26.

Docket Numbers: RP26–833–000.

Applicants: Gulfstream Natural Gas System, L.L.C.

Description: Compliance filing: 2026 GNGS TUP/SBA Annual Filing to be effective N/A.

Filed Date: 5/1/26.

Accession Number: 20260501–5302.

Comment Date: 5 p.m. ET 5/13/26.

Docket Numbers: RP26–834–000.

Applicants: Gulf South Pipeline Company, LLC.

Description: § 4(d) Rate Filing: 2026 Housekeeping to be effective 6/1/2026.

Filed Date: 5/1/26.

Accession Number: 20260501–5304.

Comment Date: 5 p.m. ET 5/13/26.

Docket Numbers: RP26–835–000.

Applicants: Texas Gas Transmission, LLC.

Description: § 4(d) Rate Filing: 2026 Housekeeping Filing to be effective 6/1/2026.

Filed Date: 5/1/26.

Accession Number: 20260501–5315.

Comment Date: 5 p.m. ET 5/13/26.

Docket Numbers: RP26–836–000.

Applicants: Boardwalk Storage Company, LLC.

Description: § 4(d) Rate Filing: 2026 Housekeeping Filing to be effective 6/1/2026.

Filed Date: 5/1/26.

Accession Number: 20260501–5331.

Comment Date: 5 p.m. ET 5/13/26.

Docket Numbers: RP26–837–000.

Applicants: Rover Pipeline LLC.

Description: § 4(d) Rate Filing: Summary of Negotiated Rate Capacity Release Agreements 5–4–2026 to be effective 5/1/2026.

Filed Date: 5/4/26.

Accession Number: 20260504–5159.

Comment Date: 5 p.m. ET 5/18/26.

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.

Filings in Existing Proceedings

Docket Numbers: RP26–797–001.

Applicants: National Fuel Gas Supply Corporation.

Description: Tariff Amendment: Metadata Corrective Amendment to be effective 6/1/2026.

Filed Date: 5/4/26.

Accession Number: 20260504–5135.

Comment Date: 5 p.m. ET 5/12/26.

Any person desiring to protest in any of the above proceedings must file in accordance with Rule 211 of the Commission's Regulations (18 CFR 385.211) on or before 5:00 p.m. Eastern time on the specified comment date.

The filings are accessible in the Commission's eLibrary system (<https://elibrary.ferc.gov/idmws/search/fercensearch.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: May 4, 2026.

Carlos D. Clay,
Deputy Secretary.

[FR Doc. 2026–09069 Filed 5–6–26; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. CP26–291–000]

Columbia Gas Transmission, LLC; Notice of Request Under Blanket Authorization and Establishing Intervention and Protest Deadline

Take notice that on April 24, 2026, Columbia Gas Transmission, LLC (Columbia), 700 Louisiana Street, Suite 1300, Houston, Texas 77002–2700, filed in the above docket, a prior notice request pursuant to sections 157.205, 157.213, and 157.216 of the Commission's regulations under the Natural Gas Act (NGA) and Columbia's blanket certificate issued in Docket No. CP83–76–000, for authorization to modify the existing Donegal Storage Field System pipelines by: (i) installing an in-line inspection (ILI) launcher and receiver barrels and required appurtenances to support it; and (ii) reconfigure certain storage well pipelines in the Donegal Storage Field to connect with Columbia's existing Line 9260 and Line 9230, through the abandonment, replacement, and installation of segments of storage pipelines at thirty-four modification points. All of the above facilities are located in Washington County, Pennsylvania (Line 9260 and Line 9230 Make Piggable Project). The project will allow Columbia to enhance the safety and operational efficiency of Lines 9260 and 9230 by enabling ILI capabilities to support ongoing pipeline integrity monitoring and maintenance activities, and to enable pigging activities on Line 9260 and Line 9230. Columbia estimates the total cost of the project to be \$14,421,896, 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 LaShawndra R. Proctor, Manager, Project Authorizations, Columbia Gas Transmission, LLC, 700 Louisiana Street, Suite 1300, Houston, Texas 77002-2700, by phone at (832) 320-5232, or by email at lashawndra_proctor@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 July 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.

Protests

Pursuant to section 157.205 of the Commission's regulations under the NGA,¹ any person² 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 July 6, 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 Procedure⁴ and the regulations under the NGA⁵ by the intervention deadline for the project, which is 5:00 p.m. Eastern Time on July 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>.

All timely, unopposed motions to intervene are automatically granted by operation of Rule 214(c)(1). Motions to intervene that are filed after the intervention deadline are untimely and may be denied. Any late-filed motion to intervene must show good cause for being late and must explain why the time limitation should be waived and provide justification by reference to factors set forth in Rule 214(d) of the Commission's Rules and Regulations. A person obtaining party status will be placed on the service list maintained by the Secretary of the Commission and will receive copies (paper or electronic) of all documents filed by the applicant and by all other parties.

Comments

Any person wishing to comment on the project may do so. The Commission considers all comments received about the project in determining the appropriate action to be taken. To ensure that your comments are timely and properly recorded, please submit your comments on or before 5:00 p.m. Eastern Time on July 6, 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 CP26-291-000 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"; or⁶

(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 CP26-291-000.

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: LaShawndra R. Proctor, Manager, Project Authorizations, 700 Louisiana Street, Suite 1300, Houston, Texas 77002-2700, or by email (with a link to the document) at lashawndra_proctor@tcenergy.com. Any subsequent submissions by an intervenor must be

¹ 18 CFR 157.205.

² Persons include individuals, organizations, businesses, municipalities, and other entities. 18 CFR 385.102(d).

³ 18 CFR 157.205(e).

⁴ 18 CFR 385.214.

⁵ 18 CFR 157.10.

⁶ Additionally, you may file your comments electronically by using the eComment feature, which is located on the Commission's website at www.ferc.gov under the link to Documents and Filings. Using eComment is an easy method for interested persons to submit brief, text-only comments on a project.

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: May 4, 2026.

Debbie-Anne A. Reese,
Secretary.

[FR Doc. 2026-09066 Filed 5-6-26; 8:45 am]

BILLING CODE 6717-01-P

ENVIRONMENTAL PROTECTION AGENCY

[FRL-13335-01-R8]

Clean Air Act Operating Permit Program; Order on Petitions for Objection to State Operating Permits for Bargath, LLC’s Clough, Heath, Hyrup, Jangles and Starkey Gulch Compressor Stations, and Grand River Gathering, LLC’s East Mamm Creek Compressor Station

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice of final order on petitions.

SUMMARY: The Environmental Protection Agency (EPA) Administrator signed two orders dated March 9, 2026, granting in part, and denying in part petitions dated April 1, April 8, April 25, May 8, 2025, and June 11, 2025, from the Center for Biological Diversity (CBD). The petitions requested that the EPA object to Clean Air Act (CAA) operating permits issued by the Colorado Department of Public Health and Environment (CDPHE) to Bargath, LLC for its Starkey Gulch, Jangles, Heath,

Clough and Hyrup Compressor Stations, and to Grand River Gathering, LLC for its East Mamm Creek Compressor Station, all located in Garfield County, Colorado.

FOR FURTHER INFORMATION CONTACT:

James Floyd, EPA Region 8 Air and Radiation Division, 1595 Wynkoop Street, Mail code: 8ARD-AP-P, Denver, CO 80202, telephone number: (303) 312-6975, email address: floyd.james@epa.gov; or Julie Merkel, EPA Region 8 Air and Radiation Division, telephone number: (406) 457-5042, email address: merkel.julie@epa.gov. The final orders and petitions are available electronically at: <https://www.epa.gov/title-v-operating-permits/title-v-petition-database>.

SUPPLEMENTARY INFORMATION: The EPA received five petitions from CBD dated April 1, April 8, April 25, and May 8, 2025, requesting that the EPA object to the issuance of operating permit nos. 09OPGA340, 08OPGA321, 08OPGA324, 08OPGA310, and 08OPGA323, issued by CDPHE to Bargath, LLC, in Garfield County, Colorado. The EPA received a petition from CBD dated June 11, 2025, requesting that the EPA object to the issuance of operating permit no. 05OPGS280, issued by CDPHE to Grand River Gathering LLC, in Garfield County, Colorado. On March 9, 2026, the EPA Administrator issued orders granting in part and denying in part the petitions. The orders, themselves, explain the basis for the EPA’s decisions.

Sections 307(b) and 505(b)(2) of the CAA provide that a petitioner may request judicial review of those portions of an order that deny issues in a petition. Any petition for review shall be filed in the United States Court of Appeals for the appropriate circuit no later than July 6, 2026.

Cyrus M. Western,

Regional Administrator, Region 8.

[FR Doc. 2026-09053 Filed 5-6-26; 8:45 am]

BILLING CODE 6560-50-P

ENVIRONMENTAL PROTECTION AGENCY

[EPA-R03-OW-2025-2004; FRL-12999-02-R3]

Virginia; Waters of the Northern Neck Peninsula Vessel Sewage No-Discharge Zone; Final Affirmative Determination

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice of final determination.

SUMMARY: The U.S. Environmental Protection Agency (EPA), Region 3, has determined that adequate facilities for the safe and sanitary removal and treatment of sewage from all vessels are reasonably available for waters within Virginia’s Northern Neck peninsula to support the designation of a vessel sewage no-discharge zone for such waters. Pursuant to the Clean Water Act section 312, this notice constitutes the EPA’s final affirmative determination on the application submitted by Virginia on September 10, 2025. Following this final affirmative determination, Virginia may designate certain waters within Richmond, Lancaster, Northumberland, and Westmoreland Counties as a vessel sewage no-discharge zone in accordance with State law.

FOR FURTHER INFORMATION CONTACT:

Byron Riggins, Wetlands Branch, Water Division (3WD10), U.S. Environmental Protection Agency, Region 3, Four Penn Center, 1600 John F Kennedy Blvd., Philadelphia, PA 19103-2852; telephone number: (215) 814-5146; email address: riggins.byron@epa.gov.

SUPPLEMENTARY INFORMATION:

I. Background

On September 10, 2025, the Commonwealth of Virginia submitted an application to the U.S. Environmental Protection Agency (EPA), Region 3, for a determination that adequate facilities for the safe and sanitary removal and treatment of sewage from all vessels are reasonably available for certain waters of Northern Neck peninsula, so that Virginia may completely prohibit the discharge from all vessels of any sewage, whether treated or not, into such waters. This application for a no-discharge zone was made pursuant to Clean Water Act section 312(f)(3).

The proposed no-discharge zone encompasses various waterbodies in the rural watersheds of Virginia’s Coastal Plain, specifically on the Northern Neck peninsula, in the counties of Richmond, Lancaster, Northumberland, and Westmoreland. Virginia’s application includes maps that depict the waterbodies included in the proposed no-discharge zone, as well as tables that specify the geographic coordinates of the zone’s boundaries. In its application, Virginia certified that the protection and enhancement of the quality of these waters require greater environmental protection than is afforded by the applicable Federal standard. This certification was based on a need to protect extensive shellfish harvest and aquaculture acreage from bacterial impairment and to preserve water

quality for recreational activities, such as boating, fishing, and swimming. Virginia also provided information on the vessel population and usage of these waters and identified the pumpout facilities available to service these vessels. Virginia's application is available electronically in Docket ID No. EPA-R03-OW-2025-2004 through <https://www.regulations.gov>.

II. Response to Public Comments

On December 8, 2025 (90 FR 56748), the EPA published a tentative affirmative determination in the **Federal Register** that adequate facilities for the safe and sanitary removal and treatment of sewage from all vessels are reasonably available for the waters subject to Virginia's proposed no-discharge zone and solicited the public's input during a 30-day comment period.

The EPA received two comments on the tentative affirmative determination. One commenter wrote in support of the designation. The other commenter expressed concern that obtaining data for this area is difficult due to the construction of offshore wind turbines in the Virginia Beach area. The EPA disagrees. Virginia's application included the necessary data and information to demonstrate the adequacy and availability of pumpout facilities to potentially affected vessels in the Northern Neck peninsula. Other matters discussed in this comment are outside the scope of the EPA's responsibility to determine whether adequate facilities are reasonably available for the removal and treatment of sewage from all vessels to which the no-discharge zone would apply.

III. Adequacy and Availability of Pumpout Facilities

In the tentative determination, the EPA outlined the Agency's role in evaluating Virginia's application for a vessel sewage no-discharge zone under Clean Water Act section 312(f)(3), which requires that the Agency determine whether adequate facilities for the safe and sanitary removal and treatment of sewage from all vessels are reasonably available for the waters proposed for a no-discharge zone designation.

As set forth in the tentative determination, based on the information provided by Virginia and the EPA's subsequent review, there are an

estimated 3,105 recreational and transient vessels and 50 commercial vessels operating within the waters of the Northern Neck that are expected to require pumpout services. These vessels may be serviced by 24 publicly accessible sewage pumpout facilities, as well as one private facility. Information about these facilities is provided in Table 1¹ of this document. During peak usage, such as a holiday weekend, the EPA estimates that 1,292 vessels are expected to require access to pumpout facilities, and up to 1,456 vessels may be served by available pumpout facilities. This estimate is based on the number of vessels that can be serviced per hour by each available facility and the hours of operation of each facility. As such, the EPA determined that adequate pumpout facilities are reasonably available to meet the expected demand during peak usage. Additionally, the EPA finds that the cost for recreational vessels to access these facilities is minimal, with most publicly accessible facilities (19 of the 24 facilities) charging 10 dollars or less per pump out.

Because commercial vessels incur additional types of costs associated with accessing pumpout facilities that recreational vessels do not, the EPA compared the volume of sewage produced by commercial vessels with the volume that can be received by available pumpout facilities and considered the costs associated with accessing and using those facilities. As described in the tentative affirmative determination, the EPA's screening analysis showed that demand for pumpout services is never expected to exceed capacity in the waters proposed for designation, indicating that sufficient pumpout capacity is available for commercial vessels. Because capacity significantly exceeds demand, the EPA expects that this capacity surplus would be sufficient when both recreational and commercial vessels access the facilities during peak usage. The EPA also considered the various costs incurred by commercial vessels to determine how the proposed no-discharge zone would impact baseline operating costs. The EPA estimates that

the increase in baseline operating costs would be 0.2 percent for working vessels (e.g., tugboats), 1.8 percent for commercial fishing vessels, 2.3 percent for excursion vessels, and 1.3 percent for offshore vessels. This increase is largely attributable to lost revenue due to the time it takes to pump out sewage from a vessel; therefore, savings may be achieved if vessel operators are able to time pumpout activities to minimize cost impacts. The EPA also used conservative values in estimating the increase in costs, as such, the true percent increases are likely to be lower.

Finally, the EPA verified that the treatment of waste from pumpout facilities is in conformance with Federal law. As discussed in the EPA's tentative affirmative determination, seven wastewater treatment plants (WWTPs) receive sewage from the available pumpout facilities. The Virginia Department of Environmental Quality reviews and issues Virginia Pollutant Elimination Discharge System permits to the WWTPs to ensure compliance with applicable regulations. While two of the facilities (Reedville WWTP and Town of Colonial Beach WWTP) had permit violations within the last five years, Virginia confirmed that Reedville WWTP is currently in compliance with a consent order intended to bring the facility into compliance. For the Town of Colonial Beach WWTP, the EPA determined that, upon implementation of appropriate corrective actions, the facility could be operated consistent with Federal, State, and local requirements. Based on a review of design capacities and average actual flows, the EPA does not expect that any of the WWTPs would exceed capacity due to increased volumes that may result from establishment of a no-discharge zone.

IV. Determination

Based on the EPA's review of both the information provided in Virginia's application and the comments received on the EPA's tentative determination, the EPA Region 3 hereby makes a final determination that adequate facilities for the safe and sanitary removal and treatment of sewage from all vessels are available for the waters of the Northern Neck peninsula, including waters in Richmond, Lancaster, Northumberland, and Westmoreland Counties.

¹ Table 1 of the tentative determination incorrectly included information for only 20 of the 25 facilities identified in Virginia's application. This transcription error has been resolved in this final determination.

TABLE 1—LIST OF PUMPOUT FACILITIES

Name	Location	Contact information	Operating schedule	Water depth (feet)	Fee
Blue Compass Marina at Horn Harbor (CB-3).	836 Horn Harbor Rd., Burgess, VA 22432.	804-453-3351	Apr-Oct: 8 a.m.–9 p.m. (M–F); 9:30 a.m.–4 p.m. (S & Su); Nov–Mar: 11 a.m.–4 p.m. (W–Su); 24/7 call ahead service.	7	Free.
Buzzard Point Dry Storage & Marina (CB-7).	468 Buzzard Point Rd., Reedville, VA 22539.	804-453-3545	Late Mar–Dec: 8 a.m.–5 p.m. (M–S); 8 a.m.–4 p.m. (Su).	8.5	\$5.
Carter's Cove Marina (RAP-3).	347 Carters Cove Drive, Weems, VA 22576.	804-438-5299	Apr–Nov: 9 a.m.–5 p.m.	5	Free (\$5 for non-slip holders).
Chesapeake Boat Basin (CB-10).	1686 Waverly Ave., Kilmarnock, VA 22482.	804-436-1234	8 a.m.–5 p.m. (M–S); 8 a.m.–3 p.m. (Su); Closed Sun & Mon in Jan & Feb.	13	\$5.
Coan River Marina (POT-9)	3170 Lake Rd., Lottsburg, VA 22511.	804-529-6767	Apr–Oct: 8:30 a.m.–5 p.m. (M–F); 9:30 a.m.–2 p.m. (S); Nov–Mar: 9:30 a.m.–4 p.m. (M–F).	7	\$10 (\$5 for portable toilets).
Cockrell's Marine Railway Inc. (CB-12).	309 Railway Dr., Heathsville, VA 22473.	804-453-3560	6:00 a.m.–6:00 p.m.	5	\$5–20 (holding tank size dependent).
Coles Point Marina (POT-6)	190 Plantation Drive, Hague, VA 22469.	804-472-4011	Apr–Oct: 9 a.m.–5 p.m. (M–Th); 8 a.m.–7 p.m. (F & S); 9 a.m.–4 p.m. (Su); Nov–Mar: 9 a.m.–5 p.m. (M–S); 9 a.m.–12 p.m. (Su).	6	\$20.
Colonial Beach Yacht Center (POT-5).	1787 Castlewood Drive, Colonial Beach, VA 22443.	804-224-7230	Apr–Oct: 10 a.m.–4 p.m. (daily except T); Nov–Mar: 10 a.m.–4 p.m. (F–Su).	5	\$5.
Fairport Marina (CB-8)	252 Polly Cove Rd., Reedville, VA 22539.	804-453-5002	9 a.m.–5 p.m. (M, T, S, Su); 9 a.m.–10 p.m. (W–F).	8	\$5–10 (holding tank size dependent).
Indian Creek Country & Yacht Club (CB-9).	362 Club Drive, Kilmarnock, VA 22482.	804-435-1340	Private (members & guests only)	6	Free for members & guests.
Ingram Bay Marina (CB-4) ...	545 Harveys Neck Rd., Heathsville, VA 22473.	804-580-7292	9 a.m.–5 p.m.	6	\$5.
Jenning's Boatyard Inc. (CB-5).	169 Boatyard Road, Reedville, VA 22539.	804-453-7181	8 a.m.–5 p.m. (M–F); 8 a.m.–12 p.m. (S) ...	9	\$5.
Lewisetta Marina (POT-10) ..	369 Church Lane, Lottsburg, VA 22511.	804-529-7299	7 a.m.–5 p.m.	9	\$5.
Monroe Bay & Winkie Doodle Marinas (POT-7).	551 Lafayette Street, Westmoreland, VA 22443.	804-224-7544	Apr–Oct: 8 a.m.–8 p.m.	5.5	Free.
Olverson's Lodge Creek Marina (POT-8).	1161 Melrose Rd., Lottsburg, VA 22511.	804-529-5071	8 a.m.–5 p.m. (M–S); 8 a.m.–2 p.m. (Su) ...	10	\$5.
Reedville Marina—Crazy Crab Restaurant (CB-11).	902 Main St., Reedville, VA 22539.	804-453-6789	Apr–Oct: 9 a.m.–5 p.m.	14	\$5.
Smith Point Marina (CB-2) ...	989 Smith Point Rd., Reedville, VA 22539.	804-453-4077	Apr–Dec: 8 a.m.–4 p.m.; Nov–Mar: 8 a.m.–4 p.m. (M–F).	4.5	Free; (\$10 for non-slip holders).
Stepp's Harbor View Marina (POT-2).	277 Harbor View Circle, Colonial Beach, VA 22443.	804-224-7230	Apr–Nov: 9 a.m.–5 p.m.	8	\$10.
The Boat House Marina (POT-3).	829 Robin Grove Lane, Colonial Beach, VA 22443.	804-224-7644	8 a.m.–4 p.m. (T–S)	6	Free.
Tides Inn & Lodge (RAP-6) ..	480 King Carter Drive, Irvington, VA, 22480.	804-438-4418	Mid-Mar–Dec: 8 a.m.–7 p.m.; Jan–Mid-Mar: 8 a.m.–4 p.m.	8	Free.
Tiffany Yacht Company (CB-6).	2355 Jessie Dupont Memorial Highway, Burgess, VA 22432.	804-453-3464	7:30 a.m.–4:30 p.m. (M–F); 7:30 a.m.–12 p.m. (S).	10	\$20+ (holding tank size dependent).
Whelan's Marina & Campground (RAP-7).	3993 Hales Point Rd, Farham, VA 22460.	804-394-9500	Apr–Oct: 8 a.m.–5 p.m. (M–F); 8 a.m.–1 p.m. (S); Nov–Mar: 8 a.m.–5 p.m. (M–F).	3	Free.
White Point Marina (POT-4)	175 Marina Drive, Kinsale, VA 22488.	804-472-2977	Mar 15–Nov 15: 7:30 a.m.–4 p.m. (M–F); 7:30 a.m.–5 p.m. (S & Su).	8	\$5.
Windmill Point Marina (RAP-2).	40 Windjammer Lane, White Stone, VA 22578.	804-436-1818	9 a.m.–5 p.m. (on call 24/7)	6.5	\$20.
Yankee Point Marina (RAP-5).	1303 Oak Hill Rd., Lancaster, VA 22503.	804-462-7635	May 1–Sept 30: 8 a.m.–4:30 p.m. (M–Th); 7 a.m.–6 p.m. (S & Su); Oct 1–Apr 30: 8 a.m.–4:30 p.m. (M–F); 9 a.m.–4 p.m. (S).	8.5	\$10+ (holding tank size dependent).

Amy Van Blarcom-Lackey,

Regional Administrator, Region III.

[FR Doc. 2026-09042 Filed 5-6-26; 8:45 am]

BILLING CODE 6560-50-P

FARM CREDIT ADMINISTRATION

Sunshine Act Meetings

TIME AND DATE: 10 a.m., Thursday, May 14, 2026.

PLACE: You may observe the open portions of this meeting in person at 1501 Farm Credit Drive, McLean,

Virginia 22102-5090, or virtually. If you would like to observe, at least 24 hours in advance, visit [FCA.gov](https://www.fca.gov), select “Newsroom,” then select “Events.” From there, access the linked “Instructions for board meeting visitors” and complete the described registration process.

STATUS: Parts of this meeting will be open to the public. The rest of the meeting will be closed to the public.

MATTERS TO BE CONSIDERED: The following matters will be considered:

PORTIONS OPEN TO THE PUBLIC:

- Approval of April 9, 2026, Minutes

PORTIONS CLOSED TO THE PUBLIC:

- Office of Secondary Market Oversight Periodic Report ¹

CONTACT PERSON FOR MORE INFORMATION:

If you need more information or assistance for accessibility reasons, or have questions, contact Ashley Waldron, Secretary to the Board.

¹ Session Closed-Exempt pursuant to 5 U.S.C. 552b(c)(8) and (9).

Telephone: 703-883-4009. TTY: 703-883-4056.

Ashley Waldron,

Secretary to the Board.

[FR Doc. 2026-08996 Filed 5-5-26; 11:15 am]

BILLING CODE 6705-01-P

FEDERAL COMMUNICATIONS COMMISSION

[OMB 3060-0920; FR ID 344327]

Information Collection Being Reviewed by the Federal Communications Commission

AGENCY: Federal Communications Commission.

ACTION: Notice; request for comments.

SUMMARY: As part of its continuing effort to reduce paperwork burdens, and as required by the Paperwork Reduction Act (PRA), the Federal Communications Commission (FCC or Commission) invites the general public and other Federal agencies to take this opportunity to comment on the following information collections. Comments are requested concerning: whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; the accuracy of the Commission's burden estimate; ways to enhance the quality, utility, and clarity of the information collected; ways to minimize the burden of the collection of information on the respondents, including the use of automated collection techniques or other forms of information technology; and ways to further reduce the information collection burden on small business concerns with fewer than 25 employees.

DATES: Written comments should be submitted on or before July 6, 2026. If you anticipate that you will be submitting comments, but find it difficult to do so within the period of time allowed by this notice, you should advise the contacts below as soon as possible.

ADDRESSES: Direct all PRA comments to Cathy Williams, FCC, via email PRA@fcc.gov and to Cathy.Williams@fcc.gov.

FOR FURTHER INFORMATION CONTACT: For additional information about the information collection, contact Cathy Williams at (202) 418-2918.

SUPPLEMENTARY INFORMATION: The FCC may not conduct or sponsor a collection of information unless it displays a

currently valid Office of Management and Budget (OMB) control number. No person shall be subject to any penalty for failing to comply with a collection of information subject to the PRA that does not display a valid OMB control number.

As part of its continuing effort to reduce paperwork burdens, and as required by the PRA of 1995 (44 U.S.C. 3501-3520), the FCC invites the general public and other Federal agencies to take this opportunity to comment on the following information collections. Comments are requested concerning: whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; the accuracy of the Commission's burden estimate; ways to enhance the quality, utility, and clarity of the information collected; ways to minimize the burden of the collection of information on the respondents, including the use of automated collection techniques or other forms of information technology; and ways to further reduce the information collection burden on small business concerns with fewer than 25 employees.

OMB Control Number: 3060-0920.

Title: Form 2100, Schedule 318—Low Power FM Station Construction Permit Application; Report and Order in MM Docket No. 99-25 Creation of Low Power Radio Service; Sections 73.801, 73.807, 73.809, 73.810, 73.816, 73.827, 73.850, 73.865, 73.870, 73.871, 73.872, 73.877, 73.878, 73.318, 73.1030, 73.1207, 73.1212, 73.1300, 73.1350, 73.1610, 73.1620, 73.1750, 73.1943, 73.3525, 73.3550, 73.3598, 11.61(ii).

Form No.: Form 2100, Schedule 318.

Type of Review: Extension of a currently approved collection.

Respondents: Not-for-profit institutions; State, local or Tribal governments.

Number of Respondents and Responses: 24,606 respondents with multiple responses; 31,324 responses.

Estimated Time per Response: .0025-12 hours.

Frequency of Response: Recordkeeping requirement; On occasion reporting requirement; Monthly reporting requirement; Third party disclosure requirement.

Obligation To Respond: Required to obtain or retain benefits. The statutory authority for this collection of information is contained in sections 154(i), 303, 308 and 325(a) of the Communications Act of 1934, as amended.

Total Annual Burden: 52,889 hours.

Total Annual Costs: \$1,229,370.

Needs and Uses: The Commission is requesting an extension of this information collection in order to receive approval/clearance from the Office of Management and Budget (OMB) for three years.

Form 2100, Schedule 318, Low Power FM (LPFM) Station Construction Permit Application (Schedule 318), is used to: (1) apply to construct a new Low Power FM (LPFM) broadcast station; (2) make changes to an authorized LPFM broadcast station; (3) amend a pending LPFM construction permit application; or (4) propose mandatory time-sharing.

Schedule 318's Online Notice (third party disclosure) Requirement: 47 CFR 73.3580, as amended in the Commission's 2020 Public Notice Second Report and Order, requires local public notice of the filing of all applications to construct a new LPFM broadcast station. Notice is given by an applicant by posting notice of the application filing on its station website, its licensee website, its parent entity website, or on a publicly accessible, locally targeted website, for 30 consecutive days beginning within five business days of acceptance of the application for filing. The online notice must link to a copy of the application, as filed in the Commission's LMS licensing database. In the 2020 Public Notice Second Report and Order, the Commission also clarified LPFM stations' obligations to provide local public notice, and amended § 73.801 of the rules to indicate that the local public notice rule, 47 CFR 73.3580, applies to the LPFM service.

FCC staff uses the data to determine whether an applicant meets basic statutory and regulatory requirements to become a Commission licensee and to ensure that the public interest would be served by grant of the application. In addition, the information contained within this information collection ensures that (1) the integrity of the FM spectrum is not compromised, (2) unacceptable interference will not be caused to existing radio services, (3) statutory requirements are met, and (4) the stations operate in the public interest.

Federal Communications Commission.

Marlene Dortch,

Secretary, Office of the Secretary.

[FR Doc. 2026-09087 Filed 5-6-26; 8:45 am]

BILLING CODE 6712-01-P

FEDERAL DEPOSIT INSURANCE CORPORATION**Update to Notice of Financial Institutions for Which the Federal Deposit Insurance Corporation Has Been Appointed Either Receiver, Liquidator, or Manager**

AGENCY: Federal Deposit Insurance Corporation.

ACTION: Update listing of financial institutions in liquidation.

SUMMARY: Notice is hereby given that the Federal Deposit Insurance Corporation (Corporation) has been appointed the sole receiver for the following financial institution effective as of the Date Closed as indicated in the listing.

SUPPLEMENTARY INFORMATION: This list (as updated from time to time in the **Federal Register**) may be relied upon as “of record” notice that the Corporation has been appointed receiver for purposes of the statement of policy

published in the July 2, 1992, issue of the **Federal Register** (57 FR 29491). For further information concerning the identification of any institutions that have been placed in liquidation, please visit the Corporation website at www.fdic.gov/bank/individual/failed/banklist.html, or contact the Chief, Receivership Oversight at RO@fdic.gov or at Division of Resolutions and Receiverships, FDIC, 600 North Pearl Street, Suite 700, Dallas, TX 75201.

INSTITUTIONS IN LIQUIDATION
(In alphabetical order)

FDIC ref. No.	Bank name	City	State	Date closed
10551	Community Bank and Trust—West Georgia	LaGrange	GA	05/01/2026

Federal Deposit Insurance Corporation.

Dated at Washington, DC, on May 5, 2026.

Jennifer M. Jones,
Deputy Executive Secretary.

[FR Doc. 2026–09064 Filed 5–6–26; 8:45 am]

BILLING CODE 6714–01–P

FEDERAL TRADE COMMISSION

[File No. 251 0100]

365 Retail Markets and Cantaloupe; Analysis of Proposed Agreement Containing Consent Orders To Aid Public Comment

AGENCY: Federal Trade Commission.

ACTION: Proposed consent agreement; request for comment.

SUMMARY: The consent agreement in this matter settles alleged violations of Federal law prohibiting unfair methods of competition. The attached Analysis of Proposed Agreement Containing Consent Orders to Aid Public Comment describes both the allegations in the complaint and the terms of the consent order—embodied in the consent agreement—that would settle these allegations.

DATES: Comments must be received on or before June 8, 2026.

ADDRESSES: Interested parties may file comments online or on paper by following the instructions in the Request for Comment part of the **SUPPLEMENTARY INFORMATION** section below. Please write: “365 Retail Markets and Cantaloupe; File No. 251 0100” on your comment and file your comment online at <https://www.regulations.gov> by following the instructions on the web-based form. If you prefer to file your comment on paper, please mail your comment to the following address:

Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue NW, Mail Stop H–144 (Annex K), Washington, DC 20580.

SUPPLEMENTARY INFORMATION: Pursuant to section 6(f) of the Federal Trade Commission Act, 15 U.S.C. 46(f), and FTC Rule 2.34, 16 CFR 2.34, notice is hereby given that the above-captioned consent agreement containing a consent order to cease and desist, having been filed with and accepted, subject to final approval, by the Commission, has been placed on the public record for a period of 30 days. The following Analysis of Proposed Agreement Containing Consent Orders to Aid Public Comment describes the terms of the consent agreement and the allegations in the complaint. An electronic copy of the full text of the consent agreement package can be obtained from the FTC website at this web address: <https://www.ftc.gov/news-events/commission-actions>.

The public is invited to submit comments on this document. For the Commission to consider your comment, we must receive it on or before June 8, 2026. Write “365 Retail Markets and Cantaloupe; File No. 251 0100” on your comment. Your comment—including your name and your State—will be placed on the public record of this proceeding, including, to the extent practicable, on the <https://www.regulations.gov> website.

Because of the agency’s heightened security screening, postal mail addressed to the Commission will be delayed. We strongly encourage you to submit your comments online through the <https://www.regulations.gov> website. If you prefer to file your comment on paper, write “365 Retail Markets and Cantaloupe; File No. 251

0100” on your comment and on the envelope, and mail your comment by overnight service to: Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue NW, Mail Stop H–144 (Annex K), Washington, DC 20580.

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

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

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

Visit the FTC website at <https://www.ftc.gov> to read this document and the news release describing this matter. The FTC Act and other laws the Commission administers permit the collection of public comments to consider and use in this proceeding, as appropriate. The Commission will consider all timely and responsive public comments it receives on or before June 8, 2026. For information on the Commission's privacy policy, including routine uses permitted by the Privacy Act, see <https://www.ftc.gov/site-information/privacy-policy>.

Analysis of Proposed Agreement Containing Consent Orders To Aid Public Comment

The Federal Trade Commission ("Commission") has accepted for public comment, subject to final approval, an Agreement Containing Consent Order ("Consent Agreement") with Garage Topco LP, PEP VIII Intermediate 7 L.P., and 365 Retail Markets, LLC. (collectively "365") and Cantaloupe, Inc. ("Cantaloupe"). The proposed Consent Agreement is intended to remedy the anticompetitive effects that likely would result from 365's proposed acquisition of Cantaloupe (the "Proposed Transaction").

The Commission alleges in its Complaint that the Proposed Transaction, if consummated, would violate section 7 of the Clayton Act, as amended, 15 U.S.C. 18, and section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. 45, by lessening competition in the U.S. market for micromarket kiosks and related software and services. Separately, the Proposed Transaction may provide the merged entity with the ability and incentive to inhibit necessary interoperability between different products and services offered by its competitors in unattended foodservice retail.

The Consent Agreement will remedy the alleged violations by preserving the

competition that would otherwise be eliminated by the Proposed Transaction. Specifically, under the terms of the Consent Agreement, 365 is required to divest the U.S. assets related to Cantaloupe's Three Square Market business, which Cantaloupe obtained through its recent acquisition of Three Square Market, Inc. ("Three Square Market"). Additionally, the Consent Agreement requires 365 to offer customers and third parties integrations with its software and hardware on reasonable and non-discriminatory terms under specific circumstances.

I. The Parties and the Proposed Transaction

365 is the largest provider of micromarket kiosks in the United States. 365 is also a vertically integrated provider, selling not only hardware kiosks and credit card terminals, but back-end software that assists foodservice operators in inventory, pricing, and fulfillment across their foodservice locations.

USA Technologies was founded in 1992 and rebranded as Cantaloupe in 2021. Cantaloupe is a leader in credit card point-of-sale readers ("card readers"), which can be affixed to vending machines, or other devices, such as amusement rides, to effectuate credit card payments on these devices. Following its acquisition of Three Square Market in December 2022, Cantaloupe is the second largest provider of micromarket kiosks in the United States.

Pursuant to an Agreement and Plan of Merger executed on June 15, 2025, 365 plans to acquire the voting securities of Cantaloupe in an all cash-transaction valued at approximately \$848 million.

II. The Relevant Market and Related Products

The Complaint alleges the relevant market in which to analyze the Proposed Transaction is the sale and provision of micromarket kiosks and related software and services. The United States is the relevant geographic market in which to assess the competitive effects of the Proposed Transaction.

Micromarkets are essentially small unattended convenience stores that are typically in high-trust locations like offices and breakrooms. In contrast to traditional vending machines, micromarkets have open shelves, allowing a wider inventory of differently sized items and freshly prepared foods.

Micromarket kiosks are used in micromarkets to enable end users to self-scan their selected items, facilitate

the processing of credit cards, and enable food service operators to track inventory sold. The micromarket kiosks are commonly equipped with a screen, an embedded user interface, and payment infrastructure to enable transactions without the need for an attended cashier. Foodservice operators purchase micromarket kiosks from vendors, such as 365 and Cantaloupe, and pay these vendors recurring monthly usage fees as well as a percentage of each transaction made on the device.

The Complaint alleges other point-of-sale devices are not reasonable substitutes for micromarket kiosks. These other devices have different feature sets, use cases, and/or are not equipped to integrate with other back-end software needed by foodservice operators to manage micromarkets, along with their other attended or unattended foodservice retail locations.

Many foodservice operators use vending management software ("VMS") to centralize operations across all their unattended foodservice locations. Akin to the brain of the foodservice operator's operation, VMS allows foodservice operators to track sales, monitor purchasing habits, manage inventory, measure theft rates, and set dynamic pricing instantaneously across their entire portfolio of unattended and attended retail devices, which may include traditional vending machines, micromarket kiosks, smart coolers, and self-serve dining points of sale. VMSs and vending hardware from different providers are generally interoperable because the providers voluntarily use industry-wide data standards defined by the National Automatic Merchandising Association ("NAMA").

Foodservice operators also often use warehouse management software ("WMS") to streamline inventory fulfillment among its various locations. WMS uses data from a foodservice operator's VMS to determine the type and quantity of products that need to be restocked at each location. The software alerts drivers to fill their trucks with the necessary inventory for each service location and optimizes routes to ensure that they only bring the necessary items, and that they are delivered timely. The connection between WMS and VMS is not governed by an industry standard, but systems offered by different providers are typically interoperable today.

IV. Market Structure

The Commission's Complaint alleges that Cantaloupe is 365's closest competitor and most significant competitive threat in the sale and

provision of micromarket kiosks and related software and services. Other competitors may offer micromarket kiosks, but many have a negligible share of the relevant market and/or lack the significant scale, scope, or core focus on micromarket kiosks to replicate the current closeness of competition between 365 and Cantaloupe.

V. Competitive Effects

The Complaint alleges that the Proposed Transaction, if consummated, may substantially lessen competition in the market for micromarket kiosks and related software and services. Given 365's dominant position in micromarkets and Cantaloupe's position as its largest and most significant rival, the Complaint alleges that the Proposed Transaction will decrease head-to-head competition and may increase the likelihood that the merged entity unilaterally exercises market power to further lessen competition.

Separately, the Complaint alleges that the Proposed Transaction may provide the merged entity both the ability and incentive to inhibit the interoperability between micromarket kiosks, card readers, VMS, and WMS. Such an act would foreclose rivals from critical functionality and force customers to change all hardware and software to obtain more competitive offers or innovative features on a single product. The Complaint alleges that this would substantially lessen competition, including by increasing switching costs for foodservice operators.

VI. Entry Conditions

The Complaint alleges that entry into the U.S. market for micromarket kiosks and related software and services would not be timely, likely, or sufficient to deter or counteract the anticompetitive effects of the Proposed Transaction.

VII. The Agreement Containing Consent Orders

The Consent Agreement addresses the competitive concerns raised by the Proposed Transaction through both structural and behavioral remedies. The Consent Agreement requires 365 to divest to Seaga Manufacturing, Inc. ("Seaga") the complete U.S. business of Three Square Market. These assets include micromarket kiosks, smart coolers, VMS, and WMS. The divestiture is designed to ensure that an independent competitor can immediately provide integrated solutions comparable to those offered by Cantaloupe prior to the Proposed Transaction.

Seaga, headquartered in Freeport, Illinois, is a leader in manufacturing,

design, engineering, and sales of vending technologies and accessories. Although it does not currently compete with 365 in the sale or provision of micromarket kiosks and related software and services, it has operated in the unattended retail industry for over 36 years and has substantial experience in software and client support.

The Consent Agreement also requires 365 to provide hardware and software integrations to customers and third parties on reasonable and nondiscriminatory terms, as long as the customer or third party follows NAMA standards, or any other standards in effect during the term of the Consent Agreement. Additionally, it prohibits degradation of established integrations and limits the merged entity's ability to use confidential information obtained through integration processes. It also requires continued adherence to consensus-based industry standards where applicable.

The Consent Agreement also requires 365 to provide the Commission with prior notice before acquiring any business or entity related to micromarket kiosks in the United States.

The Commission will appoint Mr. Edward Buthusiem as the Monitor to ensure that the parties comply with all their obligations pursuant to the Consent Agreement, including the transfer of assets to Seaga and interoperability commitments.

The Commission does not intend this analysis to constitute an official interpretation of the proposed Order or to modify its terms in any way.

By direction of the Commission.

April J. Tabor,
Secretary.

Statement of Commissioner Mark R. Meador

I vote to approve the Complaint and Consent Orders in this matter. This transaction and the negotiated remedies represent a strong example of the efficiency of the premerger review program and illustrates how early, good-faith engagement can yield settlement outcomes that restore competition and benefit consumers. The parties engaged with staff promptly and constructively and worked cooperatively throughout the investigation. As I have stated before, parties and counsel appearing before the Commission have an obligation to operate in good faith. That obligation was met here, which facilitated a remedy that fully addressed the competitive concerns that staff identified during the Commission's review of the proposed transaction.

The statement below elaborates on my views regarding why this transaction—specifically, the use of serial acquisitions and the potential threat for the merged firm to engage in exclusionary conduct post-transaction given its existing dominant position—raises competitive concerns that warrant significant scrutiny. It also explains why the proposed remedy alleviates these concerns and how different circumstances could have warranted a different outcome.

Industry Background

As alleged in the Commission's complaint, 365 Retail's proposed acquisition of Cantaloupe, in its original form, would have significantly strengthened 365 Retail's already dominant position of more than a 70% share in the highly concentrated national market for the sale and provision of micromarket kiosks and related software and services to foodservice operators.¹ The complaint further alleges that the acquisition of Cantaloupe's software services, combined with 365 Retail's significant hardware assets, would have created a substantial risk of foreclosure by providing 365 Retail with both the incentive and the enhanced technical capability to exclude rivals by limiting interoperability and other critical functionalities and making it harder to switch providers.²

For context, micromarket kiosks are self-checkout point-of-sale systems that allow customers to purchase items in unattended micromarkets. Within this national market, the parties are significant head-to-head competitors, with 365 Retail serving as the largest and most established supplier.³

Operators in this market rely on multiple interconnected systems, including kiosks where customers check out, payment systems, vendor management software (VMS), and warehouse management software (WMS). Many food service operators (FSOs) depend on the ability to mix and match these components from different vendors so they can operate their businesses efficiently and avoid becoming locked into a single provider. Today, this interoperability exists mainly because firms voluntarily support it, despite some, including 365 Retail, having the technical ability to restrict it.⁴

¹ Complaint ¶¶ 20, *In re* Garage Topco LP, PEP VIII Intermediate 7 L.P., 365 Retail Markets, LLC, and Cantaloupe, Inc., Matter No. 2510100 (May 1, 2026).

² *Id.* ¶ 30.

³ *Id.* ¶¶ 19–21.

⁴ *Id.* ¶¶ 30–31.

FSOs with large portfolios of locations face significant costs and disruptions when replacing kiosks. Small obstacles to interoperability therefore can have outsized competitive effects. A weakened ability to mix and match systems could make it harder for rival firms to compete. As the range of workable options narrows, FSOs become more exposed to increased fees, higher payment processing charges, or reduced service quality. These added burdens would predictably be passed on to consumers who rely on micromarkets for meals and snacks during the workday.

Background on Proposed Remedies

The proposed remedy includes significant divestitures of kiosk assets, the imposition of strict interoperability and nondiscrimination requirements for certain hardware and software services, and a requirement that 365 Retail provide transition services for a limited period to the divestiture buyer, Seaga.

The order's provisions are designed to ensure that (1) Seaga is well-positioned to compete and expand in the short term, and (2) the merged firm cannot reduce interoperability or take other steps that lock customers into its ecosystem or raise switching costs. My assessment of these provisions, and how the proposed remedy package addresses the competitive concerns presented by the transaction, follows below.

Competitive Concerns

The competitive concerns raised by the proposed transaction are outlined in the FTC complaint and the analysis section of the proposed agreement containing consent orders to aid public comment. In short, the complaint alleges that the transaction would eliminate head-to-head competition between two of the largest suppliers of micromarket kiosks, increase the risk of higher prices and reduced innovation, and give the merged firm the ability and incentive to foreclose rivals by restricting interoperability and access to essential software and technology inputs.

Two additional issues raise unique legal questions that, in my view, warrant further emphasis and attention.

First, the transaction takes place against the backdrop of a pattern of serial acquisitions by 365 Retail, including acquisitions that fell below HSR thresholds and its 2021 acquisition of Avanti. For example, in the announcement video following the Avanti acquisition, Joe Hessling, the Founder and CEO of 365 Retail, stated that the transaction brought “the three innovators in the space and the three

founders . . . all under one roof.”⁵ This framing raises concerns that 365 Retail has viewed acquisitions as a means to bring leading competitors together under a single corporate structure in order to enhance its already dominant market position. Accordingly, in reviewing the proposed transaction and the proposed remedy package, it was necessary to evaluate the proposed transaction not only on a standalone basis, but also to consider the cumulative competitive effects of the serial chain of acquisitions of which this transaction is a part.⁶ It was further necessary to take into account any related conduct undertaken by 365 Retail before this proposed acquisition to the extent it could be analyzed as an anticompetitive course of conduct⁷ that

⁵ 365 Retail Markets, *We are ONE: 365 and Avanti Merge*, at 3:05 (YouTube, Sep. 15, 2021), <https://www.youtube.com/watch?v=kbayX1LLjdk>.

⁶ Fed. Trade Comm'n & U.S. Dep't of Justice, *Merger Guidelines* §§ 2.7, 2.8 (2023). The Commission and the courts have long evaluated the cumulative competitive effects of serial acquisitions rather than viewing each transaction in isolation. See, e.g., *Hosp. Corp. of Am. v. FTC*, 807 F.2d 1381, 1384–86 (7th Cir. 1986) (evaluating the probable effects of a defendant's acquisitions of several hospitals taken together); *AshGrove Cement Co. v. FTC*, 577 F.2d 1368, 1380 n.15 (9th Cir. 1978) (explaining that the passage of time does not mitigate the cumulative effects of successive acquisitions); *FTC v. Cardinal Health, Inc.*, 12 F. Supp. 2d 34, 66 (D.D.C. 1998) (evaluating the competitive effects of the proposed transactions as a whole based on their effect on concentration levels and industry trends). The legislative history and public understanding of the 1950 Celler-Kefauver amendments likewise reflect concern with serial acquisitions and their aggregate effects on competition. See *Foremost Dairies, Inc.*, 60 F.T.C. 944, 1050–51, 1082 (1962); Earl W. Kintner et al., *Federal Antitrust Law* § 40.5 (2d ed. 2026).

⁷ Even where earlier acquisitions are not independently unlawful, they may still constitute part of an exclusionary course of conduct relevant to section 7 and section 1 and 2 analyses. Statement of the Federal Trade Commission at 3, *In re Cardinal Health, Inc.* (Apr. 17, 2015) (explaining that earlier acquisitions can be “initial steps in a monopolization scheme”); *Beatrice Foods Co.*, 67 F.T.C. 473, 726–27 (1965) (explaining that transactions can be scrutinized as “part of a series” or as a “course of conduct”); cf. *Continental Ore Co. v. Union Carbide Corp.*, 370 U.S. 690, 699 (1962) (faulting the appellate court for disregarding evidence that the defendant had “interfered with, acquired, or destroyed” independent sources of vanadium oxide through a combination of acquisitions, supply-foreclosure arrangements, and refusals to supply); *Poller v. Columbia Broad. Sys.*, 368 U.S. 464, 468–69 (1962) (explaining that even if a termination of affiliation rights and an acquisition were each lawful on their own, it could violate the Sherman Act “if such a cancellation and purchase were part and parcel of unlawful conduct or agreement with others or were conceived in a purpose to unreasonably restrain trade, control a market, or monopolize”); *United States v. Paramount Pictures, Inc.*, 334 U.S. 131, 152 (1948) (“[E]ven if lawfully acquired, [acquisitions] may have been utilized as part of the conspiracy to eliminate or suppress competition. . . . In that event divestiture would likewise be justified.”); see also *Aspen Skiing Co. v. Aspen Highlands Skiing Corp.*, 472 U.S. 585, 599, 611 (1985) (affirming verdict

could violate section 7 of the Clayton Act⁸ and, potentially, sections 1⁹ and 2¹⁰ of the Sherman Act (and, in turn, section 5 of the Federal Trade Commission Act).¹¹

where the appellate court “in its review of the evidence on the question of intent . . . considered the record ‘as a whole’ and concluded that it was not necessary for Highlands to prove that each allegedly anticompetitive act was itself sufficient to demonstrate an abuse of monopoly power” (quoting *Aspen Highlands Skiing Corp. v. Aspen Skiing Co.*, 738 F.2d 1509, 1522 n.18 (10th Cir. 1984)).

⁸ 15 U.S.C. 18.

⁹ 15 U.S.C. 1; see also Organisation for Economic Co-operation and Development [OECD], Working Party No. 3 on Co-operation and Enforcement, Roundtable on the Standard for Merger Review, with a Particular Emphasis on Country Experience with the Change of Merger Review Standard from the Dominance Test to the SLC/SIEC Test, Note by the United States, ¶¶ 12–13, DAF/COMP/WP3/WD(2009)5 (June 9, 2009), <https://www.ftc.gov/system/files/attachments/us-submissions-oeed-2000-2009/mergerstandard.pdf> (“It is now widely agreed that a showing of likely anticompetitive effects suffice to establish a violation of Section 1 [of the Sherman Act], just as it does under the [substantially lessen competition] standard [of Section 7 of the Clayton Act]”); *Klor's, Inc. v. Broadway-Hale Stores, Inc.*, 359 U.S. 207, 213–14 (1959) (quoting *Int'l Salt Co. v. United States*, 332 U.S. 392, 396) (“the Sherman Act has consistently been read to forbid all contracts and combinations ‘which “tend to create a monopoly,”’ whether ‘the tendency is a creeping one’ or ‘one that proceeds at full gallop’”).

¹⁰ 15 U.S.C. 2. Modern courts in monopolization cases analyze conduct holistically based on the evidence in the record taken as a whole. See, e.g., *Duke Energy Carolinas, LLC v. NTE Carolinas II LLC*, 111 F.4th 337, 354 (4th Cir. 2024) (“It is foundational that alleged anticompetitive conduct must be considered as a whole.”), cert. denied, 145 S. Ct. 2748 (2026); *Sanofi-Aventis U.S., LLC v. Mylan, Inc.* (In re EpiPen (Epinephrine Injection, USP) Mktg., Sales Pracs. & Antitrust Litig.), 44 F.4th 959, 982 (10th Cir. 2022) (explaining that it was necessary to analyze each challenged practice separately “[f]or the sake of accuracy, precision, and analytical clarity” before evaluating whether the evidence “in totality” demonstrated any “synergistic effect”) (quoting *Ne. Tel. Co. v. Am. Tel. & Tel. Co.*, 651 F.2d 76, 95 n.28 (2d Cir. 1981)); *In re Lipitor Antitrust Litig.*, 855 F.3d 126, 147 (3d Cir. 2017) (“courts must look to the monopolist's conduct taken as a whole rather than considering each aspect in isolation”) (quoting *LePage's Inc. v. 3M*, 324 F.3d 141, 146 (3d Cir. 2003)); *Intergraph Corp. v. Intel Corp.*, 195 F.3d 1346, 1367 (Fed. Cir. 1999) (“Each legal theory must be examined for its sufficiency and applicability, on the entirety of the relevant facts”); see also *Viamedia, Inc. v. Comcast Corp.*, 951 F.3d 429, 453 (7th Cir. 2020) (“a dominant firm's conduct may be susceptible to more than one court-defined category of anticompetitive conduct.”); *New York v. Actavis PLC*, 787 F.3d 638, 653–54 (2d Cir. 2015) (citations omitted) (explaining that while product withdrawal or improvement alone may be legal, “when a monopolist combines product withdrawal with some other conduct, the overall effect of which is to coerce consumers rather than persuade them on the merits, and to impede competition, its actions are anticompetitive under the Sherman Act”); *Conwood Co. v. U.S. Tobacco Co.*, 290 F.3d 768, 783 (6th Cir. 2002) (concluding that plaintiff presented evidence that defendant engaged in a “systematic effort to exclude competition” and rejecting defendant's contention that its actions constituted “isolated sporadic torts.”).

¹¹ 15 U.S.C. 45. The Commission's authority under section 5 of the FTC Act extends to Sherman

Second, because 365 Retail already holds a dominant position in the national sale and provision of micromarket kiosks and related software and services to foodservice operators, the combination of 365 Retail's hardware assets and Cantaloupe's software assets would give the merged firm new and enhanced technical capabilities to restrict interoperability between micromarket kiosks and deprive rivals of access to functionalities essential for competitive offerings.¹² Under established precedent, a dominant firm's acquisition of an additional technical mechanism through which it could foreclose access to critical inputs or raise barriers to entry can independently violate section 7 of the Clayton Act, and potentially section 2 of the Sherman Act. Specifically, the incipency requirements of the Clayton Act target acquisitions that place the acquiring firm in a unique position to engage in exclusionary conduct,¹³ while the

Sherman Act addresses efforts by firms with monopoly power to use acquisitions to maintain a dominant market position or obtain control over critical inputs as a means of impeding actual or potential competition.¹⁴ Accordingly, absent compelling evidence that the merged firm would lack an incentive to pursue such a foreclosure strategy in the future, the transaction may have the effect of substantially lessening competition in the short and medium term by enabling the dominant firm to cut off access to critical inputs rivals need to compete,¹⁵ or tend to create a monopoly by raising barriers to entry in a manner that entrenches the incumbent's already dominant position in a relevant market.¹⁶

Evaluation of the Proposed Remedies

In evaluating the proposed remedy, I apply the same principles I have previously articulated regarding effective merger settlements.

To reiterate, remedies remain an important part of the merger-enforcement toolkit.¹⁷ They allow transactions to proceed under conditions of transparency and accountability, and enable the Commission to use its expertise to ensure remedies remain tailored to mitigate any potential competition concerns.¹⁸ Consumers benefit from competition that remains intact, and parties can pursue transactions that create new growth opportunities that do not harm competition, while the business community benefits from the efficient operation of the merger review program. Where resolution is available, it can conserve time and resources for

both the agency and the parties in a manner fully consistent with the Commission's mandate to protect competition and consumers. Importantly, merger settlements can serve a fundamental law enforcement function by preventing violations of the antitrust laws and arresting unlawful conduct in its incipency.

But remedies must work in practice. When meaningful uncertainty remains about whether competition will be restored, that uncertainty must be resolved in favor of consumers.¹⁹ In those circumstances, we should be prepared to litigate. The text, statutory framework, and legislative history underlying the antitrust laws and FTC Act confirm that the antitrust laws are more concerned with underenforcement than overenforcement.²⁰ That Congressional directive must continue to drive enforcement and settlement decisions.

There should be a strong preference for clean divestitures of standalone business lines that avoid entanglements which require ongoing Commission oversight. Parties must also approach the Commission early, candidly, and in good faith, and be prepared to propose a credible divestiture buyer with the financial capability, operational readiness, and industry expertise necessary to restore competition.²¹

At the same time, in certain limited cases, behavioral relief may be appropriate. For example, such relief may be proper where it is narrow and time-limited (such as the provision of transition services) or necessary to guard against the likelihood of foreclosure that would otherwise undermine the proposed divestitures. The Commission must also be prepared to monitor any such relief and ensure it is narrowly tailored in scope.

These principles inform the concrete criteria I apply when evaluating proposed remedies.

- Whether the divested assets form a part of a viable, standalone business.
- Whether the buyer has the financial and operational capability to compete immediately.
- Whether any behavioral provisions are enforceable and designed to address the competitive concern at issue, or directly support the effectiveness of the structural relief.

Act and Clayton Act conduct violations. See, e.g., *California Dental Ass'n v. FTC*, 526 U.S. 756, 762 n.3 (1999); *FTC v. Ind. Fed'n of Dentists*, 476 U.S. 447, 454 (1986); *FTC v. Sperry & Hutchinson Co.*, 405 U.S. 233, 244 (1972); *FTC v. Cement Inst.*, 333 U.S. 683, 694 (1948) (“[A]ll conduct violative of the Sherman Act may likewise come within the unfair trade practice prohibitions of the Trade Commission Act”); *Fashion Originators' Guild of Am., Inc. v. FTC*, 312 U.S. 457, 463 (1941) (“If the purpose and practice of the combination of garment manufacturers and their affiliates runs counter to the public policy declared in the Sherman and Clayton Acts, the Federal Trade Commission has the power to suppress it as an unfair method of competition.”).

¹² Fed. Trade Comm'n & U.S. Dep't of Justice, Merger Guidelines § 2.5.A.2, at 16 n.30 (2023) (“The Agencies will generally infer, in the absence of countervailing evidence, that the merging firm has or is approaching monopoly power in the related product if it has a share greater than 50% of the related product market. A merger involving a related product with share of less than 50% may still substantially lessen competition, particularly when that related product is important to its trading partners.”).

¹³ *FTC v. Procter & Gamble Co.*, 386 U.S. 568, 577 (1967) (“[T]here is certainly no requirement that the anticompetitive power manifest itself in anticompetitive action before § 7 can be called into play”); *FTC v. Consol. Foods Corp.*, 380 U.S. 592, 598 (1965) (“the force of § 7 is still in probabilities, not in what later transpired. That must necessarily be the case, for once the two companies are united no one knows what the fate of the acquired company and its competitors would have been but for the merger.”); *United States v. E.I. du Pont de Nemours & Co.*, 353 U.S. 586, 597 (1957) (“the Government may proceed at any time that an acquisition may be said with reasonable probability to contain a threat that it may lead to a restraint of commerce or tend to create a monopoly of a line of commerce.”); *Int'l Salt Co.*, 332 U.S. at 396 (quoting 15 U.S.C. 18) (explaining that the law forbids agreements that “tend to create a monopoly” and does not “await arrival at the goal before condemning the direction of the movement.”); see also *Cargill, Inc. v. Monfort of Colo., Inc.*, 479 U.S. 104, 121–22 (1986) (rejecting the argument that a plaintiff lacks standing to challenge a merger that could likely enable the acquiring firm

to engage in future anticompetitive conduct such as predatory pricing).

¹⁴ See e.g., *United States v. Grinnell Corp.*, 384 U.S. 563, 573–76 (1966); *United States v. Am. Tobacco Co.*, 221 U.S. 106, 163, 184 (1911); *Standard Oil Co. v. United States*, 221 U.S. 1, 75 (1911).

¹⁵ Fed. Trade Comm'n & U.S. Dep't of Justice, Merger Guidelines § 2.5 (2023).

¹⁶ *Id.* at § 2.6; see also David Lawrence, The Merger-Monopolization Gap, 101 N.Y.U. L. Rev. (forthcoming 2026) (manuscript at 62–63), <https://ssrn.com/abstract=6315858> (reviewing the text, legislative history, and Supreme Court precedent interpreting section 7 and concluding that the statute reaches mergers that allow a firm to entrench its dominant position by positioning it to engage in exclusionary conduct).

¹⁷ See Statement of Chairman Andrew N. Ferguson Joined by Commissioner Melissa Holyoak and Commissioner Mark R. Meador, *In re Synopsys, Inc. and ANSYS, Inc.* (May 28, 2025); Statement of Commissioner Mark R. Meador, *In re Alimentation Couche-Tard, Inc. and Giant Eagle, Inc.* (June 26, 2025) [hereinafter Meador ACT/Giant Eagle Statement].

¹⁸ Statement of Commissioner Mark R. Meador at 2–3, *In re Synopsys, Inc. and ANSYS, Inc.* (Oct. 17, 2025).

¹⁹ Meador ACT/Giant Eagle Statement, *supra* note 17, at 2.

²⁰ Mark Meador, *Antitrust Policy for the Conservative* 25 (Fed. Trade Comm'n May 1, 2025), https://www.ftc.gov/system/files/ftc_gov/pdf/antitrust-policy-for-the-conservative-meador.pdf.

²¹ Meador ACT/Giant Eagle Statement, *supra* note 17, at 2.

- Whether the remedy works without ongoing Commission supervision or, if monitoring is required, whether the Commission is well positioned to fulfill that oversight function.

- Whether the proposed settlement fully resolves the competitive concerns at the time it is proposed.

- Whether the remedy eliminates the merged firm's ability and incentive to engage in future exclusionary conduct, including monopolization strategies that rely on technical foreclosure.

After careful review of information contained in the investigatory record, particularly the parties' ordinary course documents and third-party statements, it is my view that the remedy here satisfies these criteria and mitigates the concerns I've outlined above given the market conditions and bargaining dynamics relevant to this industry.

Regarding the structural relief contained in the proposed order, the settlement requires clean divestitures of autonomous business lines, including Cantaloupe's micromarket kiosk business and related software services. The proposed divestiture buyer, Seaga, has the resources, relevant experience, and operational capability to compete vigorously on day one. Seaga's existing business incentives, including its incentives to develop its own software and hardware offerings and to support cross-platform integrations, significantly mitigate typical vertical or ecosystem lock-in concerns that often accompany transactions of this nature.

The prior notice requirement for future acquisitions involving micromarket-related businesses is an additional important safeguard, particularly in light of 365 Retail's history of serial acquisitions preceding the current transaction. That requirement ensures that the Commission will be alerted to future deals that may further reduce competition.

The transition services provisions are appropriately limited, incidental to the transfer of assets, and necessary to ensure continuity of operations while the divestiture buyer is in the process of establishing independent back-end systems. Moreover, they are short-term and technical in nature and require only temporary oversight for the duration of the approximately one-year transition period. Importantly, the commitments to divest are binding and structured to require minimal Commission oversight, consistent with the Commission's longstanding expectation that structural relief be self-sustaining and capable of operating autonomously.

Although the proposed remedial package is structural in nature, there are

additional targeted behavioral provisions that are both necessary and appropriately tailored to address concerns related to the acquisition of Cantaloupe's software assets.

In particular, the interoperability and fee-monitoring requirements are designed to operate alongside the structural relief and maintain the parties' existing incentives to support access to critical inputs needed to compete in the provision of micromarket kiosks. The proposed behavioral commitments therefore play a meaningful role in preventing the merged firm from leveraging its expanded control over hardware and software to deprive rivals of access to critical functionalities and data connections.

Given 365 Retail's existing market position and its significant hardware portfolio, the acquisition of Cantaloupe's software services would create a material risk that the merged firm could, in the future, engage in exclusionary practices that violate section 2 of the Sherman Act. Such practices could include, but are not limited to, conditioning customer access to its systems on restrictive terms that limit data portability, degrading interoperability with other service providers, and limiting cross-compatibility for operators seeking to migrate their data systems. By directly eliminating the mechanisms through which future foreclosure could occur, the remedy ensures that the merged firm cannot use its enhanced technical capabilities to engage in exclusionary conduct in the micromarket kiosk market or pursue monopolization strategies in adjacent markets.

Because the proposed transaction will be subject to enforceable safeguards that preserve interoperability and institute fee-monitoring, the post-transaction integration of hardware and software assets, to the extent permitted by the order, can proceed in ways that accelerate complementary innovation, maintain competition, and facilitate new entry. When interoperability is preserved and foreclosure incentives are neutralized, integration is more likely to generate efficiencies which will ultimately be passed on to consumers without the accompanying risk of the merged firm engaging in exclusionary conduct.

The ten-year duration of the interoperability provisions, the presence of a qualified monitor, and the divestiture buyer's capacity to develop and operate its own hardware and software all work together to ensure that the remedy is durable, enforceable, and

fully addresses the competitive risks identified during the investigation.

For these reasons, it is my view that the proposed remedies contained in the consent order fully resolve the competitive concerns raised by this transaction. It is important to bear in mind, however, that the proposed remedy package was crafted with close attention to the bargaining dynamics unique to this industry and was shaped directly by real-world concerns raised by customers and rival operators who depend on continued access to critical technology inputs. The case-specific features of this market warranted the tailored approach reflected in this order, and different circumstances in a different market could easily justify a different outcome.

Conclusion

The proposed remedy reflects the precision the Commission continues to apply to secure relief that advances our competition mandate and protects American consumers. It also underscores the importance of evaluating a company's overall course of conduct, including its past acquisition history and any risks related to foreclosed access, when assessing the competitive implications of a transaction. Given 365 Retail's history of serial acquisitions and the heightened risks that additional consolidation could pose, it is imperative that Commission staff continue to closely scrutinize any future transactions involving 365 Retail consistent with the prior-notice provisions in the order. Continued, proactive oversight will be necessary to prevent further entrenchment of market power and to safeguard the competitive conditions upon which businesses in these and adjacent markets rely.

[FR Doc. 2026-09021 Filed 5-6-26; 8:45 am]

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

[Document Identifier: CMS-10393]

Agency Information Collection Activities: Proposed Collection; Comment Request

AGENCY: Centers for Medicare & Medicaid Services, Health and Human Services (HHS).

ACTION: Notice.

SUMMARY: The Centers for Medicare & Medicaid Services (CMS) is announcing an opportunity for the public to

comment on CMS' intention to collect information from the public. 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 or reinstatement of an existing collection of information) and to allow 60 days for public comment on the proposed action. Interested persons are invited to send comments regarding our burden estimates or any other aspect of this collection of information, including the necessity and utility of the proposed information collection for the proper performance of the agency's functions, the accuracy of the estimated burden, ways to enhance the quality, utility, and clarity of the information to be collected, and the use of automated collection techniques or other forms of information technology to minimize the information collection burden.

DATES: Comments must be received by July 6, 2026.

ADDRESSES: When commenting, please reference the document identifier or OMB control number. To be assured consideration, comments and recommendations must be submitted in any one of the following ways:

1. *Electronically.* You may send your comments electronically to <http://www.regulations.gov>. Follow the instructions for "Comment or Submission" or "More Search Options" to find the information collection document(s) that are accepting comments.

2. *By regular mail.* You may mail written comments to the following address: CMS, Office of Strategic Operations and Regulatory Affairs, Division of Regulations Development, Attention: Document Identifier: _____, OMB Control Number: _____, Room C4-26-05, 7500 Security Boulevard, Baltimore, Maryland 21244-1850.

To obtain copies of a supporting statement and any related forms for the proposed collection(s) summarized in this notice, please access the CMS PRA website by copying and pasting the following web address into your web browser: <https://www.cms.gov/Regulations-and-Guidance/Legislation/PaperworkReductionActof1995/PRA-Listing>.

FOR FURTHER INFORMATION CONTACT: William N. Parham at (410) 786-4669.

SUPPLEMENTARY INFORMATION:

Contents

This notice sets out a summary of the use and burden associated with the following information collections. More detailed information can be found in

each collection's supporting statement and associated materials (see **ADDRESSES**).

Under the PRA (44 U.S.C. 3501–3520), federal agencies must obtain approval from the Office of Management and Budget (OMB) for each collection of information they conduct or sponsor. The term "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 requires federal agencies to publish a 60-day notice in the **Federal Register** concerning each proposed collection of information, including each proposed extension or reinstatement of an existing collection of information, before submitting the collection to OMB for approval. To comply with this requirement, CMS is publishing this notice.

Information Collection

1. Type of Information Collection

Request: Revision of a currently approved collection; *Title of Information Collection:* Beneficiary and Family Centered Data Collection; *Use:* To ensure the QIOs are effectively meeting their goals, CMS collects information about beneficiary experience receiving support from the QIOs. This is a revision package. We are revising the postal survey mail letter with a new help desk mailbox, and a toll-free number.

The information collection uses both qualitative and quantitative strategies to ensure CMS and the QIOs understand beneficiary experiences through all interactions with the QIO including initial contact, interim interactions, and case closure. Information collection instruments are tailored to reflect the steps in each type of process, as well as the average time it takes to complete each process. The previously approved information collection instruments are included with this submission.

The information collection will:

- Allow beneficiaries to directly provide feedback about the services they receive under the QIO program;
- Provide quality improvement data for QIOs to improve the quality of service delivered to Medicare beneficiaries; and
- Provide evaluation metrics for CMS to use in assessing performance of QIO contractors.

To achieve the above goals, information collection will include the Experience Survey which will be administered via telephone and mail to beneficiaries/representatives after the

Quality of Care (Medical Record Review) complaint/Immediate Advocacy/appeal case has been closed. The goal of the Experience Survey is to assess beneficiary overall and specific experiences with the BFCC QIOs. There are no changes to the survey. *Form Number:* CMS-10393 (OMB control number: 0938-1177); *Frequency:* Once; *Affected Public:* Individuals or households; *Number of Respondents:* 9,000; *Number of Responses:* 9,000; *Total Annual Hours:* 2,250. (For policy questions regarding this collection, contact Kaysha Meredith at 410-786-2449.)

William N. Parham, III,

Director, Division of Information Collections and Regulatory Impacts, Office of Strategic Operations and Regulatory Affairs.

[FR Doc. 2026-09096 Filed 5-6-26; 8:45 am]

BILLING CODE 4120-01-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

Proposed Information Collection Activity; Evaluation of the Next Generation Child Support Employment Services Demonstration—New Information Collection Request

AGENCY: Office of Child Support Enforcement, Administration for Children and Families, Department of Health and Human Services.

ACTION: Request for public comments.

SUMMARY: The Office of Child Support Enforcement (OCSE) is proposing to collect data for a new implementation and outcomes study, Evaluation of the Next Generation Child Support Employment Services Demonstration (NextGen).

DATES: Comments due July 6, 2026.

ADDRESSES: In compliance with the requirements of the Paperwork Reduction Act of 1995, the Administration for Children and Families (ACF) is soliciting public comment on the specific aspects of the information collection described above. You can obtain copies of the proposed collection of information and submit comments by emailing infocollection@acf.hhs.gov. Identify all requests by the title of the information collection.

SUPPLEMENTARY INFORMATION:

Description: OCSE proposes data collection activity as part of NextGen. In August 2024, OCSE issued eight grants and two section 1115 waivers to 10 child support agencies to provide

employment and other support services to noncustodial parents:

- Los Angeles County, CA
- Sacramento and Stanislaus Counties, CA
- Cherokee Nation
- Lac Courte Oreilles
- Louisiana
- Minnesota
- Nooksack (waiver)
- Ponca (waiver)
- Virginia
- Washington

The goal is to increase the consistency of child support payments through improved employment and earnings. NextGen is a 5-year project; the first year and a half will be dedicated to planning and piloting demonstration programs, followed by three and a half years of full implementation. NextGen sites will receive technical assistance as they plan, pilot, and implement their programs. The technical assistance team will also conduct an evaluation that will include implementation and outcome studies. The NextGen demonstration will yield important information about the best practices and challenges regarding child support-led employment and other support services and partnerships in a variety of settings. Evaluating this information will produce insights on the development and implementation of these partnerships, and the employment and child support-related outcomes they can generate for parents and families. The evaluation studies will help local, state, and tribal child support agencies design and implement child support-led employment programs in ways that work for their local communities.

NextGen sites will receive technical assistance throughout the 5-year demonstration. The goal of the technical assistance is to help sites deliver strong programs to noncustodial parents, including helping them adapt services as needed. The information collection activity for technical assistance will include providing sites with a Management Information System (MIS) to use for NextGen enrollment and case management. NextGen staff will enter information about received services into the MIS system. These data will help staff as they deliver the intervention.

An overview of the NextGen evaluation’s implementation and outcomes studies follow.

1. Implementation study. The goal of the implementation study is to document variation in program implementation, such as program structures, enrollment strategies, employment and child support services offered, program partnerships and linkages, and local policy or economic factors. These design and implementation elements will contextualize the outcomes study’s findings and serve as important sources of insight regarding the startup, operation, and sustainability strategies for child support-led employment services. Key information collection activities for the implementation study will include:

- MIS data for participants who consent to be in the study to understand their characteristics and how they responded to NextGen services.
- Semi-structured interviews with child support staff and staff from partner organizations.

- Semi-structured interviews with program participants to learn about their experiences in the NextGen program.

2. Outcomes study. The goal of the outcomes study is to measure and assess relevant outcomes, including changes in employment and earnings, and child support payment amounts and consistency. Child support administrative data will be used to obtain outcomes information about NextGen participants’ child support orders, payments, child support debt, and enforcement history during the 12 months before and after enrollment. Data from the National Directory of New Hires will be collected to report outcomes on employment and earnings for all participants. Other activities include collecting and analyzing baseline data about NextGen participants from the MIS who consent to be in the evaluation.

This 60-Day Notice covers the following data collection activities:

- MIS to track program enrollment, baseline information, and program participation.
- Staff and community partner interview topic guide.
- Participant interview topic guide.

Respondents: Respondents for this information collection include grantee and tribal waiver staff and partners, and study participants. Specific respondents per instrument are outlined in the burden table below.

Annual Burden Estimates: Data collection is expected to take place over a 4-year period and annual burden has been calculated to reflect this timeline. ACF will submit an extension request to OMB when necessary, prior to the initial expiration date.

Instrument	Total number of respondents	Total number of responses per respondent	Average burden hours per response	Total burden hours	Annual burden hours
MIS to track program participation	5,400	1	1.5	8,100	2,025
Staff and community partner interview topic guide	100	1	1.00	100	25
Participant interview topic guide	100	1	1.00	100	25
Estimated Total Annual Burden Hours					2,075

Comments: The Department specifically requests comments 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; (c) 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 through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted within 60 days of this publication.

Authority: 42 U.S.C. 651 et. seq. and 42 U.S.C. 1315.

Mary C. Jones,
ACF/OPRE Certifying Officer.
[FR Doc. 2026–08989 Filed 5–6–26; 8:45 am]
BILLING CODE 4184–41–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES**Administration for Children and Families**

[Office of Management and Budget #: 0970–0614]

Submission for Office of Management and Budget Review; Tribal Maternal, Infant, and Early Childhood Home Visiting Program: Demographic and Service Utilization Data Report and Performance Measurement Data Report

AGENCY: Office of Early Childhood Development (ECD), Administration for Children and Families, U.S. Department of Health and Human Services.

ACTION: Request for public comments.

SUMMARY: The Office of Early Childhood Development (ECD) is requesting a 3-year extension with revisions to annual reporting instruments under Office of Management and Budget (OMB) Control #: 0970–0614. This includes proposed revisions to the Demographic and Service Utilization Data Report (DSUR), an extension of the Performance Measurement Data Report (PMR) with no changes, and announces the discontinuation of the Quarterly Performance Report (QPR).

DATES: *Comments due* June 8, 2026.

ADDRESSES: The public may view and comment on this information collection

request at: https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202605-0970-002. You can also obtain copies of the proposed collection of information by emailing infocollection@acf.hhs.gov. Identify all emailed requests by the title of the information collection.

SUPPLEMENTARY INFORMATION:

Description: ECD is requesting approval for the Tribal Maternal, Infant, and Early Childhood Home Visiting (Tribal MIECHV) program information collection under OMB Control #: 0970–0614, which consists of the DSUR and the PMR. These instruments are used by Tribal MIECHV grant recipients to report annual data on participant demographics, service utilization, staffing, and required performance measures. ECD uses this information to monitor program implementation, assess progress in key outcome areas, inform technical assistance, and meet required annual reporting expectations.

The DSUR includes revisions to streamline reporting and reduce burden for Tribal MIECHV grant recipients. These revisions reduce the number of data reporting tables, remove data elements that are no longer needed, and update terminology to improve clarity and alignment with current reporting requirements. The changes simplify reporting while retaining information necessary for program administration and monitoring.

The PMR is included in this request as an extension with no changes to content; however, the estimated reporting burden has been updated based on findings from a 2024 administrative burden assessment. The PMR collects annual performance data related to benchmark areas required under statute and is used by ECD to assess grant recipient performance and report on program outcomes.

The QPR was removed from under this OMB number as ECD replaced the QPR with a smaller set of operational questions that will be collected through monthly calls, as approved under OMB #: 0970–0490. This change significantly reduces burden while maintaining necessary monitoring functions.

These updates reflect ECD's ongoing effort to streamline Tribal MIECHV reporting, reduce administrative burden for grant recipients, and maintain the high-quality data needed to understand program performance and support Tribal communities effectively.

Respondents: Tribal MIECHV program grant recipients.

Annual Burden Estimates: Annual burden estimates have been updated based on findings from a 2024 administrative burden assessment of Tribal MIECHV reporting requirements. Revisions reflect reduced time to complete the streamlined DSUR, updated burden estimates for the PMR, and removal of burden associated with the discontinued QPR.

Instrument	Total number of respondents	Annual number of responses per respondent	Average burden hours per response	Annual burden hours
Tribal MIECHV Demographic Service Utilization Data Report (Grant Recipients)	68	1	146	9,928
Tribal MIECHV Demographic & Service Utilization Data Report (Families)	2,087	1	30 Seconds	17
Tribal MIECHV Performance Measures Report	68	1	151.2	10,282
Estimated Total Annual Burden Hours .....	.....	.....	.....	20,227

Authority: 42 U.S.C. 711.

Mary C. Jones,

ACF/OPRE Certifying Officer.

[FR Doc. 2026–08985 Filed 5–6–26; 8:45 am]

BILLING CODE 4182–07–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES**Administration for Children and Families**

[Office of Management and Budget #:0970–0519]

Proposed Information Collection Activity; National Human Trafficking Training and Technical Assistance Center Evaluation Package

AGENCY: Office on Trafficking in Persons, Administration for Children and Families, U.S. Department of Health and Human Services.

ACTION: Request for public comments.

SUMMARY: The Office on Trafficking in Persons (OTIP), Administration for Children and Families (ACF), U.S. Department of Health and Human Services, is requesting an extension of approval with revisions of an Office of Management and Budget (OMB) approved information collection: National Human Trafficking Training and Technical Assistance Center (NHTTAC) Evaluation Package (OMB #: 0970–0519; expiration date June 30, 2026).

DATES: *Comments due* July 6, 2026.

ADDRESSES: In compliance with the requirements of the Paperwork Reduction Act of 1995, ACF is soliciting public comment on the specific aspects

of the information collection described above. You can obtain copies of the proposed collection of information and submit comments by emailing infocollection@acf.hhs.gov. Identify all requests by the title of the information collection.

SUPPLEMENTARY INFORMATION:

Description: OTIP’s NHTTAC delivers training and technical assistance (T/TA) to inform and deliver a public health response to trafficking. In applying a public health approach, NHTTAC builds the capacity of professionals, organizations, and communities to identify and respond to the complex needs of all individuals who have experienced trafficking or who have increased risk for trafficking and address the root causes that put individuals, families, and communities at risk of trafficking. These efforts ultimately help improve the availability and delivery of coordinated and trauma-informed services before, during, and

after an individual’s trafficking exploitation.

NHTTAC provides a variety of services, programs, and facilitated T/TA sessions to improve service provision to people who have experienced trafficking or who have increased risk factors for trafficking, including the Stop, Observe, Ask, and Respond (SOAR) to Health and Wellness training; specialized T/TA; NHTTAC Customer Support; and information through resources and materials about trafficking. This information collection is intended to collect feedback from participants to assess T/TA provided by NHTTAC. Revisions have been made in order to reduce respondent burden where applicable. Additionally, since this collection was last renewed, the SOAR Demonstration Grant Program went into effect. The program’s goal is to fund the implementation of SOAR trainings and related capacity building efforts to identify, treat, and respond to

clients who have experienced human trafficking in healthcare settings. Feedback from SOAR Demonstration Grant Program recipients who participate in NHTTAC SOAR offerings is obtained through instruments approved within this NHTTAC Evaluation Package (0970–0519). Burden estimates have been adjusted to account for these SOAR Demonstration Grant Program participants where applicable.

Respondents: NHTTAC T/TA participants include OTIP grant recipients, including SOAR Demonstration Grant program recipients, individuals with lived experience, professionals who interact with and provide services to individuals who have experienced trafficking or are at risk of trafficking, including healthcare, behavioral health, public health, and human service practitioners, organizations, and communities.

ANNUAL BURDEN ESTIMATES					
Instrument	Total number of respondents	Total number of responses per respondent	Average burden hours per response	Total burden hours	Annual burden hours
Universal T/TA Participant Feedback Long Version (full form) Short Version (partial form)	1,500	1	0.43	645	215
Intensive T/TA Participant Feedback	225,000	1	0.10	22,500	7,500
Follow-Up Feedback	600	1	1.17	702	234
Qualitative Guide	8,000	1	0.50	4,000	1,333
Network Survey	2,000	1	1.50	3,000	1,000
Client Satisfaction Survey	600	1	1.00	600	200
Resources Feedback	1,000	1	0.08	80	27
Requester Feedback	500	1	0.08	40	13
Requester Feedback	200	1	0.12	24	8
Estimated Total Annual Burden Hours .....	.....	.....	.....	.....	10,530

Comments: The Department specifically requests comments 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; (c) 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 through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted within 60 days of this publication.

Authority: 22 U.S.C. 7104 and 22 U.S.C. 7105(c)(4).

Mary C. Jones,
ACF/OPRE Certifying Officer.
[FR Doc. 2026–09048 Filed 5–6–26; 8:45 am]
BILLING CODE 4184–47–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. FDA–2023–D–2370]

Patient-Matched Guides for Orthopedic Implants; Guidance for Industry and Food and Drug Administration Staff; Availability

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice of availability.

SUMMARY: The Food and Drug Administration (FDA or Agency) is announcing the availability of a final guidance titled “Patient-Matched Guides for Orthopedic Implants.” This guidance document provides recommendations regarding information that should be included in regulatory submissions for patient-matched guides for orthopedic implants. This guidance also provides recommendations that manufacturers should consider when developing their design process for these device types. This guidance is intended to promote clarity and transparency as to expectations regarding submission recommendations for orthopedic patient-matched guides. Following such recommendations may increase efficiency and consistency in review.

DATES: The announcement of the guidance is published in the **Federal Register** on May 7, 2026.

ADDRESSES: You may submit either electronic or written comments on Agency guidances 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-2023-D-2370 for "Patient-Matched Guides for Orthopedic Implants." 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)).

An electronic copy of the guidance document is available for download from the internet. See the

SUPPLEMENTARY INFORMATION section for information on electronic access to the guidance. Submit written requests for a single hard copy of the guidance document titled "Patient-Matched Guides for Orthopedic Implants" to the Office of Policy, Center for Devices and Radiological Health, Food and Drug Administration, 10903 New Hampshire Ave., Bldg. 66, Rm. 5441, Silver Spring, MD 20993-0002. Send one self-addressed adhesive label to assist that office in processing your request.

FOR FURTHER INFORMATION CONTACT: Michel Janda, Center for Devices and Radiological Health, Food and Drug Administration, 10903 New Hampshire

Ave., Bldg. 66, Rm. 4428, Silver Spring, MD 20993-0002, 301-796-6395.

SUPPLEMENTARY INFORMATION:

I. Background

FDA is announcing the availability of a guidance for industry and FDA staff titled "Patient-Matched Guides for Orthopedic Implants." FDA has developed this guidance document for members of industry who submit and FDA staff who review premarket submissions for patient-matched guides for orthopedic implants. Patient-matched guides are intended to assist in the execution of a pre-surgical plan concurred upon by the patient's healthcare professional to position an orthopedic implant in a way consistent with the implant's indicated use. This guidance is intended to promote clarity and transparency as to expectations regarding submission recommendations for orthopedic patient-matched guides. Following such recommendations may increase efficiency and consistency in review. Additionally, this guidance provides recommended best practices regarding certain elements of the design process.

This guidance was part of the 2015 initiative to incorporate stakeholder feedback during guidance development (80 FR 1424, January 9, 2015) available at <https://www.federalregister.gov/documents/2015/01/09/2015-00115/medical-device-user-fee-and-modernization-act-notice-to-public-of-website-location-of-fiscal-year>. Specific questions were posed to solicit input into the context of the guidance and comments were collected through Docket No. FDA-2012-N-1021.

A notice of availability of the draft guidance appeared in the **Federal Register** of June 28, 2023 (88 FR 41967). FDA considered comments received and revised the guidance as appropriate in response to the comments, including clarification of recommendations that are technical in nature (e.g., device description, cadaveric testing), as well as clarification of certain modifications that FDA would consider likely to require submission of a new 510(k) submission.

This guidance is being issued consistent with FDA's good guidance practices regulation (21 CFR 10.115). The guidance represents the current thinking of FDA on "Patient-Matched Guides for Orthopedic Implants." 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.

II. Electronic Access

Persons interested in obtaining a copy of the guidance may do so by downloading an electronic copy from the internet. A search capability for all Center for Devices and Radiological Health guidance documents is available at <https://www.fda.gov/medical-devices/device-advice-comprehensive-regulatory-assistance/guidance-documents-medical-devices-and-radiation-emitting-products>. This

guidance document is also available at <https://www.regulations.gov> or <https://www.fda.gov/regulatory-information/search-fda-guidance-documents>. Persons unable to download an electronic copy of “Patient-Matched Guides for Orthopedic Implants” may send an email request to CDRH-Guidance@fda.hhs.gov to receive an electronic copy of the document. Please use the document number GUI01400006 and complete title to identify the guidance you are requesting.

III. Paperwork Reduction Act of 1995

While this guidance contains no new 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 the following table have been approved by OMB:

21 CFR part	Topic	OMB Control No.
807, subpart E	Premarket notification	0910–0120
820	Current Good Manufacturing Practice (CGMP); Quality Management Systems Regulation (QMSR)	0910–0073
812	Investigational Device Exemption	0910–0078
814, subparts A through E	Premarket approval	0910–0231
800, 801, and 809	Medical Device Labeling Regulations	0910–0485

Grace R. Graham,

Deputy Commissioner for Policy, Legislation, and International Affairs.

[FR Doc. 2026–09023 Filed 5–6–26; 8:45 am]

BILLING CODE 4164–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. FDA–2025–P–7054]

Determination That MICARDIS (Telmisartan), Tablets, 20 Milligrams and 80 Milligrams, Were Not Withdrawn From Sale for Reasons of Safety or Effectiveness

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice.

SUMMARY: The Food and Drug Administration (FDA, Agency, or we) has determined that MICARDIS (telmisartan), tablets, 20 milligrams (mg) and 80 mg, were not withdrawn from sale for reasons of safety or effectiveness. This determination means that FDA will not begin procedures to withdraw approval of abbreviated new drug applications (ANDAs) that refer to these drug products, and it will allow FDA to continue to approve ANDAs that refer to these products as long as they meet relevant legal and regulatory requirements.

FOR FURTHER INFORMATION CONTACT: Sungjoon Chi, Center for Drug Evaluation and Research, Food and Drug Administration, 10903 New Hampshire Ave., Bldg. 51, Rm. 6216, Silver Spring, MD 20993–0002, 240–402–9674, Sungjoon.Chi@fda.hhs.gov.

SUPPLEMENTARY INFORMATION: Section 505(j) of the Federal Food, Drug, and Cosmetic Act (FD&C Act) (21 U.S.C. 355(j)) allows the submission of an ANDA to market a generic version of a previously approved drug product. To obtain approval, the ANDA applicant must show, among other things, that the generic drug product: (1) has the same active ingredient(s), dosage form, route of administration, strength, conditions of use, and (with certain exceptions) labeling as the listed drug, which is a version of the drug that was previously approved, and (2) is bioequivalent to the listed drug. ANDA applicants do not have to repeat the extensive clinical testing otherwise necessary to gain approval of a new drug application (NDA).

Section 505(j)(7) of the FD&C Act requires FDA to publish a list of all approved drugs. FDA publishes this list as part of the “Approved Drug Products With Therapeutic Equivalence Evaluations,” which is known generally as the “Orange Book.” Under FDA regulations, drugs are removed from the list if the Agency withdraws or suspends approval of the drug’s NDA or ANDA for reasons of safety or effectiveness or if FDA determines that the listed drug was withdrawn from sale for reasons of safety or effectiveness (21 CFR 314.162).

A person may petition the Agency to determine, or the Agency may determine on its own initiative, whether a listed drug was withdrawn from sale for reasons of safety or effectiveness. This determination may be made at any time after the drug has been withdrawn from sale, but must be made prior to approving an ANDA that refers to the listed drug (§ 314.161). FDA may not

approve an ANDA that does not refer to a listed drug.

MICARDIS (telmisartan), tablets, 20 mg and 80 mg, are the subject of NDA 020850, held by Boehringer Ingelheim. NDA 020850 was initially approved on November 10, 1998. MICARDIS is indicated for the treatment of hypertension, to lower blood pressure and for cardiovascular risk reduction in patients unable to take ACE inhibitors.

MICARDIS (telmisartan), tablets, 20 mg and 80 mg, are currently listed in the “Discontinued Drug Product List” section of the Orange Book.

Unichem Pharmaceuticals (USA), Inc. submitted a citizen petition dated December 12, 2025 (Docket No. FDA–2025–P–7054), under 21 CFR 10.30, requesting that the Agency determine whether MICARDIS (telmisartan), tablets, 20 mg and 80 mg, were voluntarily withdrawn from sale for reasons of safety or effectiveness.

After considering the citizen petition and reviewing Agency records and based on the information we have at this time, FDA has determined under § 314.161 that MICARDIS (telmisartan), tablets, 20 mg and 80 mg, were not withdrawn for reasons of safety or effectiveness. The petitioner has identified no data or other information suggesting that these drug products were withdrawn for reasons of safety or effectiveness. We have carefully reviewed our files for records concerning the withdrawal of MICARDIS (telmisartan), tablets, 20 mg and 80 mg, from sale. We have also independently evaluated relevant literature and data for possible postmarketing adverse events. We have reviewed the available evidence and determined that this drug product was

not withdrawn from sale for reasons of safety or effectiveness.

Accordingly, the Agency will continue to list MICARDIS (telmisartan), tablets, 20 mg and 80 mg, in the “Discontinued Drug Product List” section of the Orange Book. The “Discontinued Drug Product List” delineates, among other items, drug products that have been discontinued from marketing for reasons other than safety or effectiveness. FDA will not begin procedures to withdraw approval of approved ANDAs that refer to these drug products. Additional ANDAs for these drug products may also be approved by the Agency as long as they meet all other legal and regulatory requirements for the approval of ANDAs. If FDA determines that labeling for these drug products should be revised to meet current standards, the

Agency will advise ANDA applicants to submit such labeling.

Grace R. Graham,

Deputy Commissioner for Policy, Legislation, and International Affairs.

[FR Doc. 2026–09011 Filed 5–6–26; 8:45 am]

BILLING CODE 4164–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. FDA–2026–N–4291]

Teva Pharmaceuticals USA, Inc., et al.; Withdrawal of Approval of 15 Abbreviated New Drug Applications

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice.

SUMMARY: The Food and Drug Administration (FDA or Agency) is withdrawing approval of 15 abbreviated new drug applications (ANDAs) from multiple applicants. The applicants

notified the Agency in writing that the drug products were no longer marketed and requested that the approval of the applications be withdrawn.

DATES: Approval is withdrawn as of June 8, 2026.

FOR FURTHER INFORMATION CONTACT:

Martha Nguyen, Center for Drug Evaluation and Research, Food and Drug Administration, 10903 New Hampshire Ave., Bldg. 75, Rm. 1676, Silver Spring, MD 20993–0002, 301–796–3471, Martha.Nguyen@fda.hhs.gov.

SUPPLEMENTARY INFORMATION: The applicants listed in Table 1 have informed FDA that these drug products are no longer marketed and have requested that FDA withdraw approval of the applications under the process in § 314.150(c) (21 CFR 314.150(c)). The applicants have also, by their requests, waived their opportunity for a hearing. Withdrawal of approval of an application or abbreviated application under § 314.150(c) is without prejudice to refiling.

TABLE 1—ANDAS FOR WHICH APPROVAL IS WITHDRAWN

Application No.	Drug	Applicant
ANDA 076905 ...	Finasteride tablet, 1 milligram (mg)	Teva Pharmaceuticals USA, Inc., 400 Interpace Parkway, Building A, Parsippany, NJ 07054.
ANDA 077028 ...	Cilostazol tablet, 100 mg	Actavis Elizabeth LLC. (an indirect, wholly owned subsidiary of Teva Pharmaceuticals USA, Inc.), 400 Interpace Parkway, Building A, Parsippany, NJ 07054.
ANDA 077671 ...	Amlodipine besylate tablet, Equivalent to (EQ) 2.5 mg base, EQ 5 mg base, and EQ 10 mg base.	Watson Laboratories, Inc. (an indirect, wholly owned subsidiary of Teva Pharmaceuticals USA, Inc.), 400 Interpace Parkway, Building A, Parsippany, NJ 07054.
ANDA 077679 ...	Carboplatin injectable, 50 mg/5 milliliter (mL) (10 mg/mL), 150 mg/15 mL (10 mg/mL), and 450 mg/45 mL (10 mg/mL).	Pharmachemie B.V. (an indirect, wholly owned subsidiary of Teva Pharmaceuticals USA, Inc.), 400 Interpace Parkway, Building A, Parsippany, NJ 07054.
ANDA 078166 ...	Ciprofloxacin extended-release tablet, 212.6 mg; EQ 287.5 mg base and 425.2 mg; EQ 574.9 mg base.	Par Health USA LLC., U.S. Agent for PH Health Limited, 9 Great Valley Parkway, Malvern, PA 19355.
ANDA 078631 ...	Carboplatin injectable, 50 mg/5 mL (10 mg/mL), 150 mg/15 mL (10 mg/mL), 450 mg/45 mL (10 mg/mL), and 600 mg/60 mL (10 mg/mL).	Pliva Lachema AS (an indirect, wholly owned subsidiary of Teva Pharmaceuticals USA, Inc.), 400 Interpace Parkway, MCC Blue Building A, Parsippany, NJ 07054.
ANDA 078724 ...	Ezetimibe tablet, 10 mg	Teva Pharmaceuticals USA, Inc.
ANDA 078984 ...	Anastrozole tablet, 1 mg	Watson Laboratories, Inc.
ANDA 089895 ...	Chlorzoxazone tablet, 500 mg	Barr Laboratories LLC. (an indirect, wholly owned subsidiary of Teva Pharmaceuticals USA, Inc.), 400 Interpace Parkway, Building A, Parsippany, NJ 07054.
ANDA 090797 ...	Pantoprazole sodium delayed-release tablet, EQ 20 mg base and EQ 40 mg base.	Actavis Totowa LLC. (an indirect, wholly owned subsidiary of Teva Pharmaceuticals USA, Inc.), 400 Interpace Parkway, Building A, Parsippany, NJ 07054.
ANDA 091539 ...	Irbesartan and hydrochlorothiazide tablet, 12.5 mg; 150 mg and 12.5 mg; 300 mg.	Watson Laboratories, Inc.
ANDA 202235 ...	Ibandronate sodium injectable, EQ 3 mg base/3 mL	Freyr INC., U.S. Agent for CHEMI S.p.A., 150 College Rd. West, Suite 102, Princeton, NJ 08540.
ANDA 210285 ...	Dimethyl fumarate delayed-release capsule, 120 mg and 240 mg.	Upsher-Smith Laboratories, LLC., U.S. Agent for Sawai USA, Inc., 6701 Evenstad Dr. N, Suite 300, Maple Grove, MN 55369.
ANDA 213158 ...	Esomeprazole magnesium delayed-release pellets capsule, EQ 20 mg base and EQ 40 mg base.	The WhiteOak Group, LLC., U.S. Agent for Cisen Pharmaceutical Co., Ltd., 1629 K St. NW, Suite 300, Washington, DC 20006.
ANDA 216407 ...	Ketorolac tromethamine tablet, 10 mg	Parexel International, U.S. Agent for Atrahs Pharma US Limited, 541 Church at North Hills St., Suite 1000, Raleigh, NC 27609.

Therefore, approval of the applications listed in Table 1, and all amendments and supplements thereto, is hereby withdrawn as of June 8, 2026. Approval of each entire application is withdrawn, including any strengths and dosage forms inadvertently missing from Table 1. Introduction or delivery for introduction into interstate commerce of products listed in Table 1 without an approved new drug application or ANDA violates sections 505(a) and 301(d) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355(a) and 331(d)). Drug products that are listed in Table 1 that are in inventory on June 8, 2026 may continue to be dispensed until the inventories have been depleted or the drug products have reached their expiration dates or otherwise become violative, whichever occurs first.

Grace R. Graham,

Deputy Commissioner for Policy, Legislation, and International Affairs.

[FR Doc. 2026-09012 Filed 5-6-26; 8:45 am]

BILLING CODE 4164-01-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. FDA-2026-N-0008]

Advisory Committee; Blood Products Advisory Committee; Renewal

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice; renewal of Federal advisory committee.

SUMMARY: The Food and Drug Administration (FDA) is announcing the renewal of the Blood Products Advisory Committee by the Commissioner of Food and Drugs (the Commissioner). The Commissioner has determined that it is in the public interest to renew the Blood Products Advisory Committee for an additional 2 years beyond the charter expiration date. The new charter will be in effect until the May 13, 2028, expiration date.

DATES: Authority for the Blood Products Advisory Committee will expire on May 13, 2026, unless the Commissioner formally determines that renewal is in the public interest.

FOR FURTHER INFORMATION CONTACT: Advisory Committee Oversight and Management Staff, Office of the Chief Scientist, Food and Drug Administration, 10903 New Hampshire Ave., Bldg. 1, Rm. 3215, Silver Spring, MD 20993-0002, (301) 796-8220, ACOMSSubmissions@fda.hhs.gov.

SUPPLEMENTARY INFORMATION: Pursuant to 21 CFR 14.40(b) and 41 CFR 102-3.65 and following approval by the Department of Health and Human Services and review by the General Services Administration, FDA is announcing the renewal of the Blood Products Advisory Committee (the Committee). The Committee is a discretionary Federal advisory committee established to provide advice to the Commissioner. The Committee advises and informs the Commissioner or designee in discharging responsibilities as they relate to helping to ensure safe and effective drug and biological products for human use, as well as, when required, any other product under the regulatory authority of FDA. The Committee reviews and evaluates available data concerning the safety, effectiveness, and appropriate use of blood, products derived from blood and serum or biotechnology which are intended for use in the diagnosis, prevention, or treatment of human diseases, and as required, any other products for which FDA has regulatory responsibility. The Committee also advises the Commissioner of Food and Drugs of its findings regarding screening and testing (to determine eligibility) of donors and labeling of the products, on clinical and laboratory studies involving such products, on the affirmation or revocation of biological products licenses. The Committee may consider the quality and relevance of FDA's research program, which provides scientific support for the regulation of these products, and makes appropriate recommendations to the Commissioner.

The Committee will function at times as a medical device panel under the Federal Food, Drug, and Cosmetic Act Medical Device Amendments of 1976. As such, the Committee recommends classification of devices subject to its review into regulatory categories; recommends the assignment of a priority for the application of regulatory requirements for devices classified in the standards or premarket approval category; advises on formulation of product development protocols and reviews premarket approval applications for those devices to recommend changes in classification as appropriate; recommends exemption of certain devices from the application of portions of the Act; advises on the necessity to ban a device; and responds to requests from the Agency to review and make recommendations on specific issues or problems concerning the safety and effectiveness of devices.

The Committee shall consist of a core of at least thirteen voting members

including the Chair. Subject to legal and regulatory requirements, members and the Chair are selected by and serve at the discretion of the Commissioner or designee. Each member, including the Chair, will be selected from among authorities knowledgeable in the fields of clinical and administrative medicine, hematology, immunology, blood banking, surgery, internal medicine, biochemistry, engineering, biological and physical sciences, biotechnology, computer technology, statistics, epidemiology, sociology/ethics, and related specialties.

Members will be invited to serve for terms of up to four years, or for less time at the discretion of the Commissioner or designee. Non-Federal members of this committee will serve either as Special Government Employees or representatives. Federal members will serve as Regular Government Employees or Ex-Officios.

In addition to the voting members, the Commissioner or designee may identify consumer and/or industry representatives to join the Committee (or serve as alternate representatives) as non-voting representative member(s), via a process consistent with legal and regulatory requirements. Individuals currently employed at FDA-regulated companies, such as pharmaceutical and medical device manufacturers, shall not be selected to serve as members of the Committee unless this Committee is expected to address issues for which inclusion of an industry representative is required by statute. If this Committee includes an industry representative, the Commissioner or designee will determine whether to invite them to participate in meetings on a case-by-case basis, according to applicable legal and regulatory requirements.

The Commissioner or designee shall have the authority to select members of other scientific and technical FDA advisory committees to serve temporarily as voting members and to designate consultants to serve temporarily as voting members when: (1) expertise is required that is not available among current voting standing members of the Committee (when additional voting members are added to the Committee to provide needed expertise, a quorum will be based on the combined total of regular and added members), or (2) to comprise a quorum when, because of unforeseen circumstances, a quorum is or will be lacking.

A quorum for the Committee is a majority of the current voting members present at the time, provided that FDA may specify a quorum that is less than a majority of the current voting

members because of the size of the Committee and the variety in the types of issues that it will consider, or other reason determined appropriate in accordance with legal and regulatory requirements. 21 CFR 14.22(d).

If functioning as a medical device panel, an additional non-voting representative member of consumer interests and an additional non-voting representative member of industry interests will be included in addition to the voting members.

Members appointed to an advisory committee serve for the duration of the committee, or until their terms expire, they resign, or they are removed from membership by the Commissioner or designee. Committee members' terms may end prior to their date of expiration, for reasons determined to be good cause. Good cause includes excessive absenteeism from committee meetings, a demonstrated bias that interferes with the ability to render objective advice, failure to abide by established procedures, or violation of other applicable rules and regulations.

Further information regarding the most recent charter and other information can be found at <https://www.fda.gov/advisory-committees/blood-vaccines-and-other-biologics/blood-products-advisory-committee> or by contacting the Advisory Committee Oversight and Management Staff (see **FOR FURTHER INFORMATION CONTACT**). Because the committee's name and description of duties remain unchanged, 21 CFR 14.100 will not be amended.

Renewal Requirements and Justification: The Commissioner has determined that renewal of the Blood Products Advisory Committee is in the public interest. This determination is based on the Committee's essential role in providing independent expert advice on complex scientific and regulatory matters related to blood products, the continued need for specialized expertise in this therapeutic area, and the Committee's demonstrated value in supporting FDA's regulatory mission. The following information supports this determination in accordance with applicable legal and regulatory requirements.

Public Interest Determination

Pursuant to 41 U.S.C. 102–3.60(a), to establish, renew, reestablish, or merge a discretionary (agency discretion) advisory committee, an agency must first consult with the General Services Administration's Committee Management Secretariat (the Secretariat) and, as part of the consultation, provide a written public interest determination approved by the head of the agency to

the Secretariat with a copy to the Office of Management and Budget. In addition, pursuant to 41 U.S.C. 102–3.35, an agency shall follow the same consultation process and document in writing the same determination of need before creating a subcommittee under a discretionary committee that is not made up entirely of members of a parent advisory committee.

Information on the following factors for the committee is provided to the Secretariat to demonstrate that renewing the committee is in the public interest:

1. Annual budget.

The overall annual budget for this committee is \$131,660.

a. Federal personnel on a full-time equivalent (FTE) basis.

The estimated person years of Federal staff support required is 0.50 at an estimated cost of \$76,713.

b. Other Federal internal costs.

The anticipated total value in dollars of other internal costs, such as costs associated with IT and supplies for meetings, is \$26,452.

c. Proposed payments to members.

The estimated annual payment to members is \$9,299.

d. Proposed number of members.

The anticipated number of members is 13.

e. Reimbursable costs.

The estimated annual reimbursable costs, including travel and related expenses for members, is \$19,196.

2. *If applicable, the total dollar value of grants expected to be recommended during the fiscal year.*

N/A.

3. *Criteria for selecting members to ensure the committee has the necessary expertise and fairly balanced membership.*

Ensuring Necessary Expertise:

Members must have background, education, and experience commensurate with the committee's function of advising FDA on the safety, effectiveness, and appropriate use of blood, blood-derived products, and biotechnology products intended for the diagnosis, prevention, or treatment of human diseases, including donor screening and eligibility, product labeling, clinical and laboratory studies, and the approval or revocation of biological product licenses, as well as the quality and relevance of FDA's supporting research programs. Scientific and technical competence is critical. Nominees should be acknowledged experts with demonstrated skills in critical evaluation of data and effective communication. As outlined in the committee charter, the membership should include authorities knowledgeable in the fields of clinical

and administrative medicine, hematology, immunology, blood banking, surgery, internal medicine, biochemistry, engineering, biological and physical sciences, biotechnology, computer technology, statistics, epidemiology, sociology/ethics, and other related specialties, as well as needed consumer and industry representation. FDA also follows the requirements in section 505(n)(3) regarding membership of drug or biological product advisory committees. (21 U.S.C. 355(n)(3)). Because the BPAC will function at times as a medical device panel, FDA also considers the membership requirements in 21 U.S.C. 360(c).

Ensuring Fair Balance:

Appointments are made without discrimination. The committee is reviewed in totality for balance, characterized by inclusion of necessary knowledge, insight, and scientific perspective from the relevant community or expertise area. Nominations are sought from all geographic locations within the United States and its territories, and from diverse sources including professional and scientific societies, academia, government agencies, industry and trade associations, consumer and patient organizations, and current Agency staff.

4. *List of all other Federal advisory committees of the agency.*

FDA maintains the following Federal advisory committees:

- Anesthetic and Analgesic Drug Products Advisory Committee
- Antimicrobial Drugs Advisory Committee
- Cardiovascular and Renal Drugs Advisory Committee
- Cellular Tissue and Gene Therapies Advisory Committee
- Dermatologic and Ophthalmic Drugs Advisory Committee
- Device Good Manufacturing Practice Advisory Committee
- Digital Health Advisory Committee
- Drug Safety and Risk Management Advisory Committee
- Endocrinologic and Metabolic Drugs Advisory Committee
- Gastrointestinal Drugs Advisory Committee
- Genetic and Metabolic Disease Advisory Committee
- Medical Devices Advisory Committee
- National Mammography Quality Assurance Advisory Committee (Administratively Inactive)
- Nonprescription Drugs Advisory Committee
- Obstetrics, Reproductive and Urologic Drug Advisory Committee
- Oncologic Drugs Advisory Committee

- Patient Engagement Advisory Committee
- Pediatrics Advisory Committee
- Peripheral and Central Nervous System Advisory Committee
- Pharmacy Compounding Advisory Committee
- Pharmacy Compounding Drugs AC
- Psychopharmacologic Drugs Advisory Committee
- Pulmonary-Allergy Drugs Advisory Committee
- Risk Communication Advisory Committee (Administratively Inactive)
- Science Board to the Food and Drug Administration
 - Technical and Electronic Product Safety Standards AC
- Technical and Electronic Products Safety Standards Advisory Committee
- Tobacco Products Advisory Committee

5. *Justification that the information or advice provided by the Federal advisory committee or subcommittee is not available from another Federal advisory committee, another Federal Government source, or any other more cost-effective and less burdensome source.*

The Blood Products Advisory Committee (BPAC) was established to review and evaluate available data concerning the safety, effectiveness, and appropriate use of blood, products derived from blood and serum or biotechnology which are intended for use in the diagnosis, prevention, or treatment of human diseases, and make appropriate recommendations to the Commissioner of Food and Drugs. The Committee also advises the Commissioner of Food and Drugs of its findings regarding donor screening and testing, product labeling, clinical and laboratory studies involving such products, and the affirmation or revocation of biological product licenses.

No other FDA advisory committee is specifically focused on whole blood, blood components, plasma-derived products, and related biologics. These products raise unique scientific, technical, and public health issues involving donor eligibility and screening, transfusion-transmitted infectious disease risk, manufacturing controls, and clinical use that require the specialized expertise BPAC provides. At times, the Committee also functions as a medical device panel to address related device issues within its area of expertise.

6. *If the consultation is a committee renewal, a summary of the previous accomplishments of the committee and the reasons it needs to continue.*

Summary of Previous Accomplishments:

On May 9, 2024, the Committee met in open session to discuss strategies to reduce the risk of transfusion-transmitted malaria by testing blood donations from donors at risk of malaria exposure.

Agency Action: In January 2025, FDA issued a draft guidance for industry proposing a selective testing strategy to reduce the risk of transfusion-transmitted malaria (TTM). The draft guidance outlines testing strategies for blood donations that considers:

Testing donations from donors with a history of malaria.

- One-time testing of donors who resided in a malaria-endemic country.
- Testing donors who traveled to a malaria-endemic region in the past 12 months.
- Testing donations collected in U.S. regions identified by FDA as having local malaria transmission.

The guidance document for blood establishments is now in the public comment phase. The guidance reflects the scientific and operational considerations discussed at the committee meeting and is intended to help blood establishments reduce the risk of malaria transmission through tailored testing.

The committee is critical for the review and evaluation of data on the safety and effectiveness, and appropriate use of blood products intended for use in the diagnosis, prevention, or treatment of human diseases.

7. *Explanation of why the committee/subcommittee is essential to the conduct of agency business.*

Reasons for Continuation:

The Committee plays a critical role in enabling FDA to meet the requirements of section 505(n)(1) and (s)(1) of the Federal Food, Drug, and Cosmetic Act by providing expert scientific advice and recommendations. The BPAC is the only FDA advisory committee that provides specialized expertise in whole blood, blood components, plasma-derived products, and related biologics. These products raise unique scientific, technical, and public health issues involving donor eligibility and screening, transfusion-transmitted infectious disease risk, manufacturing controls, and clinical use.

In conclusion, this public interest determination documents that renewing the committee is in the public interest, essential to the conduct of agency business, and that the information to be obtained is not already available through another advisory committee or source within the Federal Government.

This notice is issued under the Federal Advisory Committee Act as amended (5 U.S.C. 1001 *et seq.*). For general information related to FDA advisory committees, please visit us at <http://www.fda.gov/AdvisoryCommittees/default.htm>.

Grace R. Graham,

Deputy Commissioner for Policy, Legislation, and International Affairs.

[FR Doc. 2026–09108 Filed 5–6–26; 8:45 am]

BILLING CODE 4164–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Health Resources and Services Administration

Notice of Criteria for Determining Maternity Care Health Professional Target Areas

AGENCY: Health Resources and Services Administration (HRSA), Department of Health and Human Services (HHS).

ACTION: Notice of final response.

SUMMARY: HRSA published a 30-day public notice in the **Federal Register** on February 3, 2026, (**Federal Register** volume 91, number 22, pp. 4927–4931) soliciting feedback on updated criteria for determining maternity care target areas (MCTA). In particular, HRSA requested feedback on proposed changes to the criteria and point scales for MCTAs by removing the criterion for Social Vulnerability Index (SVI) and reallocating its two points as follows: one point to population-to-full-time equivalent maternity care health professional ratio and one point to score for travel time/distance to the nearest source of accessible care outside of the MCTA. This notice responds to the comments received during this 30-day public notice period and sets forth updated MCTA scoring criteria.

DATES: The proposed update to Maternity Care Health Professional Target Areas will be implemented starting August 15, 2026.

FOR FURTHER INFORMATION CONTACT:

Matthew Patterson, Senior Advisor, Division of Policy and Shortage Designation, Bureau of Health Workforce, HRSA, Mail Stop 15SWH03, 5600 Fishers Lane, Rockville, Maryland 20857, phone number: (301) 594–5110, or sdb@hrsa.gov.

SUPPLEMENTARY INFORMATION:

Background

Section 332 of the Public Health Service (PHS) Act (42 U.S.C. 254e) provides that the Secretary of HHS designate Health Professional Shortage

Areas (HPSAs) based on criteria established by regulation. HPSAs are defined in statute to include (1) urban and rural geographic areas which the Secretary determines have shortages of health professionals, (2) population groups with such shortages, and (3) public or private medical facilities or other public facilities with such shortages. The required regulations setting forth the criteria for designating HPSAs are codified at 42 CFR part 5. Section 332(k)(1) of the PHS Act provides that the Secretary, acting through the HRSA Administrator, shall identify shortages of maternity care health services “within health professional shortage areas.” Section 332(k)(1) further requires HRSA to identify MCTAs and distribute maternity care health professionals within HPSAs using the MCTAs so identified.

In a September 27, 2021, **Federal Register** notice (FRN) (86 FR 53324), HRSA requested feedback on six proposed criteria to identify MCTAs: (1) ratio of females ages 15–44 to full time equivalent maternity care health professional; (2) percentage of females 15–44 with income at or below 200 percent of the federal poverty level (FPL); (3) travel time/distance to the nearest provider location with access to comprehensive maternity care services; (4) fertility rate; (5) SVI; and (6) four maternal health indicators (pre-pregnancy obesity, pre-pregnancy diabetes, pre-pregnancy hypertension, and prenatal care initiation in the first trimester). HRSA finalized the MCTA criteria on May 19, 2022 (87 FR 30501).

On February 3, 2026, through an FRN, HRSA announced a 30-day public comment period to solicit input on updated criteria for determining MCTAs (91 FR 4927). In particular, HRSA requested feedback on proposed changes to the criteria and point scales for MCTAs by removing the criterion for SVI and reallocating its two points as follows: one point to population-to-full-time equivalent maternity care health professional ratio, and one point for travel time/distance to the nearest source of accessible care outside of the MCTA. HRSA carefully evaluated and analyzed the comments received and used them to guide the final decision on how to update criteria used in MCTAs.

Comments on the Proposed Criteria for Identifying Maternity Care Target Areas

HRSA received 14 responses to the request for comments. The following is a breakdown of those 14 responses. Of those 14 responses, six comments were from public interest/advocacy

organizations, three comments were from state government agencies, two comments were from academic institutions/researchers, two comments were from health care providers/institutions, and one comment was from an individual/private citizen. Of the 14 comments received, one comment fell outside of the scope of this request. The remaining 13 comments and HRSA’s responses are summarized below.

Summary of Comments

Social Vulnerability Index

HRSA received three comments that supported the February 3, 2026, FRN proposal to remove the SVI and reallocate points to population-to-full-time-equivalent maternity care health professional ratio and travel time/distance to the nearest source of accessible care outside of the MCTA. Ten comments did not support the proposal detailed in the February 3, 2026, FRN.

The three commenters who supported the removal of SVI as a MCTA criteria all mentioned that reallocation of the points to population-to-full-time-equivalent maternity care health professional ratio and travel time/distance to the nearest source of accessible care outside of the MCTA would better measure access to maternity care providers, and discussed that this will advantage rural communities in regards to MCTA scoring and ultimately recruiting and retaining maternity care providers to serve in those areas. Two specifically mentioned transportation issues and road terrain conditions as additional barriers to health care access facing rural communities. One commenter specifically stated the removal of SVI and reallocation of points to population-to-full-time-equivalent maternity care health professional ratio and travel time/distance to the nearest source of accessible care outside of the MCTA was equitable and will assist in National Health Service Corps Loan Repayment Program recruitment.

The remaining 10 relevant comments were opposed to the HRSA proposal to remove SVI. Nine commenters believe the system should continue to look at multiple factors, including clinical and social challenges, to better understand where care is needed. Five of the 10 commenters recommended retaining SVI or replacing it with a similar metric, however, not all commenters had suggestions on what metric could replace SVI. Two commenters recommended using the Social Deprivation Index as a direct replacement, and one specifically

mentioned using the Centers for Disease Control and Prevention National Vital Statistics System. Five commenters requested HRSA monitor how scoring changes affect provider placement and recruitment. Four commenters stated that removal of SVI may adversely affect rural areas via reduced workforce placement, and four also recommended that HRSA should conduct an impact analysis prior to implementation of any policy change.

Response

HRSA thanks all commenters for their input on the proposed change to MCTA criteria and recognizes that there are many factors that should be considered when making changes to the way shortage areas are scored. Many commenters indicated that SVI should be maintained; however, HRSA’s position is that SVI is used to help public health officials and local planners better prepare for and respond to emergency events, not necessarily to determine access to care. Congress established MCTAs through the Improving Access to Maternity Care Act of 2018 (Pub. L. 115–320) to ensure that shortage areas in need of maternity care health services have access to maternity care. The proposed reallocation of points from SVI to the nearest source of accessible care will work to better quantify the distances some communities must travel to seek maternity care, and reallocation of points from SVI to the population-to-full-time-equivalent maternity care health professional ratio will work to better quantify the availability of maternity care providers versus the population in the area under consideration for designation. These two values closely align with access to maternity care, and therefore, the congressional intent in establishing MCTAs. HRSA understands the sensitivity around workforce recruitment and retention, especially in rural areas. HRSA may continue to evaluate the components of these two values, including the definition of maternity care health professional. HRSA conducted an impact analysis on currently designated MCTAs, including those in rural areas, in the February 3, 2026, FRN, showing that the anticipated effect of these changes will be an overall increase of 6.6 percent to MCTA scores.

Conclusion

HRSA appreciates the comments and recommendations received from the public. HRSA considers many of the comments received to be useful and informative to future discussions on how to strengthen MCTAs moving

forward. After consideration of the public comments received, HRSA is implementing the final MCTA criteria as proposed. Details on the final approach are below. If you have any questions, please contact Matthew Patterson at sdb@hrsa.gov.

Final Approach for Determining Maternity Care Health Professional Target Areas

An MCTA score will be generated for each primary care HPSA using the HPSA's service area. The following five scoring criteria will be included in a composite scale that will be used to identify MCTAs with the greatest shortage of maternity care health professionals: (1) ratio of females ages 15–44 to full time equivalent maternity care health professional; (2) percentage of females 15–44 with income at or below 200 percent of the FPL; (3) travel

time/distance to the nearest provider trained and licensed to provide the necessary care; (4) fertility rate; and (5) maternal health index which contains the following six indicators: pre-pregnancy obesity, pre-pregnancy diabetes, pre-pregnancy hypertension, prenatal care initiation in the first trimester, cigarette smoking, and the behavioral health factor. Each of these five criteria will be assigned a relative weight based on the significance of that criterion relative to all the others.

The weighted scores will be summed to develop a composite MCTA score ranging from zero to 25, with 25 indicating the greatest need for maternity care health professionals in the MCTA. Accordingly, the higher the composite score, the higher the degree of need for maternity care health services.

Score for Population-to-Full-Time-Equivalent Maternity Care Health Professional Ratio

The population-to-provider ratio will measure the number of women of childbearing age in the service area compared to the number of maternity care health professionals in the service area. Women of childbearing age will be defined as women between the ages of 15–44 years old and maternity care health professionals will be defined as Obstetricians-Gynecologists and Certified Nurse Midwives (CNMs). A population-to-provider ratio of 1,500:1 will be used as a minimum requirement for a population to be considered reasonably served by Obstetricians-Gynecologists and CNMs.

Population-to-provider ratio point values will be distributed as follows:

Population-to-provider ratio	Points
Ratio $\geq 6,000:1$, or No CNMs or OB-GYNs and Population (Pop) ≥ 500	6
6,000:1 > Ratio $\geq 5,000:1$, or No CNMs or OB-GYNs and Pop ≥ 400	5
5,000:1 > Ratio $\geq 3,000:1$, or No CNMs or OB-GYNs and Pop ≥ 300	4
3,000:1 > Ratio $\geq 2,000:1$, or No CNMs or OB-GYNs and Pop ≥ 200	3
2,000:1 > Ratio $\geq 1,500:1$, or No CNMs or OB-GYNs and Pop ≥ 100	2
Ratio < 1,500:1, or No CNMs or OB-GYNs and Pop < 100	0

Score for Percentage of Population With Income at or Below 200 Percent of the Federal Poverty Level

The percentage of women of childbearing age living in the service

area at or below 200 percent of the FPL will be used to score MCTAs, based on poverty data from the United States Census Bureau.

Population with income at or below 200 percent of the FPL point values will be distributed as follows:

Population with income at or below 200% FPL ratio	Points
Percentage of population with income at or below 200% FPL $\geq 50\%$	5
50% > Percentage of population with income at or below 200% FPL $\geq 45\%$	4
45% > Percentage of population with income at or below 200% FPL $\geq 40\%$	3
40% > Percentage of population with income at or below 200% FPL $\geq 35\%$	2
35% > Percentage of population with income at or below 200% FPL $\geq 30\%$	1
Percentage of population with income at or below 200% FPL < 30%	0

Score for Travel Time/Distance to the Nearest Source of Accessible Care Outside of the MCTA

The nearest source of accessible care is defined as the nearest provider

trained and licensed to provide the necessary care, as determined by the Esri StreetMap Premium road network. Travel time/distance is defined as the average time to travel by road miles or

the actual distance in road miles to the nearest source of care.

Travel time/distance to the nearest source of accessible care point values will be distributed as follows:

Travel time/distance	Points
Time ≥ 90 min or Distance ≥ 90 miles	6
90 min > Time ≥ 75 min or 90 miles > Distance ≥ 75 miles	5
75 min > Time ≥ 60 min or 75 miles > Distance ≥ 60 miles	4
60 min > Time ≥ 45 min or 60 miles > Distance ≥ 45 miles	3
45 min > Time ≥ 30 min or 45 miles > Distance ≥ 30 miles	2
Time < 30 min and Distance < 30 miles	0

Score for Fertility Rate

Fertility rate has been included to reflect the increased need for maternity

care services among populations that experience a higher rate of births. Women of childbearing age (*i.e.*, ages

15–44) will be derived from the American Community Survey and births

will be derived from the National Vital Statistics System.

Fertility Rate point values will be distributed as follows:

Fertility rate	Points
Fertility Rate $\geq$ 90th Percentile	2
90th Percentile > Fertility Rate $\geq$ 50th Percentile	1
Fertility Rate <50th Percentile	0

Score for Maternal Health Indicators

Maternal health indicators are defined as factors associated with poor maternal health outcomes using data from the National Vital Statistics System and the Shortage Designation Management System. Scores will consider pre-pregnancy obesity, pre-pregnancy diabetes, pre-pregnancy hypertension, cigarette smoking before or during pregnancy, whether prenatal care began in the first trimester, and access to behavioral health services. Only women of childbearing age (*i.e.*, aged 15–44)

will be considered for these indicators. HRSA will use the National Vital Statistics System Natality file as the data source to determine the sub-score for pre-pregnancy obesity, pre-pregnancy diabetes, pre-pregnancy hypertension, cigarette smoking before or during pregnancy, and whether prenatal care began in the first trimester. The Shortage Designation Management System Mental HPSA file will be the data source to determine the sub-score for the behavioral health access factor.

Maternal Health Indicator criteria point values will be distributed as follows:

• *Pre-Pregnancy Obesity*

Pre-pregnancy obesity is defined as having a body mass index of 30 or higher. One point will be awarded if the prevalence of pre-pregnancy obesity in the area is greater than or equal to the 50th percentile among all counties in the United States. If the prevalence of pre-pregnancy obesity in the area is less than the 50th percentile among all counties, zero points will be awarded.

Pre-pregnancy obesity	Points
Prevalence of pre-pregnancy obesity $\geq$ 50th percentile	1
Prevalence of pre-pregnancy obesity <50th percentile	0

• *Pre-Pregnancy Diabetes*

One point will be awarded if the prevalence of pre-pregnancy diabetes in

the area is greater than or equal to the 50th percentile among all counties in the United States. If the prevalence of

pre-pregnancy diabetes in the area is less than the 50th percentile among all counties, zero points will be awarded.

Pre-pregnancy diabetes	Points
Prevalence of pre-pregnancy diabetes $\geq$ 50th percentile	1
Prevalence of pre-pregnancy diabetes <50th percentile	0

• *Pre-Pregnancy Hypertension*

One point will be awarded if the prevalence of pre-pregnancy

hypertension among women in the area is greater than or equal to the 50th percentile among all counties in the United States. If the prevalence of pre-

pregnancy hypertension among women in the area is less than the 50th percentile among all counties, zero points will be awarded.

Pre-pregnancy hypertension	Points
Prevalence of pre-pregnancy hypertension $\geq$ 50th percentile	1
Prevalence of pre-pregnancy hypertension <50th percentile	0

• *Cigarette Smoking*

One point will be awarded if the prevalence of cigarette smoking before or during pregnancy among women in the area is greater than or equal to the 50th percentile among all counties in

the United States. Smoking before pregnancy will be defined as smoking one or more cigarettes daily for the 3 months prior to pregnancy. Smoking during pregnancy will be defined as smoking one or more cigarettes during

any trimester of pregnancy. If the prevalence of cigarette smoking before or during pregnancy among women in the area is less than the 50th percentile among all counties, zero points will be awarded.

Cigarette smoking	Points
Prevalence of Cigarette Smoking Before or During Pregnancy $\geq$ 50th percentile	1
Prevalence of Cigarette Smoking Before or During Pregnancy <50th percentile	0

• *Prenatal Care Initiation in the 1st Trimester*

One point will be awarded if the prevalence of women who did not

initiate prenatal care in the first trimester of their pregnancy is greater than or equal to the 50th percentile among all counties in the United States. Zero points will be awarded if the

prevalence of women who did not initiate prenatal care in the first trimester of their pregnancy is less than the 50th percentile among all counties.

Prenatal care in first trimester	Points
Prevalence of No Prenatal Care in First Trimester $\geq$ 50th percentile	1
Prevalence of No Prenatal Care in First Trimester $<$ 50th percentile	0

• *Behavioral Health Factor*

One point will be awarded if a portion or all of the MCTA service area is designated as a Mental Health HPSA

meeting the following population-to-provider median ratio thresholds based on its mental health provider type. Zero points will be awarded if a portion or all of the MCTA service area is not

designated as a Mental Health HPSA or if the Mental Health designation does not meet the population-to-provider ratio threshold.

Behavioral health factor	Points
Portion or all of MCTA service area is designated as a Mental Health HPSA meeting the following population-to-provider ratio thresholds based on its mental health provider type	1
• <i>Psychiatrist ONLY</i>: Psychiatrist population-to-provider ratio $\geq$45,000:1. • <i>Core Mental Health ONLY</i>: Core mental health population-to-provider ratio $\geq$18,000:1. • <i>Psychiatrist and Core Mental Health</i>: Psychiatrist population-to-provider ratio $\geq$35,000:1 and Core mental health population-to-provider ratio $\geq$6,000:1. • <i>No Psychiatrists or Core Mental Health Providers</i>: $\geq$7,500: 0.	
Portion or all of MCTA service area is designated as a Mental Health HPSA and does not meet the population-to-provider ratio thresholds above, OR is not designated as a Mental Health HPSA	0

Paperwork Reduction Act

The criteria used to identify MCTAs under section 332(k) of the PHS Act, as described in this announcement, will not involve data collection activities that fall under the purview of the Paperwork Reduction Act of 1995. If the methods for determining MCTAs fall under the purview of the Paperwork Reduction Act, HRSA will seek the Office of Management and Budget clearance for proposed data collection activities.

Thomas J. Engels,
Administrator.

[FR Doc. 2026-09056 Filed 5-6-26; 8:45 am]

BILLING CODE 4165-15-P

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; Special Topics in Cancer Biology.

Date: June 1, 2026.

Time: 3:00 p.m. to 5:00 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: Wing-hang Tong, Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (302) 402-0360, tongw@mail.nih.gov.

Name of Committee: Risk, Prevention and Health Behavior Integrated Review Group; Lifestyle Change and Behavioral Health Study Section.

Date: June 4-5, 2026.

Time: 10:00 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: Pamela Jeter, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 10J08, Bethesda, MD 20892, (301) 827-6401, pamela.jeter@nih.gov.

Name of Committee: Integrative, Functional and Cognitive Neuroscience Integrated Review Group; Behavioral Neuroendocrinology, Neuroimmunology, Rhythms, and Sleep Study Section.

Date: June 8-9, 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: Simon Peter Peron, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Dr., Room 1009K, Bethesda, MD 20892, (301) 594-6236, peronsp@csr.nih.gov.

Name of Committee: Aging and Neurodegeneration Integrated Review Group; Aging Systems and Geriatrics Study Section.

Date: June 9, 2026.

Time: 9:00 a.m. to 9:00 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: Roger Alan Bannister, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 1010-D, Bethesda, MD 20892, (301) 435-1042, bannistera@csr.nih.gov.

Name of Committee: Biological Chemistry and Macromolecular Biophysics Integrated Review Group; Macromolecular Structure and Function B Study Section.

Date: June 9-10, 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: Alexei A. Yeliseev, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 443-0552, yeliseeva@mail.nih.gov.

Name of Committee: Endocrinology, Metabolism, Nutrition and Reproductive Sciences Integrated Review Group; Basic Mechanisms of Diabetes and Metabolism Study Section.

Date: June 9, 2026.

Time: 10:00 a.m. to 5:00 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: Victoria Martinez Virador, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 594-4703, victoria.virador@nih.gov.

Name of Committee: Bioengineering Sciences & Technologies Integrated Review Group; Modeling and Analysis of Biological Systems Study Section.

Date: June 10, 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: Zarana Patel, Ph.D., MPH, Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 496-9295, zarana.patel@nih.gov.

Name of Committee: Center for Scientific Review Special Emphasis Panel; Special Topics: R-Awards.

Date: June 10, 2026.

Time: 10:00 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: Angela Monique Boutte, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Dr., Bethesda, MD 20892, (301) 594-0063, boutteam@csr.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: May 4, 2026.

Sterlyn H. Gibson,

Program Specialist, Office of Federal Advisory Committee Policy.

[FR Doc. 2026-08995 Filed 5-6-26; 8:45 am]

BILLING CODE 4167-05-P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

[Docket No. USCG-2026-0351]

Certificate of Alternative Compliance for the AHT SAKMAN

AGENCY: Coast Guard, DHS.

ACTION: Notification of issuance of a certificate of alternative compliance.

SUMMARY: The Coast Guard announces that the U.S. Coast Guard Oceania District Prevention Division has issued a certificate of alternative compliance from the International Regulations for Preventing Collisions at Sea, 1972 (72 COLREGS), for the ANCHOR HANDLING TUG (AHT) SAKMAN (ON 1362284). We are issuing this notice because its publication is required by statute. Due to the construction and placement of the forward superstructure and aft working deck, the AHT SKAMAN cannot fully comply with the lighting provisions of the 72 COLREGS without interfering with the vessel's design and construction. This notification of issuance of a certificate of alternative compliance promotes the Coast Guard's marine safety mission.

DATES: The certificate of alternative compliance was issued on March 20, 2026.

FOR FURTHER INFORMATION CONTACT: For information or questions about this notice call or email CDR Simone Mausz, Oceania District (dpi), U.S. Coast Guard; (571) 607-6091, simone.mausz@uscg.mil.

SUPPLEMENTARY INFORMATION: The United States is signatory to the International Maritime Organization's International Regulations for Preventing Collisions at Sea, 1972 (72 COLREGS), as amended. The special construction or purpose of some vessels makes them unable to comply with the light, shape, or sound signal provisions of the 72 COLREGS. Under statutory law, however, specified 72 COLREGS

provisions are not applicable to a vessel of special construction or purpose if the Coast Guard determines that the vessel cannot comply fully with those requirements without interfering with the special function of the vessel.¹

The owner, builder, operator, or agent of a special construction or purpose vessel may apply to the Coast Guard District Office in which the vessel is being built or operated for a determination that compliance with alternative requirements is justified,² and the Chief of the Prevention Division will then issue the applicant a certificate of alternative compliance (COAC) if he or she determines that the vessel cannot comply fully with 72 COLREGS light, shape, and sound signal provisions without interference with the vessel's special function.³ If the Coast Guard issues a COAC, it must publish notice of this action in the **Federal Register**.⁴

The Chief of Prevention Division, Oceania District, U.S. Coast Guard, certifies that the AHT SAKMAN (ON 1362284) is a vessel of special construction or purpose, and that, with respect to the position of the forward superstructure and aft working deck, it is not possible to comply fully with the lighting and special shapes requirements of the provisions enumerated in the 72 COLREGS, without interfering with the normal operation, construction, or design of the vessel. The Chief of Prevention Division, Oceania District, U.S. Coast Guard, further finds and certifies that the due to the construction and placement of the forward superstructure and aft working deck, the current lighting configuration placing the stern light and towing light at frame 40, and the vertical and horizontal spacing of lights 1m and 24m respectively, are in the closest possible compliance with the applicable provisions of the 72 COLREGS.⁵

This notice is issued under authority of 33 U.S.C. 1605(c) and 33 CFR 81.18.

Erin E. Williams,

Captain, U.S. Coast Guard, Chief, Prevention Division, Coast Guard Oceania District.

[FR Doc. 2026-09029 Filed 5-6-26; 8:45 am]

BILLING CODE 9110-04-P

¹ 33 U.S.C. 1605.

² 33 CFR 81.5.

³ 33 CFR 81.9.

⁴ 33 U.S.C. 1605(c) and 33 CFR 81.18.

⁵ 33 U.S.C. 1605(a); 33 CFR 81.9.

DEPARTMENT OF HOMELAND SECURITY

U.S. Customs and Border Protection

[OMB Control Number 1651–0105]

Agency Information Collection Activities; Extension; Application To Use Automated Commercial Environment (ACE)

AGENCY: U.S. Customs and Border Protection (CBP), Department of Homeland Security.

ACTION: 30-Day notice and request for comments.

SUMMARY: The Department of Homeland Security, U.S. Customs and Border Protection (CBP) 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 (PRA). The information collection is published in the **Federal Register** to obtain comments from the public and affected agencies.

DATES: Comments are encouraged and must be submitted (no later than June 8, 2026) to be assured of consideration.

ADDRESSES: Written comments and/or suggestions regarding the item(s) contained in this notice should be sent within 30 days of publication of this notice to www.reginfo.gov/public/do/PRAMain. Please submit written comments and/or suggestions in English. Find this particular information collection by selecting “Currently under 30-day Review—Open for Public Comments” or by using the search function.

FOR FURTHER INFORMATION CONTACT:

Requests for additional PRA information should be directed to Seth Renkema, Chief, Economic Impact Analysis Branch, U.S. Customs and Border Protection, Office of Trade, Regulations and Rulings, 90 K Street NE, 10th Floor, Washington, DC 20229–1177, Telephone number 202–325–0056 or via email CBP_PRA@cbp.dhs.gov. Please note that the contact information provided here is solely for questions regarding this notice. Individuals seeking information about other CBP programs should contact the CBP National Customer Service Center at 877–227–5511, (TTY) 1–800–877–8339, or CBP website at <https://www.cbp.gov/>.

SUPPLEMENTARY INFORMATION: CBP invites the general public and other Federal agencies to comment on the proposed and/or continuing information collections pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501

et seq.). This proposed information collection was previously published in the **Federal Register** (90 FR 25065) on June 13, 2025, allowing for a 60-day comment period. This notice allows for an additional 30 days for public comments. This process is conducted in accordance with 5 CFR 1320.8. Written comments and suggestions from the public and affected agencies should address one or more of the following four points: (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, including the validity of the methodology and assumptions used; (3) suggestions to enhance the quality, utility, and clarity of the information to be collected; and (4) suggestions to 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. The comments that are submitted will be summarized and included in the request for approval. All comments will become a matter of public record.

Overview of This Information Collection

Title: Application to Use Automated Commercial Environment (ACE).

OMB Number: 1651–0105.

Form Number: N/A.

Current Actions: Extension.

Type of Review: Extension (with change).

Affected Public: Businesses.

Abstract: The Automated Commercial Environment (ACE) is a trade data processing system that replaced the Automated Commercial System (ACS), as the import system for U.S. Customs and Border Protection (CBP) operations. ACE is authorized by Executive Order 13659 which mandates the implementation of a Single Window through which businesses will transmit data required by participating agencies for the importation or exportation of cargo. *See* 79 FR 10655 (February 25, 2014). ACE supports government agencies and the trade community with border-related missions with respect to moving goods across the border efficiently and securely. Once ACE is fully implemented, all related CBP trade functions and the trade community will be supported from a single common user interface.

To establish an ACE Portal account, participants submit information such as their name, their employer identification number (EIN) or social security number (SSN), and if applicable, a statement certifying their capability to connect to the internet. This information is submitted through the ACE Secure Data Portal which is accessible at: <http://www.cbp.gov/trade/automated>.

Please Note: A CBP-assigned number may be provided in lieu of your SSN. If you have an EIN, that number will automatically be used and no CBP number will be assigned. A CBP-assigned number is for CBP use only.

There is a standalone capability for electronically filing protests in ACE. This capability is available for participants who have not established ACE Portal Accounts for other trade activities, but desire to file protests electronically. A protest is a procedure whereby a private party may administratively challenge a CBP decision regarding imported merchandise and certain other CBP decisions. Trade members can establish a protest filer account in ACE through a separate application and the submission of specific data elements. *See* 81 FR 57928 (August 24, 2016).

Previously approved changes for this collection include, adding a new ACE account type for Import Trade Carriers. This enables users to file vessel entrance, clearance, and related data to CBP electronically through the new Vessel Entrance and Clearance System (VECS). The account application will be changed to collect identifying information such as name, employer identification number (EIN), company address, and phone numbers, to be used to set up the Vessel Agency accounts. Users who create a Vessel Agency Account are automatically enrolled into the VECS public pilot. Additionally, unrelated to the Vessel Agency account type creation, CBP removed account types “Cartman” and “Lighterman” from the ACE Account Application. These account types were never used and are being removed due to that lack of use.

Proposed Changes

Section four of the application entitled “Air Carrier/Rail Carrier/Sea Carrier/Truck Carrier/Driver/Crew” was updated on February 6, 2025, to change the word “gender” to “sex”. The change was made to comply with the Executive Order issued on January 20, 2025: “Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government”.

Type of Information Collection:
Application to ACE (Import).
Estimated Number of Respondents:
21,571.

Estimated Number of Annual
Responses per Respondent: 1.
Estimated Number of Total Annual
Responses: 21,571.
Estimated Time per Response: 20
minutes (0.33 hours).
Estimated Total Annual Burden
Hours: 7,118.

Type of Information Collection:
Application to ACE (Export).
Estimated Number of Respondents:
9,000.

Estimated Number of Annual
Responses per Respondent: 1.
Estimated Number of Total Annual
Responses: 9,000.
Estimated Time per Response: 4
minutes (0.066 hours).
Estimated Total Annual Burden
Hours: 594.

Type of Information Collection:
Application to Establish an ACE Protest
Filer Account.

Estimated Number of Respondents:
3,750.

Estimated Number of Annual
Responses per Respondent: 1.
Estimated Number of Total Annual
Responses: 3,750.

Estimated Time per Response: 4
minutes (0.066 hours).
Estimated Total Annual Burden
Hours: 248.

Seth D. Renkema,

Branch Chief, Economic Impact Analysis
Branch, U.S. Customs and Border Protection.

[FR Doc. 2026-09106 Filed 5-6-26; 8:45 am]

BILLING CODE 9111-14-P

DEPARTMENT OF HOMELAND SECURITY

U.S. Customs and Border Protection

Approval of AmSpec LLC (Baytown, TX) as a Commercial Gauger

AGENCY: U.S. Customs and Border
Protection, Department of Homeland
Security.

ACTION: Notice of approval of AmSpec
LLC (Baytown, TX), as a commercial
gauger.

SUMMARY: Notice is hereby given,
pursuant to CBP regulations, that
AmSpec LLC (Baytown, TX), has been
approved to gauge petroleum and
certain petroleum products for customs
purposes for the next three years as of
September 15, 2025.

DATES: AmSpec LLC (Baytown, TX) was
approved as a commercial gauger as of

September 15, 2025. The next triennial
inspection date will be scheduled for
September 2028.

FOR FURTHER INFORMATION CONTACT: Dr.
Justin Shey, Laboratories and Scientific
Services, U.S. Customs and Border
Protection, 1331 Pennsylvania Avenue
NW, Suite 1501A North, Washington,
DC 20004, tel. 202-344-1060.

SUPPLEMENTARY INFORMATION: Notice is
hereby given pursuant to 19 CFR 151.13,
that AmSpec LLC, 6813 Bayway Dr.,
Baytown, TX 77520, has been approved
to gauge petroleum and certain
petroleum products for customs
purposes, in accordance with the
provisions of 19 CFR 151.13.

AmSpec LLC (Baytown, TX) is
approved for the following gauging
procedures for petroleum and certain
petroleum products from the American
Petroleum Institute (API):

API chapters	Title
3	Tank Gauging.
7	Temperature Determination.
8	Sampling.
11	Physical Properties Data.
12	Calculation of Petroleum Quantities.
17	Marine Measurement.

Anyone wishing to employ this entity
to conduct gauger services should
request and receive written assurances
from the entity that it is approved by the
U.S. Customs and Border Protection to
conduct the specific gauger service
requested. Alternatively, inquiries
regarding the specific gauger service this
entity is approved to perform may be
directed to the U.S. Customs and Border
Protection by calling (202) 344-1060.
The inquiry may also be sent to
CBPGaugersLabs@cbp.dhs.gov. Please
reference the website listed below for a
complete listing of CBP approved
gaugers and accredited laboratories.
[http://www.cbp.gov/about/labs-
scientific/commercial-gaugers-and-
laboratories](http://www.cbp.gov/about/labs-scientific/commercial-gaugers-and-laboratories).

Patricia A. Coleman,

Acting Assistant Commissioner, Laboratories
and Scientific Services.

[FR Doc. 2026-09035 Filed 5-6-26; 8:45 am]

BILLING CODE 9111-14-P

DEPARTMENT OF HOMELAND SECURITY

U.S. Customs and Border Protection

Approval of Bureau Veritas Commodities and Trade, Inc. (Baton Rouge, LA) as a Commercial Gauger

AGENCY: U.S. Customs and Border
Protection, Department of Homeland
Security.

ACTION: Notice of approval of Bureau
Veritas Commodities and Trade, Inc.
(Baton Rouge, LA), as a commercial
gauger.

SUMMARY: Notice is hereby given,
pursuant to CBP regulations, that
Bureau Veritas Commodities and Trade,
Inc. (Baton Rouge, LA), has been
approved to gauge petroleum and
certain petroleum products for customs
purposes for the next three years as of
May 21, 2025.

DATES: Bureau Veritas Commodities and
Trade, Inc. (Baton Rouge, LA) was
approved as a commercial gauger as of
May 21, 2025. The next triennial
inspection date will be scheduled for
May 2028.

FOR FURTHER INFORMATION CONTACT: Mrs.
Allison Blair, Laboratories and
Scientific Services, U.S. Customs and
Border Protection, 4150 Interwood
South Parkway, Houston, TX 77032, tel.
281-560-2900.

SUPPLEMENTARY INFORMATION: Notice is
hereby given pursuant to 19 CFR 151.13,
that Bureau Veritas Commodities and
Trade, Inc., 11725 Cloverland Court,
Suite D, Baton Rouge, LA 70809, has
been approved to gauge petroleum and
certain petroleum products for customs
purposes, in accordance with the
provisions of 19 CFR 151.13.

Bureau Veritas Commodities and
Trade, Inc. (Baton Rouge, LA) is
approved for the following gauging
procedures for petroleum and certain
petroleum products from the American
Petroleum Institute (API):

API chapters	Title
3	Tank Gauging.
5	Metering.
7	Temperature Determination.
8	Sampling.
12	Calculations.
14	Natural Gas Fluids Measure- ment.
17	Marine Measurement.

Anyone wishing to employ this entity
to conduct gauger services should
request and receive written assurances
from the entity that it is approved by the
U.S. Customs and Border Protection to
conduct the specific gauger service

requested. Alternatively, inquiries regarding the specific gauger service this entity is approved to perform may be directed to the U.S. Customs and Border Protection by calling (281) 560–2900. The inquiry may also be sent to CBPGaugersLabs@cbp.dhs.gov. Please reference the website listed below for a complete listing of CBP approved gaugers and accredited laboratories. <http://www.cbp.gov/about/labs-scientific/commercial-gaugers-and-laboratories>.

Aine M. Ramirez,

Laboratory Director, Houston, Laboratories and Scientific Services Directorate.

[FR Doc. 2026–09030 Filed 5–6–26; 8:45 am]

BILLING CODE 9111–14–P

DEPARTMENT OF HOMELAND SECURITY

U.S. Customs and Border Protection

Accreditation and Approval of AmSpec, LLC (Savannah, GA) as a Commercial Gauger and Laboratory

AGENCY: U.S. Customs and Border Protection, Department of Homeland Security.

ACTION: Notice of accreditation and approval of AmSpec, LLC (Savannah, GA) as a commercial gauger and laboratory.

SUMMARY: Notice is hereby given, pursuant to CBP regulations, that AmSpec, LLC (Savannah, GA), has been approved to gauge petroleum and certain petroleum products and accredited to test petroleum and certain petroleum products for customs purposes for the next three years as of September 23, 2025.

DATES: AmSpec, LLC (Savannah, GA) was approved and accredited as a commercial gauger and laboratory as of September 23, 2025. The next inspection date will be scheduled for September 2028.

FOR FURTHER INFORMATION CONTACT: Dr. Justin Shey, Laboratories and Scientific Services, U.S. Customs and Border Protection, 1331 Pennsylvania Avenue NW, Suite 1501–A North, Washington, DC 20004, tel. 202–344–1060.

SUPPLEMENTARY INFORMATION: Notice is hereby given pursuant to 19 CFR 151.12 and 19 CFR 151.13, that AmSpec, LLC, 4117 Montgomery St., Savannah, GA 31405, has been approved to gauge

petroleum and certain petroleum products and accredited to test petroleum and certain petroleum products for customs purposes, in accordance with the provisions of 19 CFR 151.12 and 19 CFR 151.13.

AmSpec, LLC (Savannah, GA) is approved for the following gauging procedures for petroleum and certain petroleum products from the American Petroleum Institute (API):

API chapters	Title
3	Tank Gauging.
7	Temperature Determination.
8	Sampling.
11	Physical Properties Data.
12	Calculation of Petroleum Quantities.
17	Marine Measurement.

AmSpec, LLC (Savannah, GA) is accredited for the following laboratory analysis procedures and methods for petroleum and certain petroleum products set forth by the U.S. Customs and Border Protection Laboratory Methods (CBPL) and American Society for Testing and Materials (ASTM):

CBPL No.	ASTM	Title
27–01	D287	Standard Test Method for API Gravity of Crude Petroleum and Petroleum Products (Hydrometer Method).
27–02	D1298	Standard Test Method for Density, Relative Density, or API Gravity of Crude Petroleum and Liquid Petroleum Products by Hydrometer Method.
27–03	D4006	Standard Test Method for Water in Crude Oil by Distillation.
27–04	D95	Standard Test Method for Water in Petroleum Products and Bituminous Materials by Distillation.
27–05	D4928	Standard Test Method for Water in Crude Oils by Coulometric Karl Fischer Titration.
27–06	D473	Standard Test Method for Sediment in Crude Oils and Fuel Oils by the Extraction Method.
27–08	D86	Standard Test Method for Distillation of Petroleum Products at Atmospheric Pressure.
27–11	D445	Standard Test Method for Kinematic Viscosity of Transparent and Opaque Liquids (and Calculation of Dynamic Viscosity).
27–13	D4294	Standard Test Method for Sulfur in Petroleum and Petroleum Products by Energy-Dispersive X-ray Fluorescence Spectrometry.
27–48	D4052	Standard Test Method for Density, Relative Density, and API Gravity of Liquids by Digital Density Meter.
27–50	D93	Standard Test Methods for Flash Point by Pensky-Martens Closed Cup Tester.
27–53	D2709	Standard Test Method for Water and Sediment in Middle Distillate Fuels by Centrifuge.
27–54	D1796	Standard Test Method for Water and Sediment in Fuel Oils by the Centrifuge Method (Laboratory Procedure).
27–58	D5191	Standard Test Method for Vapor Pressure of Petroleum Products and Liquid Fuels (Mini Method).

Anyone wishing to employ this entity to conduct laboratory analyses and gauger services should request and receive written assurances from the entity that it is accredited or approved by the U.S. Customs and Border Protection to conduct the specific test or gauger service requested. Alternatively, inquiries regarding the specific test or gauger service this entity is accredited or approved to perform may be directed to the U.S. Customs and Border Protection by calling (202) 344–1060. The inquiry may also be sent to CBPGaugersLabs@cbp.dhs.gov. Please reference the website listed below for a

complete listing of CBP approved gaugers and accredited laboratories. <http://www.cbp.gov/about/labs-scientific/commercial-gaugers-and-laboratories>.

Patricia A. Coleman,

Acting Assistant Commissioner, Laboratories and Scientific Services.

[FR Doc. 2026–09034 Filed 5–6–26; 8:45 am]

BILLING CODE 9111–14–P

DEPARTMENT OF HOMELAND SECURITY

U.S. Customs and Border Protection

[OMB Control Number 1651–0117]

Agency Information Collection Activities; Extension; Free Trade Agreements (FTAs)

AGENCY: U.S. Customs and Border Protection (CBP), Department of Homeland Security.

ACTION: 60-Day notice and request for comments.

SUMMARY: The Department of Homeland Security, U.S. Customs and Border Protection (CBP) 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 (PRA). The information collection is published in the **Federal Register** to obtain comments from the public and affected agencies.

DATES: Comments are encouraged and must be submitted (no later than July 6, 2026) to be assured of consideration.

ADDRESSES: Written comments and/or suggestions regarding the item(s) contained in this notice must include the OMB Control Number 1651-0117 in the subject line and the agency name. Please submit written comments and/or suggestions in English. Please use the following method to submit comments:

Email. Submit comments to: CBP_PRA@cbp.dhs.gov.

FOR FURTHER INFORMATION CONTACT:

Requests for additional PRA information should be directed to Seth Renkema, Chief, Economic Impact Analysis Branch, U.S. Customs and Border Protection, Office of Trade, Regulations and Rulings, 90 K Street NE, 10th Floor, Washington, DC 20229-1177, Telephone number 202-325-0056 or via email CBP_PRA@cbp.dhs.gov. Please note that the contact information provided here is solely for questions regarding this notice. Individuals seeking information about other CBP programs should contact the CBP National Customer Service Center at 877-227-5511, (TTY) 1-800-877-8339, or CBP website at <https://www.cbp.gov/>.

SUPPLEMENTARY INFORMATION: CBP invites the general public and other Federal agencies to comment on the proposed and/or continuing information collections pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*). This process is conducted in accordance with 5 CFR 1320.8. Written comments and suggestions from the public and affected agencies should address one or more of the following four points: (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, including the validity of the methodology and assumptions used; (3) suggestions to enhance the quality, utility, and clarity of the information to be collected; and (4) suggestions to 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. The comments that are submitted will be summarized and included in the request for approval. All comments will become a matter of public record.

Overview of This Information Collection

Title: Free Trade Agreements.

OMB Number: 1651-0117.

Form Number: N/A.

Current Actions: Extension.

Type of Review: Extension (without change).

Affected Public: Individuals and Businesses.

Abstract: The U.S. negotiates and implements free trade agreements (FTAs) and preferential trade legislations (PTLs), also known as preference programs, to promote prosperity for the U.S. economy. FTAs and PTLs open new markets for U.S. exports, protect American producers and workers, and encourage free and equitable trade among our trading partners. Free Trade Agreements (FTAs) are established to reduce and eliminate trade barriers, strengthen, and develop economic relations, and lay the foundation for further cooperation to expand and enhance benefits of the agreement between partner countries. These agreements establish free trade by reduced-duty treatment of imported goods. FTAs encourage international trade by making it easier and cheaper for businesses to export and import products and services between partner countries

The U.S. has entered into the following FTAs: United States-Chile Free Trade Agreement (US-CFTA) (Pub. L. 108-77); the Republic of Singapore (Pub. L. 108-78, 117 Stat. 948, 19 U.S.C. 3805 note); Australia (Pub. L. 108-286); Morocco (Pub. L. 108-302); Jordan (Pub. L. 107-43); Bahrain (Pub. L. 109-169); Oman (Pub. L. 109-283); Peru (Pub. L. 110-138, 121 Stat. 1455); Korea (Pub. L. 112-41); Colombia (Pub. L. 112-42, 125 Stat. 462); Panama (Pub. L. 112-43); and Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua (CAFTA-DR) (Pub. L. 109-53, 119 Stat. 462); Japan (Presidential Proclamation 9974, (**Federal Register** Notice (84 FR 72187)); Mexico and Canada (USMCA) (Pub. L. 116-113 section 101-195) and Consolidated Appropriations Act of 2021 (Pub. L. No. 116-260) (December 27, 2020).

These FTAs involve collection of data elements such as information about the importer and exporter of the goods, a description of the goods, tariff classification number, country of origin and the preference criterion in the Rules of Origin. Collection of data elements for compliance with preferential claims made on importations under the applicable FTA, while performing data trade trend analysis for compliance and enforcement.

Respondents can obtain information on how to make preferential claims under these FTAs at <http://www.cbp.gov/trade/free-trade-agreements>, and use a standard fillable format for the FTA Certification for submission to CBP by going to <http://www.cbp.gov/document/guides/certification-origin-template>.

Type of Information Collection: U.S.-Chile FTA.

Estimated Number of Respondents: 40,000.

Estimated Number of Annual Responses per Respondent: 1.

Estimated Number of Total Annual Responses: 40,000.

Estimated Time per Response: 2 hours.

Estimated Total Annual Burden Hours: 80,000.

Type of Information Collection: U.S.-Singapore FTA.

Estimated Number of Respondents: 45,000.

Estimated Number of Annual Responses per Respondent: 1.

Estimated Number of Total Annual Responses: 45,000.

Estimated Time per Response: 2 hours.

Estimated Total Annual Burden Hours: 90,000.

Type of Information Collection: U.S.-Australia FTA.

Estimated Number of Respondents: 20,000.

Estimated Number of Annual Responses per Respondent: 1.

Estimated Number of Total Annual Responses: 20,000.

Estimated Time per Response: 2 hours.

Estimated Total Annual Burden Hours: 40,000.

Type of Information Collection: U.S.-Morocco FTA.

Estimated Number of Respondents: 4,000.

Estimated Number of Annual Responses per Respondent: 1.

Estimated Number of Total Annual Responses: 4,000.

Estimated Time per Response: 2 hours.

Estimated Total Annual Burden Hours: 8,000.

Type of Information Collection: U.S.-Bahrain FTA.

Estimated Number of Respondents: 500.

Estimated Number of Annual Responses per Respondent: 1.

Estimated Number of Total Annual Responses: 500.

Estimated Time per Response: 2 hours.

Estimated Total Annual Burden Hours: 1,000.

Type of Information Collection: U.S.-Jordan FTA.

Estimated Number of Respondents: 2,500.

Estimated Number of Annual Responses per Respondent: 1.

Estimated Number of Total Annual Responses: 2,500.

Estimated Time per Response: 2 hours.

Estimated Total Annual Burden Hours: 5,000.

Type of Information Collection: U.S.-Oman FTA.

Estimated Number of Respondents: 100.

Estimated Number of Annual Responses per Respondent: 1.

Estimated Number of Total Annual Responses: 100.

Estimated Time per Response: 2 hours.

Estimated Total Annual Burden Hours: 200.

Type of Information Collection: U.S.-Peru TPA.

Estimated Number of Respondents: 4,000.

Estimated Number of Annual Responses per Respondent: 1.

Estimated Number of Total Annual Responses: 4,000.

Estimated Time per Response: 2 hours.

Estimated Total Annual Burden Hours: 8,000.

Type of Information Collection: U.S.-Korea FTA.

Estimated Number of Respondents: 200,000.

Estimated Number of Annual Responses per Respondent: 1.

Estimated Number of Total Annual Responses: 200,000.

Estimated Time per Response: 2 hours.

Estimated Total Annual Burden Hours: 400,000.

Type of Information Collection: U.S.-Colombia TPA.

Estimated Number of Respondents: 40,000.

Estimated Number of Annual Responses per Respondent: 1.

Estimated Number of Total Annual Responses: 40,000.

Estimated Time per Response: 2 hours.

Estimated Total Annual Burden Hours: 80,000.

Type of Information Collection: U.S.-Panama TPA.

Estimated Number of Respondents: 2,500.

Estimated Number of Annual Responses per Respondent: 1.

Estimated Number of Total Annual Responses: 2,500.

Estimated Time per Response: 2 hours.

Estimated Total Annual Burden Hours: 5,000.

Type of Information Collection: CAFTA-DR-U.S. FTA.

Estimated Number of Respondents: 800.

Estimated Number of Annual Responses per Respondent: 3.

Estimated Number of Total Annual Responses: 2,400.

Estimated Time per Response: 2 hours.

Estimated Total Annual Burden Hours: 4,800.

Type of Information Collection: JAPAN-U.S. FTA.

Estimated Number of Respondents: 40,000.

Estimated Number of Annual Responses per Respondent: 1.

Estimated Number of Total Annual Responses: 40,000.

Estimated Time per Response: 2 hours.

Estimated Total Annual Burden Hours: 80,000.

Type of Information Collection: USMCA.

Estimated Number of Respondents: 4,300,060.

Estimated Number of Annual Responses per Respondent: 1.

Estimated Number of Total Annual Responses: 4,300,060.

Estimated Time per Response: 2 hours.

Estimated Total Annual Burden Hours: 8,600,120.

Seth D. Renkema,

Branch Chief, Economic Impact Analysis Branch, U.S. Customs and Border Protection.
[FR Doc. 2026-09102 Filed 5-6-26; 8:45 am]

BILLING CODE 9111-14-P

DEPARTMENT OF HOMELAND SECURITY

U.S. Customs and Border Protection

[OMB Control Number 1651-0100]

Agency Information Collection Activities; Reinstatement; Petition for Remission or Mitigation of Forfeitures and Penalties Incurred

AGENCY: U.S. Customs and Border Protection (CBP), Department of Homeland Security.

ACTION: 30-Day notice and request for comments.

SUMMARY: The Department of Homeland Security, U.S. Customs and Border Protection (CBP) 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 (PRA). The information collection is published in the **Federal Register** to obtain comments from the public and affected agencies.

DATES: Comments are encouraged and must be submitted (no later than June 8, 2026) to be assured of consideration.

ADDRESSES: Written comments and/or suggestions regarding the item(s) contained in this notice should be sent within 30 days of publication of this notice to www.reginfo.gov/public/do/PRAMain. Please submit written comments and/or suggestions in English. Find this particular information collection by selecting "Currently under 30-day Review—Open for Public Comments" or by using the search function.

FOR FURTHER INFORMATION CONTACT:

Requests for additional PRA information should be directed to Seth Renkema, Chief, Economic Impact Analysis Branch, U.S. Customs and Border Protection, Office of Trade, Regulations and Rulings, 90 K Street NE, 10th Floor, Washington, DC 20229-1177, Telephone number 202-325-0056 or via email CBP_PRA@cbp.dhs.gov. Please note that the contact information provided here is solely for questions regarding this notice. Individuals seeking information about other CBP programs should contact the CBP National Customer Service Center at 877-227-5511, (TTY) 1-800-877-8339, or CBP website at <https://www.cbp.gov/>.

SUPPLEMENTARY INFORMATION: CBP invites the general public and other Federal agencies to comment on the proposed and/or continuing information collections pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501

et seq.). This proposed information collection was previously published in the **Federal Register** (90 FR 46627) on September 29, 2025, allowing for a 60-day comment period. This notice allows for an additional 30 days for public comments. This process is conducted in accordance with 5 CFR 1320.8. Written comments and suggestions from the public and affected agencies should address one or more of the following four points: (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, including the validity of the methodology and assumptions used; (3) suggestions to enhance the quality, utility, and clarity of the information to be collected; and (4) suggestions to 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. The comments that are submitted will be summarized and included in the request for approval. All comments will become a matter of public record.

Overview of This Information Collection

Title: Petition for Remission or Mitigation of Forfeitures and Penalties Incurred.

OMB Number: 1651–0100.

Form Number: 4609.

Current Actions: Reinstatement.

Type of Review: Reinstatement (without change).

Affected Public: Individuals and Businesses.

Abstract: CBP Form 4609, *Petition for Remission of Forfeitures and Penalties Incurred*, is completed, and filed with the CBP FPF Officer designated in the notice of claim by individuals who have been found to be in violation of one or more provisions of the Tariff Act of 1930, or other laws administered by CBP. Persons who violate the Tariff Act

of 1930, or other laws administered by CBP, are entitled to file an administrative petition seeking remission or mitigation of a fine, penalty, or forfeiture incurred under these laws. This petition is submitted on CBP Form 4609. The information provided on this form is used by CBP personnel as a basis for granting relief from forfeiture or penalty. CBP Form 4609 is authorized by 19 U.S.C. 1618 and provided for by 19 CFR 171.1. It is accessible at: <https://www.cbp.gov/newsroom/publications/forms?title=4609>.

This collection of information applies to members of the public who may not be familiar with import procedures and CBP regulations. It may also be used by the importing and trade community who are familiar with import procedures and with the CBP regulations.

Type of Information Collection: CBP Form 4609.

Estimated Number of Respondents: 1,610.

Estimated Number of Annual Responses per Respondent: 1.

Estimated Number of Total Annual Responses: 1,610.

Estimated Time per Response: 14 minutes.

Estimated Total Annual Burden Hours: 376.

Seth D. Renkema,

Branch Chief, Economic Impact Analysis Branch, U.S. Customs and Border Protection.

[FR Doc. 2026–09104 Filed 5–6–26; 8:45 am]

BILLING CODE 9111–14–P

DEPARTMENT OF HOMELAND SECURITY

U.S. Customs and Border Protection

Accreditation and Approval of SGS North America, Inc. (Bridgeview, IL) as a Commercial Gauger and Laboratory

AGENCY: U.S. Customs and Border Protection, Department of Homeland Security.

ACTION: Notice of accreditation and approval of SGS North America, Inc. (Bridgeview, IL), as a commercial gauger and laboratory.

SUMMARY: Notice is hereby given, pursuant to CBP regulations, that SGS North America, Inc. (Bridgeview, IL), has been approved to gauge petroleum and certain petroleum products and accredited to test petroleum and certain petroleum products for customs purposes for the next three years as of May 7, 2025.

DATES: SGS North America, Inc. (Bridgeview, IL) was approved and accredited as a commercial gauger and laboratory as of May 7, 2025. The next triennial inspection date will be scheduled for May 2028.

FOR FURTHER INFORMATION CONTACT: Mrs. Allison Blair, Laboratories and Scientific Services, U.S. Customs and Border Protection, 4150 Interwood South Parkway, Houston, TX 77032, tel. 281–560–2900.

SUPPLEMENTARY INFORMATION: Notice is hereby given pursuant to 19 CFR 151.12 and 19 CFR 151.13, that SGS North America, Inc., 7315 S 76th Ave., Bridgeview, Illinois 60455, has been approved to gauge petroleum and certain petroleum products and accredited to test petroleum and certain petroleum products for customs purposes, in accordance with the provisions of 19 CFR 151.12 and 19 CFR 151.13.

SGS North America, Inc. (Bridgeview, IL) is approved for the following gauging procedures for petroleum and certain petroleum products from the American Petroleum Institute (API):

API chapters	Title
3	Tank Gauging.
7	Temperature Determination.
9	Density Determination.
8	Sampling.
12	Calculations.
17	Marine Measurement.

SGS North America, Inc. (Bridgeview, IL) is accredited for the following laboratory analysis procedures and methods for petroleum and certain petroleum products set forth by the U.S. Customs and Border Protection Laboratory Methods (CBPL) and American Society for Testing and Materials (ASTM):

CBPL No.	ASTM	Title
27–08	D86	Standard Test Method for Distillation of Petroleum Products at Atmospheric Pressure.
27–11	D445	Standard Test Method for Kinematic Viscosity of Transparent and Opaque Liquids (and Calculation of Dynamic Viscosity).
27–13	D4294	Standard Test Method for Sulfur in Petroleum and Petroleum Products by Energy-Dispersive X-ray Fluorescence Spectrometry.
27–48	D4052	Standard Test Method for Density, Relative Density, and API Gravity of Liquids by Digital Density Meter.
27–50	D93	Standard Test Methods for Flash Point by Pensky-Martens Closed Cup Tester.
27–53	D2709	Standard Test Method for Water and Sediment in Middle Distillate Fuels by Centrifuge.

CBPL No.	ASTM	Title
27–58	D5191	Standard Test Method for Vapor Pressure of Petroleum Products and Liquid Fuels (Mini Method).
N/A	D1319	Standard Test Method for Hydrocarbon Types in Liquid Petroleum Products by Fluorescent Indicator Adsorption.
N/A	D3606	Standard Test Method for Determination of Benzene and Toluene in Spark Ignition Fuels by Gas Chromatography.
N/A	D4815	Standard Test Method for Determination of MTBE, ETBE, TAME, DIPE, tertiary-Amyl Alcohol and C1 to C4 Alcohols in Gasoline by Gas Chromatography.
N/A	D5453	Standard Test Method for Determination of Total Sulfur in Light Hydrocarbons, Spark Ignition Engine Fuel, Diesel Engine Fuel, and Engine Oil by Ultraviolet Fluorescence.

Anyone wishing to employ this entity to conduct laboratory analyses and gauger services should request and receive written assurances from the entity that it is accredited or approved by the U.S. Customs and Border Protection to conduct the specific test or gauger service requested. Alternatively, inquiries regarding the specific test or gauger service this entity is accredited or approved to perform may be directed to the U.S. Customs and Border Protection by calling (281) 560–2900. The inquiry may also be sent to CBPGaugersLabs@cbp.dhs.gov. Please reference the website listed below for a complete listing of CBP approved gaugers and accredited laboratories. <http://www.cbp.gov/about/labs-scientific/commercial-gaugers-and-laboratories>.

Aine M. Ramirez,

Laboratory Director, Houston, Laboratories and Scientific Services.

[FR Doc. 2026–09027 Filed 5–6–26; 8:45 am]

BILLING CODE 9111–14–P

DEPARTMENT OF HOMELAND SECURITY

U.S. Customs and Border Protection

[OMB Control Number 1651–0124]

Agency Information Collection Activities; Extension; Cargo Container and Road Vehicle Certification for Transport Under Customs Seal

AGENCY: U.S. Customs and Border Protection (CBP), Department of Homeland Security.

ACTION: 30-Day notice and request for comments.

SUMMARY: The Department of Homeland Security, U.S. Customs and Border Protection (CBP) 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 (PRA). The information collection is published in the **Federal Register** to obtain comments from the public and affected agencies.

DATES: Comments are encouraged and must be submitted (no later than June 8, 2026) to be assured of consideration.

ADDRESSES: Written comments and/or suggestions regarding the item(s) contained in this notice should be sent within 30 days of publication of this notice to www.reginfo.gov/public/do/PRAMain. Please submit written comments and/or suggestions in English. Find this information collection by selecting “Currently under 30-day Review—Open for Public Comments” or by using the search function.

FOR FURTHER INFORMATION CONTACT:

Requests for additional PRA information should be directed to Seth Renkema, Chief, Economic Impact Analysis Branch, U.S. Customs and Border Protection, Office of Trade, Regulations and Rulings, 90 K Street NE, 10th Floor, Washington, DC 20229–1177, Telephone number 202–325–0056 or via email CBP_PRA@cbp.dhs.gov. Please note that the contact information provided here is solely for questions regarding this notice. Individuals seeking information about other CBP programs should contact the CBP National Customer Service Center at 877–227–5511, (TTY) 1–800–877–8339, or CBP website at <https://www.cbp.gov/>.

SUPPLEMENTARY INFORMATION: CBP invites the general public and other Federal agencies to comment on the proposed and/or continuing information collections pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*). This proposed information collection was previously published in the **Federal Register** (90 FR 46626) on September 29, 2025, allowing for a 60-day comment period. This notice allows for an additional 30 days for public comments. This process is conducted in accordance with 5 CFR 1320.8. Written comments and suggestions from the public and affected agencies should address one or more of the following four points: (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, including the validity of the methodology and assumptions used; (3) suggestions to enhance the quality, utility, and clarity of the information to be collected; and (4) suggestions to 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. The comments that are submitted will be summarized and included in the request for approval. All comments will become a matter of public record.

Overview of This Information Collection

Title: Cargo Container and Road Vehicle Certification for Transport Under Customs Seal.

OMB Number: 1651–0124.

Form Number: N/A.

Current Actions: This submission will rename the information collection request (ICR) and extend the expiration date.

Type of Review: Extension (with change).

Affected Public: Businesses.

Abstract: The United States is a signatory to several international Customs conventions governing cargo container and road vehicle certification procedures that specify the technical requirements that containers and road vehicles must meet to be acceptable for transport under Customs seal. U.S. Customs and Border Protection (CBP) has the responsibility of administering the procedures within Title 19, Part 115 for the purpose of certifying U.S.-manufactured containers and road vehicles for use in international transport under Customs seal. The certification process involves container and road vehicle manufacturers, owners, or operators submitting applications for approval to the certifying authorities (the entities designated in 19 CFR 115.6: The American Bureau of Shipping; International Cargo Gear Bureau, Inc.; The National Cargo Bureau, Inc.).

Applications to request certification approval from the above-mentioned certifying authorities are submitted directly to these organizations on the appropriate forms (*i.e.*, that are created by the organizations themselves).

The certification process is voluntary for manufacturers, and therefore Part 115 does not require certification of said container and road vehicles. A certification of compliance facilitates the efficient movement of containers and road vehicles across international territories. The procedures for obtaining a certification of a container or vehicle are set forth in 19 CFR part 115.

The respondents to this information collection are members of the trade community who are familiar with CBP regulations.

New Change

CBP is changing the name of this previously approved information collection, from 'Transport Under Customs Seal' to 'Cargo Container and Road Vehicle Certification for Transport Under Customs Seal'. There are no changes to the method of collection, information collected, or burden reported for this information collection request (ICR). This change is to align the collection title with the regulation language.

Type of Information Collection: Cargo Container/Vehicle Certification.

Estimated Number of Respondents: 25.

Estimated Number of Annual Responses per Respondent: 120.

Estimated Number of Total Annual Responses: 3,000.

Estimated Time per Response: 3.5 hours.

Estimated Total Annual Burden Hours: 10,500.

Seth D. Renkema,

Branch Chief, Economic Impact Analysis Branch, U.S. Customs and Border Protection.

[FR Doc. 2026-09101 Filed 5-6-26; 8:45 am]

BILLING CODE 9111-14-P

DEPARTMENT OF HOMELAND SECURITY

U.S. Customs and Border Protection

[OMB Control Number 1651-0061]

Agency Information Collection Activities; Extension; Application To Establish a Centralized Examination Station (CES)

AGENCY: U.S. Customs and Border Protection (CBP), Department of Homeland Security.

ACTION: 30-Day notice and request for comments.

SUMMARY: The Department of Homeland Security, U.S. Customs and Border Protection (CBP) 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 (PRA). The information collection is published in the **Federal Register** to obtain comments from the public and affected agencies.

DATES: Comments are encouraged and must be submitted (no later than June 8, 2026) to be assured of consideration.

ADDRESSES: Written comments and/or suggestions regarding the item(s) contained in this notice should be sent within 30 days of publication of this notice to www.reginfo.gov/public/do/PRAMain. Please submit written comments and/or suggestions in English. Find this particular information collection by selecting "Currently under 30-day Review—Open for Public Comments" or by using the search function.

FOR FURTHER INFORMATION CONTACT:

Requests for additional PRA information should be directed to Seth Renkema, Chief, Economic Impact Analysis Branch, U.S. Customs and Border Protection, Office of Trade, Regulations and Rulings, 90 K Street NE, 10th Floor, Washington, DC 20229-1177, Telephone number 202-325-0056 or via email CBP_PRA@cbp.dhs.gov. Please note that the contact information provided here is solely for questions regarding this notice. Individuals seeking information about other CBP programs should contact the CBP National Customer Service Center at 877-227-5511, (TTY) 1-800-877-8339, or CBP website at <https://www.cbp.gov/>.

SUPPLEMENTARY INFORMATION: CBP invites the general public and other Federal agencies to comment on the proposed and/or continuing information collections pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*). This proposed information collection was previously published in the **Federal Register** (90 FR 47787) on October 02, 2025, allowing for a 60-day comment period. This notice allows for an additional 30 days for public comments. This process is conducted in accordance with 5 CFR 1320.8. Written comments and suggestions from the public and affected agencies should address one or more of the following four points: (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, including the validity of the methodology and assumptions used; (3) suggestions to enhance the quality, utility, and clarity of the information to be collected; and (4) suggestions to 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. The comments that are submitted will be summarized and included in the request for approval. All comments will become a matter of public record.

Overview of This Information Collection

Title: Application to Establish a Centralized Examination Station.

OMB Number: 1651-0061.

Form Number: N/A.

Current Actions: Extension.

Type of Review: Extension (without change).

Affected Public: Businesses.

Abstract: A Centralized Examination Station (CES) is a facility where imported merchandise is made available to CBP officers for physical examination. If a port director decides that a CES is needed, he or she solicits applications to operate a CES. The information contained in the application is used to determine the suitability of the applicant's facility, the fairness of fee structure, and the knowledge of cargo handling operations and of CBP procedures and regulations. The names of all corporate officers and all employees who will come in contact with uncleared cargo are also to be provided so that CBP may perform background investigations. The CES application is provided for by 19 CFR 118.11 and is authorized by 19 U.S.C. 1499, Tariff Act of 1930.

CBP port directors solicit these applications by using port information bulletins, local newspapers, and/or the internet. This collection of information applies to the importing and trade community, which is familiar with import procedures and with the CBP regulations.

Type of Information Collection: Application for CES.

Estimated Number of Respondents: 50.

Estimated Number of Annual Responses per Respondent: 1.

Estimated Number of Total Annual Responses: 50.

Estimated Time per Response: 2 hours.
Estimated Total Annual Burden Hours: 100.

Seth D. Renkema,
Branch Chief, Economic Impact Analysis Branch, U.S. Customs and Border Protection.
[FR Doc. 2026–09103 Filed 5–6–26; 8:45 am]
BILLING CODE 9111–14–P

DEPARTMENT OF HOMELAND SECURITY

U.S. Customs and Border Protection

Approval of Coastal Gulf and International (Corpus Christi, TX) as a Commercial Gauger

AGENCY: U.S. Customs and Border Protection, Department of Homeland Security.
ACTION: Notice of approval of Coastal Gulf and International (Corpus Christi, TX), as a commercial gauger.

SUMMARY: Notice is hereby given, pursuant to CBP regulations, that Coastal Gulf and International (Corpus Christi, TX), has been approved to gauge petroleum and certain petroleum products for customs purposes for the next three years as of August 26, 2025.
DATES: Coastal Gulf and International (Corpus Christi, TX) was approved as a commercial gauger as of August 26, 2025. The next triennial inspection date will be scheduled for August 2028.

FOR FURTHER INFORMATION CONTACT: Dr. Justin Shey, Laboratories and Scientific Services, U.S. Customs and Border Protection, 1331 Pennsylvania Avenue NW, Suite 1501–A North, Washington, DC 20004, tel. 202–344–1060.

SUPPLEMENTARY INFORMATION: Notice is hereby given pursuant to 19 CFR 151.13, that Coastal Gulf and International, 4738 Neptune Dr., Corpus Christi, TX 78405, has been approved to gauge petroleum and certain petroleum products for customs purposes, in accordance with the provisions of 19 CFR 151.13. Coastal Gulf and International (Corpus Christi, TX) is approved for the following

gauging procedures for petroleum and certain petroleum products from the American Petroleum Institute (API):

API chapters	Title
3	Tank Gauging
7	Temperature Determination
8	Sampling
12	Calculation of Petroleum Quantities
17	Marine Measurement

Anyone wishing to employ this entity to conduct gauger services should request and receive written assurances from the entity that it is approved by the U.S. Customs and Border Protection to conduct the specific gauger service requested. Alternatively, inquiries regarding the specific gauger service this entity is approved to perform may be directed to the U.S. Customs and Border Protection by calling (202) 344–1060. The inquiry may also be sent to CBPGaugersLabs@cbp.dhs.gov. Please reference the website listed below for a complete listing of CBP approved gaugers and accredited laboratories. <http://www.cbp.gov/about/labs-scientific/commercial-gaugers-and-laboratories>

Patricia A. Coleman,
Acting Assistant Commissioner, Laboratories and Scientific Services.
[FR Doc. 2026–09028 Filed 5–6–26; 8:45 am]
BILLING CODE 9111–14–P

DEPARTMENT OF HOMELAND SECURITY

U.S. Customs and Border Protection

Accreditation and Approval of AmSpec, LLC (East Providence, RI) as a Commercial Gauger and Laboratory

AGENCY: U.S. Customs and Border Protection, Department of Homeland Security.

ACTION: Notice of accreditation and approval of AmSpec, LLC (East Providence, RI) as a commercial gauger and laboratory.

SUMMARY: Notice is hereby given, pursuant to CBP regulations, that AmSpec, LLC (East Providence, RI), has been approved to gauge petroleum and certain petroleum products and accredited to test petroleum and certain petroleum products for customs purposes for the next three years as of August 20, 2025.

DATES: AmSpec, LLC (East Providence, RI) was approved and accredited as a commercial gauger and laboratory as of August 20, 2025. The next inspection date will be scheduled for August 2028.

FOR FURTHER INFORMATION CONTACT: Dr. Justin Shey, Laboratories and Scientific Services, U.S. Customs and Border Protection, 1331 Pennsylvania Avenue NW, Suite 1501–A North, Washington, DC 20004, tel. 202–344–1060.

SUPPLEMENTARY INFORMATION: Notice is hereby given pursuant to 19 CFR 151.12 and 19 CFR 151.13, that AmSpec, LLC, 66 Valley St., East Providence, RI 02914, has been approved to gauge petroleum and certain petroleum products and accredited to test petroleum and certain petroleum products for customs purposes, in accordance with the provisions of 19 CFR 151.12 and 19 CFR 151.13.

AmSpec, LLC (East Providence, RI) is approved for the following gauging procedures for petroleum and certain petroleum products from the American Petroleum Institute (API):

API chapters	Title
3	Tank Gauging.
7	Temperature Determination.
8	Sampling.
11	Physical Properties Data.
12	Calculation of Petroleum Quantities.
17	Marine Measurement.

AmSpec, LLC (East Providence, RI) is accredited for the following laboratory analysis procedures and methods for petroleum and certain petroleum products set forth by the U.S. Customs and Border Protection Laboratory Methods (CBPL) and American Society for Testing and Materials (ASTM):

CBPL No.	ASTM	Title
27–08	D86	Standard Test Method for Distillation of Petroleum Products at Atmospheric Pressure.
27–14	D2622	Standard Test Method for Sulfur in Petroleum Products by Wavelength Dispersive X-Ray Fluorescence Spectrometry.
27–48	D4052	Standard Test Method for Density, Relative Density, and API Gravity of Liquids by Digital Density Meter.
27–57	D7039	Standard Test Method for Sulfur in Gasoline and Diesel Fuel by Monochromatic Wavelength Dispersive X-Ray Fluorescence Spectrometry.
27–58	D5191	Standard Test Method for Vapor Pressure of Petroleum Products and Liquid Fuels (Mini Method).

Anyone wishing to employ this entity to conduct laboratory analyses and gauger services should request and receive written assurances from the entity that it is accredited or approved by the U.S. Customs and Border Protection to conduct the specific test or gauger service requested. Alternatively, inquiries regarding the specific test or

gauger service this entity is accredited or approved to perform may be directed to the U.S. Customs and Border Protection by calling (202) 344-1060. The inquiry may also be sent to CBPGaugersLabs@cbp.dhs.gov. Please reference the website listed below for a complete listing of CBP approved gaugers and accredited laboratories. <http://www.cbp.gov/about/labs-scientific/commercial-gaugers-and-laboratories>.

Patricia A. Coleman,
Acting Assistant Commissioner, Laboratories and Scientific Services.

[FR Doc. 2026-09033 Filed 5-6-26; 8:45 am]

BILLING CODE 9111-14-P

DEPARTMENT OF HOMELAND SECURITY

U.S. Customs and Border Protection

Accreditation and Approval of SGS North America, Inc. (Seabrook, TX) as a Commercial Gauger and Laboratory

AGENCY: U.S. Customs and Border Protection, Department of Homeland Security.

CBPL No.	ASTM	Title
27-48	D4052	Standard Test Method for Density, Relative Density, and API Gravity of Liquids by Digital Density Meter.

Anyone wishing to employ this entity to conduct laboratory analyses and gauger services should request and receive written assurances from the entity that it is accredited or approved by the U.S. Customs and Border Protection to conduct the specific test or gauger service requested. Alternatively, inquiries regarding the specific test or gauger service this entity is accredited or approved to perform may be directed to the U.S. Customs and Border Protection by calling (281) 560-2900. The inquiry may also be sent to CBPGaugersLabs@cbp.dhs.gov. Please reference the website listed below for a complete listing of CBP approved gaugers and accredited laboratories. <http://www.cbp.gov/about/labs-scientific/commercial-gaugers-and-laboratories>.

Aine M. Ramirez,
Laboratory Director, Houston, Laboratories and Scientific Services.

[FR Doc. 2026-09026 Filed 5-6-26; 8:45 am]

BILLING CODE 9111-14-P

ACTION: Notice of accreditation and approval of SGS North America, Inc. (Seabrook, TX), as a commercial gauger and laboratory.

SUMMARY: Notice is hereby given, pursuant to CBP regulations, that SGS North America, Inc. (Seabrook, TX), has been approved to gauge petroleum and certain petroleum products and accredited to test petroleum and certain petroleum products for customs purposes for the next three years as of March 5, 2025.

DATES: SGS North America, Inc. (Seabrook, TX) was approved and accredited as a commercial gauger and laboratory as of March 5, 2025. The next triennial inspection date will be scheduled for March 2028.

FOR FURTHER INFORMATION CONTACT: Mrs. Allison Blair, Laboratories and Scientific Services, U.S. Customs and Border Protection, 4150 Interwood South Parkway, Houston, TX 77032, tel. 281-560-2900.

SUPPLEMENTARY INFORMATION: Notice is hereby given pursuant to 19 CFR 151.12 and 19 CFR 151.13, that SGS North America, Inc., 2113 Seabrook Circle,

Seabrook, Texas 77586, has been approved to gauge petroleum and certain petroleum products and accredited to test petroleum and certain petroleum products for customs purposes, in accordance with the provisions of 19 CFR 151.12 and 19 CFR 151.13.

SGS North America, Inc. (Seabrook, TX) is approved for the following gauging procedures for petroleum and certain petroleum products from the American Petroleum Institute (API):

API chapters	Title
3	Tank Gauging.
7	Temperature Determination.
8	Sampling.
12	Calculations.
17	Marine Measurement.

SGS North America, Inc. (Seabrook, TX) is accredited for the following laboratory analysis procedures and methods for petroleum and certain petroleum products set forth by the U.S. Customs and Border Protection Laboratory Methods (CBPL) and American Society for Testing and Materials (ASTM):

DEPARTMENT OF HOMELAND SECURITY

U.S. Customs and Border Protection

Accreditation and Approval of SGS North America, Inc. (Texas City, TX) as a Commercial Gauger

AGENCY: U.S. Customs and Border Protection, Department of Homeland Security.

ACTION: Notice of approval of SGS North America, Inc. (Texas City, TX), as a commercial gauger.

SUMMARY: Notice is hereby given, pursuant to CBP regulations, that SGS North America, Inc. (Texas City, TX), has been approved to gauge petroleum and certain petroleum products for customs purposes for the next three years as of May 7, 2025.

DATES: SGS North America, Inc. (Texas City, TX) was approved as a commercial gauger as of May 7, 2025. The next triennial inspection date will be scheduled for May 2028.

FOR FURTHER INFORMATION CONTACT: Mrs. Allison Blair, Laboratories and Scientific Services, U.S. Customs and Border Protection, 4150 Interwood

South Parkway, Houston, TX 77032, tel. 281-560-2900.

SUPPLEMENTARY INFORMATION: Notice is hereby given pursuant to 19 CFR 151.13, that SGS North America, Inc., 2800 Loop 197 South, Texas City, Texas 77591, has been approved to gauge petroleum and certain petroleum products for customs purposes, in accordance with the provisions of 19 CFR 151.13.

SGS North America, Inc. (Texas City, TX) is approved for the following gauging procedures for petroleum and certain petroleum products from the American Petroleum Institute (API):

API chapters	Title
3	Tank Gauging.
7	Temperature Determination.
8	Sampling.
12	Calculations.
17	Marine Measurement.

Anyone wishing to employ this entity to conduct gauger services should request and receive written assurances from the entity that it is approved by the U.S. Customs and Border Protection to conduct the gauger service requested. Alternatively, inquiries regarding the

gauger service this entity is approved to perform may be directed to the U.S. Customs and Border Protection by calling (281) 560-2900. The inquiry may also be sent to CBPGaugersLabs@cbp.dhs.gov. Please reference the website listed below for a complete listing of CBP approved gaugers and accredited laboratories. <http://www.cbp.gov/about/labs-scientific/commercial-gaugers-and-laboratories>.

Aine M. Ramirez,

Laboratory Director, Houston, Laboratories and Scientific Services.

[FR Doc. 2026-09025 Filed 5-6-26; 8:45 am]

BILLING CODE 9111-14-P

DEPARTMENT OF HOMELAND SECURITY

U.S. Customs and Border Protection

[OMB Control Number 1651-0NEW]

Agency Information Collection Activities; New Collection of Information; Client Representative Technical Assistance Portal (CR-TAP)

AGENCY: U.S. Customs and Border Protection (CBP), Department of Homeland Security.

ACTION: 60-Day Notice and request for comments.

SUMMARY: The Department of Homeland Security, U.S. Customs and Border Protection (CBP) 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 (PRA). The information collection is published in the **Federal Register** to obtain comments from the public and affected agencies.

DATES: Comments are encouraged and must be submitted (no later than July 6, 2026) to be assured of consideration.

ADDRESSES: Written comments and/or suggestions regarding the item(s) contained in this notice must include the OMB Control Number 1651-0NEW in the subject line and the agency name. Please submit written comments and/or suggestions in English. Please use the following method to submit comments:

Email. Submit comments to: CBP_PRA@cbp.dhs.gov.

FOR FURTHER INFORMATION CONTACT: Requests for additional PRA information should be directed to Seth Renkema, Chief, Economic Impact Analysis Branch, U.S. Customs and Border Protection, Office of Trade, Regulations and Rulings, 90 K Street NE, 10th Floor, Washington, DC 20229-1177, Telephone number 202-325-0056 or via

email CBP_PRA@cbp.dhs.gov. Please note that the contact information provided here is solely for questions regarding this notice. Individuals seeking information about other CBP programs should contact the CBP National Customer Service Center at 877-227-5511, (TTY) 1-800-877-8339, or CBP website at <https://www.cbp.gov/>.

SUPPLEMENTARY INFORMATION: CBP invites the general public and other Federal agencies to comment on the proposed and/or continuing information collections pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*). This process is conducted in accordance with 5 CFR 1320.8. Written comments and suggestions from the public and affected agencies should address one or more of the following four points: (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, including the validity of the methodology and assumptions used; (3) suggestions to enhance the quality, utility, and clarity of the information to be collected; and (4) suggestions to 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. The comments that are submitted will be summarized and included in the request for approval. All comments will become a matter of public record.

Overview of This Information Collection

Title: Client Representative Technical Assistance Portal (CRTAP).

OMB Number: 1651-0NEW.

Form Number: N/A.

Current Actions: New Collection.

Type of Review: New Collection.

Affected Public: Individuals.

Abstract: The Client Representative Technical Assistance Portal (CRTAP) provides the public with a method to inform CBP on technical issues impacting Automated Broker Interface (ABI) and Automated Commercial Environment electronic cargo systems transactions. The web-based application provides the trade with the capability to notify, identify, track, and communicate technical issues impacting operations with select CBP personnel. Trade participants will access the application

via the ACE Portal or through a separate link at: <http://clientservicesportal.cbp.gov>. CBP personnel will monitor, process and manage inquiries to streamline operations, enhance communications and improve processes: better security and privacy, and improved documentation of technical issues in a central location.

The Automated Commercial Environment (ACE) is a trade data processing system that is the current import system for U.S. Customs and Border Protection (CBP) operations. ACE is authorized by Executive Order 13659 which mandates implementation of a Single Window through which businesses will transmit data required by participating agencies for the importation or exportation of cargo ACE supports government agencies and the trade community with border-related missions with respect to moving goods across the border efficiently and securely.

To establish an ACE Portal account, participants submit information such as their name, their employer identification number (EIN) or social security number (SSN), and if applicable, a statement certifying their capability to connect to the internet. This information is submitted through the ACE Secure Data Portal which is accessible at: <http://www.cbp.gov/trade/automated>.

Type of Information Collection: CR-TAP.

Estimated Number of Respondents: 18,000.

Estimated Number of Annual Responses per Respondent: 3.

Estimated Number of Total Annual Responses: 54,000.

Estimated Time per Response: 5 minutes.

Estimated Total Annual Burden Hours: 4,500.

Seth D Renkema,

Branch Chief, Economic Impact Analysis Branch, U.S. Customs and Border Protection.

[FR Doc. 2026-09105 Filed 5-6-26; 8:45 am]

BILLING CODE 9111-14-P

DEPARTMENT OF HOMELAND SECURITY

U.S. Customs and Border Protection

Accreditation and Approval of AmSpec, LLC (Sulphur, LA) as a Commercial Gauger and Laboratory

AGENCY: U.S. Customs and Border Protection, Department of Homeland Security.

ACTION: Notice of accreditation and approval of AmSpec, LLC (Sulphur, LA) as a commercial gauger and laboratory.

SUMMARY: Notice is hereby given, pursuant to CBP regulations, that AmSpec, LLC (Sulphur, LA), has been approved to gauge petroleum and certain petroleum products and accredited to test petroleum and certain petroleum products for customs purposes for the next three years as of June 18, 2025.

DATES: AmSpec, LLC (Sulphur, LA) was approved and accredited as a commercial gauger and laboratory as of June 18, 2025. The next inspection date will be scheduled for June 2028.

FOR FURTHER INFORMATION CONTACT: Dr. Justin Shey, Laboratories and Scientific

Services, U.S. Customs and Border Protection, 1331 Pennsylvania Avenue NW, Suite 1501–A North, Washington, DC 20004, tel. 202–344–1060.

SUPPLEMENTARY INFORMATION: Notice is hereby given pursuant to 19 CFR 151.12 and 19 CFR 151.13, that AmSpec, LLC, 350 I–10 North Frontage Rd., Sulphur, LA 70663, has been approved to gauge petroleum and certain petroleum products and accredited to test petroleum and certain petroleum products for customs purposes, in accordance with the provisions of 19 CFR 151.12 and 19 CFR 151.13.

AmSpec, LLC (Sulphur, LA) is approved for the following gauging procedures for petroleum and certain petroleum products from the American Petroleum Institute (API):

API chapters	Title
3	Tank Gauging.
7	Temperature Determination.
8	Sampling.
11	Physical Properties Data.
12	Calculation of Petroleum Quantities.
17	Marine Measurement.

AmSpec, LLC (Sulphur, LA) is accredited for the following laboratory analysis procedures and methods for petroleum and certain petroleum products set forth by the U.S. Customs and Border Protection Laboratory Methods (CBPL) and American Society for Testing and Materials (ASTM):

CBPL No.	ASTM	Title
27–01	D287	Standard Test Method for API Gravity of Crude Petroleum and Petroleum Products (Hydrometer Method).
27–03	D4006	Standard Test Method for Water in Crude Oil by Distillation.
27–04	D95	Standard Test Method for Water in Petroleum Products and Bituminous Materials by Distillation.
27–05	D4928	Standard Test Method for Water in Crude Oils by Coulometric Karl Fischer Titration.
27–06	D473	Standard Test Method for Sediment in Crude Oils and Fuel Oils by the Extraction Method.
27–08	D86	Standard Test Method for Distillation of Petroleum Products at Atmospheric Pressure.
27–11	D445	Standard Test Method for Kinematic Viscosity of Transparent and Opaque Liquids (and Calculation of Dynamic Viscosity).
27–13	D4294	Standard Test Method for Sulfur in Petroleum and Petroleum Products by Energy-Dispersive X-ray Fluorescence Spectrometry.
27–48	D4052	Standard Test Method for Density, Relative Density, and API Gravity of Liquids by Digital Density Meter.
27–50	D93	Standard Test Methods for Flash Point by Pensky-Martens Closed Cup Tester.
27–54	D1796	Standard Test Method for Water and Sediment in Fuel Oils by the Centrifuge Method (Laboratory Procedure).
27–58	D 5191	Standard Test Method for Vapor Pressure of Petroleum Products (Mini Method).

Anyone wishing to employ this entity to conduct laboratory analyses and gauger services should request and receive written assurances from the entity that it is accredited or approved by the U.S. Customs and Border Protection to conduct the specific test or gauger service requested. Alternatively, inquiries regarding the specific test or gauger service this entity is accredited or approved to perform may be directed to the U.S. Customs and Border Protection by calling (202) 344–1060. The inquiry may also be sent to CBPGaugersLabs@cbp.dhs.gov. Please reference the website listed below for a complete listing of CBP approved gaugers and accredited laboratories. <http://www.cbp.gov/about/labs-scientific/commercial-gaugers-and-laboratories>.

Patricia A. Coleman,

Acting Assistant Commissioner, Laboratories and Scientific Services.

[FR Doc. 2026–09032 Filed 5–6–26; 8:45 am]

BILLING CODE 9111–14–P

DEPARTMENT OF HOMELAND SECURITY

U.S. Customs and Border Protection

Approval of Coastal Gulf and International (Gonzales, LA) as a Commercial Gauger

AGENCY: U.S. Customs and Border Protection, Department of Homeland Security.

ACTION: Notice of approval of Coastal Gulf and International (Gonzales, LA), as a commercial gauger.

SUMMARY: Notice is hereby given, pursuant to CBP regulations, that Coastal Gulf and International (Gonzales, LA), has been approved to gauge petroleum and certain petroleum products for customs purposes for the next three years as of May 21, 2025.

DATES: Coastal Gulf and International (Gonzales, LA) was approved as a commercial gauger as of May 21, 2025. The next triennial inspection date will be scheduled for May 2028.

FOR FURTHER INFORMATION CONTACT: Dr. Justin Shey, Laboratories and Scientific Services, U.S. Customs and Border

Protection, 1331 Pennsylvania Avenue NW, Suite 1501–A North, Washington, DC 20004, tel. 202–344–1060.

SUPPLEMENTARY INFORMATION: Notice is hereby given pursuant to 19 CFR 151.13, that Coastal Gulf and International, 2104 South Southland Ave. Gonzales, LA 70737, has been approved to gauge petroleum and certain petroleum products for customs purposes, in accordance with the provisions of 19 CFR 151.13. Coastal Gulf and International (Gonzales, LA) is approved for the following gauging procedures for petroleum and certain petroleum products from the American Petroleum Institute (API):

API chapters	Title
3	Tank Gauging.
7	Temperature Determination.
8	Sampling.
12	Calculation of Petroleum Quantities.
17	Marine Measurement.

Anyone wishing to employ this entity to conduct gauger services should request and receive written assurances from the entity that it is approved by the

U.S. Customs and Border Protection to conduct the specific gauger service requested. Alternatively, inquiries regarding the specific gauger service this entity is approved to perform may be directed to the U.S. Customs and Border Protection by calling (202) 344-1060. The inquiry may also be sent to CBPGaugersLabs@cbp.dhs.gov. Please reference the website listed below for a complete listing of CBP approved gaugers and accredited laboratories. <http://www.cbp.gov/about/labs-scientific/commercial-gaugers-and-laboratories>.

Patricia A. Coleman,
Acting Assistant Commissioner, Laboratories
and Scientific Services.

[FR Doc. 2026-09031 Filed 5-6-26; 8:45 am]

BILLING CODE 9111-14-P

DEPARTMENT OF HOMELAND SECURITY

Federal Emergency Management Agency

[Docket ID FEMA-2026-0002; Internal
Agency Docket No. FEMA-B-2602]

Proposed Flood Hazard Determinations

AGENCY: Federal Emergency
Management Agency, Department of
Homeland Security.

ACTION: Notice.

SUMMARY: Comments are requested on proposed flood hazard determinations, which may include additions or modifications of any Base Flood Elevation (BFE), base flood depth, Special Flood Hazard Area (SFHA) boundary or zone designation, or regulatory floodway on the Flood Insurance Rate Maps (FIRMs), and where applicable, in the supporting Flood Insurance Study (FIS) reports for the communities listed in the table below. The purpose of this notice is to seek general information and comment regarding the preliminary FIRM, and where applicable, the FIS report that the Federal Emergency Management Agency (FEMA) has provided to the affected communities. The FIRM and FIS report are the basis of the floodplain management measures that the community is required either to adopt

or to show evidence of having in effect in order to qualify or remain qualified for participation in the National Flood Insurance Program (NFIP).

DATES: Comments are to be submitted on or before August 5, 2026.

ADDRESSES: The Preliminary FIRM, and where applicable, the FIS report for each community are available for inspection at both the online location <https://hazards.fema.gov/femaportal/prelimdownload> and the respective Community Map Repository address listed in the tables below. Additionally, the current effective FIRM and FIS report for each community are accessible online through the FEMA Map Service Center at <https://msc.fema.gov> for comparison.

You may submit comments, identified by Docket No. FEMA-B-2602, to David N. Bascom, Acting Director, Engineering and Modeling Division, Federal Insurance Directorate, Resilience, FEMA, 400 C Street SW, Washington, DC 20472, or (email) david.bascom@fema.dhs.gov.

FOR FURTHER INFORMATION CONTACT:

David N. Bascom, Acting Director, Engineering and Modeling Division, Federal Insurance Directorate, Resilience, FEMA, 400 C Street SW, Washington, DC 20472, or (email) david.bascom@fema.dhs.gov; or visit the FEMA Mapping and Insurance eXchange (FMIX) online at https://www.floodmaps.fema.gov/fhm/fmx_main.html.

SUPPLEMENTARY INFORMATION: FEMA proposes to make flood hazard determinations for each community listed below, in accordance with section 110 of the Flood Disaster Protection Act of 1973, 42 U.S.C. 4104, and 44 CFR 67.4(a).

These proposed flood hazard determinations, together with the floodplain management criteria required by 44 CFR 60.3, are the minimum that are required. They should not be construed to mean that the community must change any existing ordinances that are more stringent in their floodplain management requirements. The community may at any time enact stricter requirements of its own or pursuant to policies established by other Federal, State, or regional entities. These flood hazard determinations are

used to meet the floodplain management requirements of the NFIP.

The communities affected by the flood hazard determinations are provided in the tables below. Any request for reconsideration of the revised flood hazard information shown on the Preliminary FIRM and FIS report that satisfies the data requirements outlined in 44 CFR 67.6(b) is considered an appeal. Comments unrelated to the flood hazard determinations also will be considered before the FIRM and FIS report become effective.

Use of a Scientific Resolution Panel (SRP) is available to communities in support of the appeal resolution process. SRPs are independent panels of experts in hydrology, hydraulics, and other pertinent sciences established to review conflicting scientific and technical data and provide recommendations for resolution. Use of the SRP only may be exercised after FEMA and local communities have been engaged in a collaborative consultation process for at least 60 days without a mutually acceptable resolution of an appeal. Additional information regarding the SRP process can be found online at https://www.floodsrp.org/pdfs/srp_overview.pdf.

The watersheds and/or communities affected are listed in the tables below. The Preliminary FIRM, and where applicable, FIS report for each community are available for inspection at both the online location <https://hazards.fema.gov/femaportal/prelimdownload> and the respective Community Map Repository address listed in the tables. For communities with multiple ongoing Preliminary studies, the studies can be identified by the unique project number and Preliminary FIRM date listed in the tables. Additionally, the current effective FIRM and FIS report for each community are accessible online through the FEMA Map Service Center at <https://msc.fema.gov> for comparison. (Catalog of Federal Domestic Assistance No. 97.022, "Flood Insurance.")

Elizabeth Asche,

Assistant Administrator, Federal Insurance
Directorate, Resilience, Federal Emergency
Management Agency, Department of
Homeland Security.

Community	Community map repository address
Maricopa County, Arizona and Incorporated Areas Project: 20-09-0005S Preliminary Date: July 31, 2025	
Maricopa County Unincorporated Areas	Flood Control District of Maricopa County, 2801 West Durango Street, Phoenix, AZ 85009.

[FR Doc. 2026–09018 Filed 5–6–26; 8:45 am]
BILLING CODE 9110–12–P

DEPARTMENT OF HOMELAND SECURITY

Federal Emergency Management Agency

[Docket ID FEMA–2026–0002]

Final Flood Hazard Determinations

AGENCY: Federal Emergency Management Agency, Department of Homeland Security.

ACTION: Notice.

SUMMARY: Flood hazard determinations, which may include additions or modifications of Base Flood Elevations (BFEs), base flood depths, Special Flood Hazard Area (SFHA) boundaries or zone designations, or regulatory floodways on the Flood Insurance Rate Maps (FIRMs) and where applicable, in the supporting Flood Insurance Study (FIS) reports have been made final for the communities listed in the table below. The FIRM and FIS report are the basis of the floodplain management measures that a community is required either to adopt or to show evidence of having an effect in order to qualify or remain qualified for participation in the Federal

Emergency Management Agency's (FEMA's) National Flood Insurance Program (NFIP).

DATES: The date of March 3, 2026 has been established for the FIRM and, where applicable, the supporting FIS report showing the new or modified flood hazard information for each community.

ADDRESSES: The FIRM, and if applicable, the FIS report containing the final flood hazard information for each community is available for inspection at the respective Community Map Repository address listed in the tables below and will be available online through the FEMA Map Service Center at <https://msc.fema.gov> by the date indicated above.

FOR FURTHER INFORMATION CONTACT: David N. Bascom, Acting Director, Engineering and Modeling Division, Federal Insurance Directorate, Resilience, FEMA, 400 C Street SW, Washington, DC 20472, or (email) david.bascom@fema.dhs.gov; or visit the FEMA Mapping and Insurance eXchange (FMIX) online at https://www.floodmaps.fema.gov/fhm/fmx_main.html.

SUPPLEMENTARY INFORMATION: The Federal Emergency Management Agency (FEMA) makes the final determinations listed below for the new or modified

flood hazard information for each community listed. Notification of these changes has been published in newspapers of local circulation and 90 days have elapsed since that publication. The Assistant Administrator, Federal Insurance Directorate, Resilience has resolved any appeals resulting from this notification.

This final notice is issued in accordance with section 110 of the Flood Disaster Protection Act of 1973, 42 U.S.C. 4104, and 44 CFR part 67. FEMA has developed criteria for floodplain management in floodprone areas in accordance with 44 CFR part 60.

Interested lessees and owners of real property are encouraged to review the new or revised FIRM and FIS report available at the address cited below for each community or online through the FEMA Map Service Center at <https://msc.fema.gov>.

The flood hazard determinations are made final in the watersheds and/or communities listed in the table below.

(Catalog of Federal Domestic Assistance No. 97.022, "Flood Insurance.")

Elizabeth Asche,

Assistant Administrator, Federal Insurance Directorate, Resilience Federal Emergency Management Agency, Department of Homeland Security.

Community	Community map repository address
San Diego County, California and Incorporated Areas Docket No.: FEMA–B–2449	
City of San Diego	Stormwater Department, 9370 Chesapeake Drive, Suite 100, San Diego, CA 92123.
City of Santee	City Hall, Engineering Department, 10601 Magnolia Avenue, Santee, CA 92071.
Unincorporated Areas of San Diego County	San Diego County Operations Center, 5510 Overland Avenue, Suite 410, MS 0326, San Diego, CA 92123.

[FR Doc. 2026–09016 Filed 5–6–26; 8:45 am]
BILLING CODE 9110–12–P

DEPARTMENT OF HOMELAND SECURITY

Federal Emergency Management Agency

[Docket ID FEMA–2026–0002]

Changes in Flood Hazard Determinations

AGENCY: Federal Emergency Management Agency, Department of Homeland Security.

ACTION: Notice.

SUMMARY: New or modified Base (1-percent annual chance) Flood

Elevations (BFEs), base flood depths, Special Flood Hazard Area (SFHA) boundaries or zone designations, and/or regulatory floodways (hereinafter referred to as flood hazard determinations) as shown on the indicated Letter of Map Revision (LOMR) for each of the communities listed in the table below are finalized. Each LOMR revises the Flood Insurance Rate Maps (FIRMs), and in some cases the Flood Insurance Study (FIS) reports, currently in effect for the listed communities.

DATES: Each LOMR was finalized as in the table below.

ADDRESSES: Each LOMR is available for inspection at both the respective Community Map Repository address listed in the table below and online

through the FEMA Map Service Center at <https://msc.fema.gov>.

FOR FURTHER INFORMATION CONTACT: David N. Bascom, Acting Director, Engineering and Modeling Division, Federal Insurance Directorate, Resilience, FEMA, 400 C Street SW, Washington, DC 20472, or (email) david.bascom@fema.dhs.gov; or visit the FEMA Mapping and Insurance eXchange (FMIX) online at https://www.floodmaps.fema.gov/fhm/fmx_main.html.

SUPPLEMENTARY INFORMATION: The Federal Emergency Management Agency (FEMA) makes the final flood hazard determinations as shown in the LOMRs for each community listed in the table below. Notice of these modified flood hazard determinations has been

published in newspapers of local circulation and 90 days have elapsed since that publication. The Assistant Administrator, Federal Insurance Directorate, Resilience has resolved any appeals resulting from this notification.

The modified flood hazard determinations are made pursuant to section 206 of the Flood Disaster Protection Act of 1973, 42 U.S.C. 4105, and are in accordance with the National Flood Insurance Act of 1968, 42 U.S.C. 4001 *et seq.*, and with 44 CFR part 65. The current effective community number is shown and must be used for all new policies and renewals.

The new or modified flood hazard information is the basis for the floodplain management measures that the community is required either to

adopt or to show evidence of being already in effect in order to remain qualified for participation in the National Flood Insurance Program (NFIP).

This new or modified flood hazard information, together with the floodplain management criteria required by 44 CFR 60.3, are the minimum that are required. They should not be construed to mean that the community must change any existing ordinances that are more stringent in their floodplain management requirements. The community may at any time enact stricter requirements of its own or pursuant to policies established by other Federal, State, or regional entities.

This new or modified flood hazard determinations are used to meet the

floodplain management requirements of the NFIP. The changes in flood hazard determinations are in accordance with 44 CFR 65.4.

Interested lessees and owners of real property are encouraged to review the final flood hazard information available at the address cited below for each community or online through the FEMA Map Service Center at <https://msc.fema.gov>.

(Catalog of Federal Domestic Assistance No. 97.022, "Flood Insurance.")

Elizabeth Asche,

Assistant Administrator, Federal Insurance Directorate, Resilience Federal Emergency Management Agency, Department of Homeland Security.

State and county	Location and case No.	Chief executive officer of community	Community map repository	Date of modification	Community No.
Florida:					
Alachua (FEMA Docket No.: B-2566).	Unincorporated areas of Alachua County (24-04-5305P).	Michele L. Lieberman, Alachua County Manager, 12 Southeast 1st Street, Gainesville, FL 32601.	Alachua County Public Works Department, 5620 Northwest 120th Lane, Gainesville, FL 32653.	Jan. 5, 2026	120001
Lake (FEMA Docket No.: B-2566).	Town of Lady Lake (25-04-1165P).	William Lawrence, Town Manager, Town of Lady Lake, 409 Fennell Boulevard, Lady Lake, FL 32159.	Town Hall, 409 Fennell Boulevard, Lady Lake, FL 32159.	Dec. 31, 2025	120613
Lake (FEMA Docket No.: B-2566).	Unincorporated areas of Lake County (25-04-1165P).	The Honorable Leslie Campione, Chair, Lake County Board of Commissioners, 315 West Main Street, Tavares, FL 32778.	Lake County Public Works Department, 323 North Sinclair Avenue, Tavares, FL 32778.	Dec. 31, 2025	120421
Manatee (FEMA Docket No.: B-2566).	Unincorporated areas of Manatee County (24-04-1636P).	Charlie Bishop, Manatee County Administrator, 1112 Manatee Avenue West, Bradenton, FL 34205.	Manatee County Administration Building, 1112 Manatee Avenue West, Bradenton, FL 34205.	Dec. 29, 2025	120153
Manatee (FEMA Docket No.: B-2563).	Unincorporated areas of Manatee County (24-04-7461P).	Charlie Bishop, Manatee County Administrator, 1112 Manatee Avenue West, Bradenton, FL 34205.	Manatee County Administrator Building, 115 Manatee Avenue West, Bradenton, FL 34205.	Dec. 26, 2025	120153
Monroe (FEMA Docket No.: B-2566).	Unincorporated areas of Monroe County (25-04-4970P).	The Honorable Jim Scholl, Mayor, Monroe County Board of Commissioners, 530 Whitehead Street, Key West, FL 33040.	Monroe County Building Department, 2798 Overseas Highway, Suite 300, Marathon, FL 33050.	Jan. 9, 2026	125129
Monroe (FEMA Docket No.: B-2566).	Unincorporated areas of Monroe County (25-04-4972P).	The Honorable Jim Scholl, Mayor, Monroe County Board of Commissioners, 530 Whitehead Street, Key West, FL 33040.	Monroe County Building Department, 2798 Overseas Highway, Suite 300, Marathon, FL 33050.	Jan. 2, 2026	125129
Pasco (FEMA Docket No.: B-2566).	Unincorporated areas of Pasco County (24-04-2232P).	Mike Carballa, Pasco County Administrator, 8731 Citizens Drive, New Port Richey, FL 33654.	Pasco County Government Center, 8731 Citizens Drive, New Port Richey, FL 33654.	Jan. 2, 2026	0120230
Pasco (FEMA Docket No.: B-2566).	Unincorporated areas of Pasco County (24-04-2418P).	Mike Carballa, Pasco County Administrator, 8731 Citizens Drive, New Port Richey, FL 33654.	Pasco County Government Center, 8731 Citizens Drive, New Port Richey, FL 33654.	Jan. 8, 2026	0120230
Polk (FEMA Docket No.: B-2570).	City of Auburndale (24-04-4715P).	The Honorable Dorothea Taylor Bogert, Mayor, City of Auburndale, 1 Bobby Green Plaza, Auburndale, FL 33823.	City Hall, 1 Bobby Green Plaza, Auburndale, FL 33823.	Jan. 8, 2026	120262
Sarasota (FEMA Docket No.: B-2566).	City of North Port (24-04-4492P).	Jerome Fletcher, Manager, City of North Port, 4970 City Hall Boulevard, North Port, FL 34286.	City Hall, 4970 City Hall Boulevard, North Port, FL 34286.	Dec. 31, 2025	120279
Sarasota (FEMA Docket No.: B-2566).	Unincorporated areas of Sarasota County (24-04-4492P).	Jonathan R. Lewis, Sarasota County Administrator, 1660 Ringling Boulevard, Sarasota, FL 34236.	Sarasota County Government Center, 1001 Sarasota Center Boulevard, Sarasota, FL 34240.	Dec. 31, 2025	125144
Indiana:					
Hamilton (FEMA Docket No.: B-2566).	City of Westfield (24-05-0299P).	The Honorable Scott Willis, Mayor, City of Westfield, 2728 East 171st Street, Westfield, IN 46074.	Community Services Department, 2728 East 171st Street, Westfield, IN 46074.	Dec. 30, 2025	180083
Hamilton (FEMA Docket No.: B-2566).	Unincorporated areas of Hamilton County (24-05-0299P).	The Honorable Steve Dillinger, President, Hamilton County Board of Commissioners, 1 Hamilton County Square, Suite 157, Noblesville, IN 46060.	Hamilton County Planning Commission, 1 Hamilton County Square, Suite 13, Noblesville, IN 46060.	Dec. 30, 2025	180080
Kentucky:					

State and county	Location and case No.	Chief executive officer of community	Community map repository	Date of modification	Community No.
Boyle (FEMA Docket No.: B-2570).	City of Danville (24-04-6740P).	James "J.H." Atkins, Mayor, City of Danville, 445 West Main Street, Danville, KY 40422.	City Hall, 445 West Main Street, Danville, KY 40422.	Dec. 24, 2025	210019
Boyle (FEMA Docket No.: B-2570).	Unincorporated areas of Boyle County (24-04-6740P).	Julie R. Wagner, County Administrator, Boyle County, 321 West Main Street, Danville, KY 40422.	Boyle County Courthouse, 321 West Main Street, Danville, KY 40422.	Dec. 24, 2025	210322
Massachusetts: Essex (FEMA Docket No.: B-2570).	City of Lynn (24-01-0162P).	The Honorable Jared C. Nicholson, Mayor, City of Lynn, 3 City Hall Square, Lynn, MA01901.	Department of Inspectional Services, 3 City Hall Square, Lynn, MA01901.	Nov. 25, 2025	250088
Michigan: Kent (FEMA Docket No.: B-2566).	Township of Ada (24-05-2541P).	Julius Suchy, Township Manager, Township of Ada, 7330 Thornapple River Drive, Ada, MI 49301.	Township Hall, 7330 Thornapple River Drive, Ada, MI 49301.	Jan. 2, 2026	260248
Minnesota: Hennepin (FEMA Docket No.: B-2566).	City of Edina (25-05-1025P).	The Honorable James Hovland, Mayor, City of Edina, 4801 West 50th Street, Edina, MN 55424.	Public Works Department, 7450 Metro Boulevard, Edina, MN 55439.	Dec. 26, 2025	270160
Scott (FEMA Docket No.: B-2570).	City of Savage (24-05-0896P).	Brad Larson, City Administrator, City of Savage, 6000 McColl Drive Savage, MN 55378.	City Hall, 6000 McColl Drive Savage, MN 55378.	Jan. 5, 2026	270433
South Carolina: Lancaster (FEMA Docket No.: B-2566).	Unincorporated areas of Lancaster County (25-04-2258P).	The Honorable Dennis Marstall, County Administrator, Lancaster County, 101 North Main Street, Lancaster, SC 29720.	Lancaster County Stormwater Department, 101 North Main Street, Lancaster, SC 29720.	Jan. 8, 2026	450120
Richland (FEMA Docket No.: B-2566).	City of Columbia (24-04-1753P).	The Honorable Daniel J. Rickenmann, Mayor, City of Columbia, 1737 Main Street, Columbia, SC 29201.	Engineering Department, 1401 Main Street, 5th Floor, Columbia, SC 29201.	Jan. 12, 2026	450172
Richland (FEMA Docket No.: B-2566).	Unincorporated areas of Richland County (24-04-1753P).	The Honorable Jessica Mackey, Chair, Richland County Council, P.O. Box 192, Columbia, SC 29201.	Richland County Administration Building, 2020 Hampton Street, Columbia, SC 29204.	Jan. 12, 2026	450170
Sumter (FEMA Docket No.: B-2566).	Unincorporated areas of Sumter County (25-04-1056P).	The Honorable James T. McCain, Jr., Chair, Sumter County Council, 317 West Bartlette Street, Sumter, SC 29150.	Sumter County Courthouse, 13 East Canal Street, Sumter, SC 29150.	Jan. 8, 2026	450182
Texas: Burnet (FEMA Docket No.: B-2570).	City of Burnet (24-06-2686P).	The Honorable Gary Wideman, Mayor, City of Burnet, P.O. Box 1369, Burnet, TX 78611.	City Hall, 127 East Jackson Street, Burnet, TX 78611.	Nov. 28, 2025	480092
Collin (FEMA Docket No.: B-2566).	City of Anna (24-06-2600P).	The Honorable Pete Cain, Mayor, City of Anna, P.O. Box 776, Anna, TX 75409.	City Hall, 120 West 7th Street, Suite 142, Anna, TX 75409.	Jan. 2, 2026	480132
Collin (FEMA Docket No.: B-2566).	City of Celina (24-06-1206P).	The Honorable Ryan Tubbs, Mayor, City of Celina, 142 North Ohio Street, Celina, TX 75009.	City Hall, 142 North Ohio Street, Celina, TX 75009.	Jan. 12, 2026	480133
Collin (FEMA Docket No.: B-2566).	Unincorporated areas of Collin County (24-06-1206P).	The Honorable Chris Hill, Collin County Judge, 2300 Bloomdale Road, 1st Floor, McKinney, TX 75071.	Collin County Engineering Building, 4690 Community Avenue, Suite 200, McKinney, TX 75071.	Jan. 12, 2026	480130
Collin and Denton (FEMA Docket No.: B-2566).	City of Frisco (25-06-0844P).	The Honorable Jeff Cheney, Mayor, City of Frisco, 6101 Frisco Square Boulevard, Frisco, TX 75034.	Engineering Development Department, 6101 Frisco Square Boulevard, Frisco, TX 75034.	Jan. 12, 2026	480134
Harris (FEMA Docket No.: B-2566).	City of Houston (24-06-2261P).	The Honorable John Whitmire, Mayor, City of Houston P.O. Box 1562, Houston, TX 77251.	Floodplain Management Office, 1002 Washington Avenue, Houston, TX 77002.	Jan. 5, 2026	480296
Johnson (FEMA Docket No.: B-2566).	Unincorporated areas of Johnson County (25-06-0711P).	The Honorable Christopher Boedeker, Johnson County Judge, 2 North Main Street, Cleburne, TX 76033.	Johnson County Department of Public Works, 2 North Mill Street, Suite 305, Cleburne, TX 76033.	Jan. 8, 2026	480879
Montgomery (FEMA Docket No.: B-2566).	City of Conroe (24-06-2734P).	The Honorable Duke W. Coon, Mayor, City of Conroe, P.O. Box 3066, Conroe, TX 77305.	City Hall, 300 West Davis Street, Conroe, TX 77301.	Jan. 7, 2026	480484
Montgomery (FEMA Docket No.: B-2566).	Unincorporated areas of Montgomery County (24-06-2734P).	The Honorable Mark J. Keough, Montgomery County Judge, 501 North Thompson Street, Suite 401, Conroe, TX 77301.	Montgomery County Government Building 501 North Thompson Street, Suite 100, Conroe, TX 77301.	Jan. 7, 2026	480483
Tarrant (FEMA Docket No.: B-2566).	City of Fort Worth (25-06-0686P).	The Honorable Mattie Parker, Mayor, City of Fort Worth, 100 Fort Worth Trail, Fort Worth, TX 76102.	Department of Transportation and Public Works, Stormwater Management Division, 100 Fort Worth Trail, Fort Worth, TX 76102.	Jan. 5, 2026	480596
Travis (FEMA Docket No.: B-2563).	City of Bee Cave (24-06-0788P).	The Honorable Kara King, Mayor, City of Bee Cave, 4000 Galleria Parkway, Bee Cave, TX 78738.	City Hall, 4000 Galleria Parkway, Bee Cave, TX 78738.	Dec. 29, 2025	481610

State and county	Location and case No.	Chief executive officer of community	Community map repository	Date of modification	Community No.
Travis (FEMA Docket No.: B-2563).	Unincorporated areas of Travis County (24-06-0788P).	The Honorable Andy Brown, Travis County Judge, P.O. Box 1748, Austin, TX 78767.	Travis County Courthouse, 700 Lavaca Street, Austin, TX 78701.	Dec. 29, 2025	481026
Virginia: Prince William (FEMA Docket No.: B-2574).	Unincorporated areas of Prince William County (24-03-0364P).	The Honorable Christopher Shorter, Prince William County Executive, 1 County Complex Court, Prince William, VA 22192.	Prince William County Department of Public Works, Environmental Management Division, 5 County Complex Court, Suite 170, Prince William, VA 22192.	Jan. 9, 2026	510119
Prince William (FEMA Docket No.: B-2574).	Unincorporated areas of Prince William County (24-03-0470P).	The Honorable Christopher Shorter, Prince William County Executive, 1 County Complex Court, Prince William, VA 22192.	Prince William County Department of Public Works, Environmental Management Division, 5 County Complex Court, Suite 170, Prince William, VA 22192.	Jan. 9, 2026	510119

[FR Doc. 2026-09014 Filed 5-6-26; 8:45 am]

BILLING CODE 9110-12-P

DEPARTMENT OF HOMELAND SECURITY

Federal Emergency Management Agency

[Docket ID FEMA-2026-0002; Internal Agency Docket No. FEMA-B-2601]

Changes in Flood Hazard Determinations

AGENCY: Federal Emergency Management Agency, Department of Homeland Security.

ACTION: Notice.

SUMMARY: This notice lists communities where the addition or modification of Base Flood Elevations (BFEs), base flood depths, Special Flood Hazard Area (SFHA) boundaries or zone designations, or the regulatory floodway (hereinafter referred to as flood hazard determinations), as shown on the Flood Insurance Rate Maps (FIRMs), and where applicable, in the supporting Flood Insurance Study (FIS) reports, prepared by the Federal Emergency Management Agency (FEMA) for each community, is appropriate because of new scientific or technical data. The FIRM, and where applicable, portions of the FIS report, have been revised to reflect these flood hazard determinations through issuance of a Letter of Map Revision (LOMR), in accordance with Federal Regulations. The current effective community number is shown in the table below and must be used for all new policies and renewals.

DATES: These flood hazard determinations will be finalized on the dates listed in the table below and revise the FIRM panels and FIS report in effect prior to this determination for the listed communities.

From the date of the second publication of notification of these changes in a newspaper of local circulation, any person has 90 days in which to request through the community that the Assistant Administrator, Federal Insurance Directorate, Resilience reconsider the changes. The flood hazard determination information may be changed during the 90-day period.

ADDRESSES: The affected communities are listed in the table below. Revised flood hazard information for each community is available for inspection at both the online location and the respective community map repository address listed in the table below. Additionally, the current effective FIRM and FIS report for each community are accessible online through the FEMA Map Service Center at <https://msc.fema.gov> for comparison.

Submit comments and/or appeals to the Chief Executive Officer of the community as listed in the table below.

FOR FURTHER INFORMATION CONTACT: David N. Bascom, Acting Director, Engineering and Modeling Division, Federal Insurance Directorate, Resilience, FEMA, 400 C Street SW, Washington, DC 20472, or (email) david.bascom@fema.dhs.gov; or visit the FEMA Mapping and Insurance eXchange (FMIX) online at https://www.floodmaps.fema.gov/fhm/fmx_main.html.

SUPPLEMENTARY INFORMATION: The specific flood hazard determinations are not described for each community in this notice. However, the online location and local community map repository address where the flood hazard determination information is available for inspection is provided.

Any request for reconsideration of flood hazard determinations must be submitted to the Chief Executive Officer of the community as listed in the table below.

The modifications are made pursuant to section 201 of the Flood Disaster Protection Act of 1973, 42 U.S.C. 4105, and are in accordance with the National Flood Insurance Act of 1968, 42 U.S.C. 4001 *et seq.*, and with 44 CFR part 65.

The FIRM and FIS report are the basis of the floodplain management measures that the community is required either to adopt or to show evidence of having in effect in order to qualify or remain qualified for participation in the National Flood Insurance Program (NFIP).

These flood hazard determinations, together with the floodplain management criteria required by 44 CFR 60.3, are the minimum that are required. They should not be construed to mean that the community must change any existing ordinances that are more stringent in their floodplain management requirements. The community may at any time enact stricter requirements of its own or pursuant to policies established by other Federal, State, or regional entities. The flood hazard determinations are in accordance with 44 CFR 65.4.

The affected communities are listed in the following table. Flood hazard determination information for each community is available for inspection at both the online location and the respective community map repository address listed in the table below. Additionally, the current effective FIRM and FIS report for each community are accessible online through the FEMA Map Service Center at <https://msc.fema.gov> for comparison.

(Catalog of Federal Domestic Assistance No. 97.022, "Flood Insurance.")

Elizabeth Asche,

Assistant Administrator, Federal Insurance Directorate, Resilience Federal Emergency Management Agency, Department of Homeland Security.

State and county	Location and case No.	Chief executive officer of community	Community map repository	Online location of letter of map revision	Date of modification	Community No.
Arkansas: Benton ..	City of Cave Springs, (24–06–1265P).	The Honorable Randall Noblett, Mayor, City of Cave Springs, P.O. Box 36, Cave Springs, AR 72718.	Planning and Development Department, 134 North Main Street, Cave Springs, AR 72718.	https://msc.fema.gov/portal/advanceSearch .	Apr. 20, 2026	050398
Florida:						
Hernando	Unincorporated areas of Hernando County, (25–04–4658P).	Jeff Rogers, County Administrator, Hernando County, 15470 Flight Path Drive, Brooksville, FL 34604.	Hernando County Planning Department, 1653 Blaise Drive, Brooksville, FL 34601.	https://msc.fema.gov/portal/advanceSearch .	Apr. 20, 2026	120110
Lee	Unincorporated areas of Lee County, (25–04–3532P).	David Harner, County Manager, Lee County, P.O. Box 398, Fort Myers, FL 33902.	Lee County Building Department, 1500 Monroe Street, Fort Myers, FL 33901.	https://msc.fema.gov/portal/advanceSearch .	Apr. 10, 2026	125124
Martin	Unincorporated areas of Martin County, (25–04–2397P).	Don Donaldson, Martin County Administrator, 2401 Southeast Monterey Road, Stuart, FL 34996.	Martin County Administrative Center, 2401 Southeast Monterey Road, Stuart, FL 34996.	https://msc.fema.gov/portal/advanceSearch .	Apr. 15, 2026	120161
Monroe	Unincorporated areas of Monroe County, (25–04–4568P).	The Honorable Jim Scholl, Mayor, Monroe County, Board of Commissioners, 530 Whitehead Street, Key West, FL 33040.	Monroe County Building Department, 2798 Overseas Highway, Suite 300, Marathon, FL 33050.	https://msc.fema.gov/portal/advanceSearch .	Apr. 20, 2026	125129
Orange	City of Orlando (25–04–4523P).	The Honorable Buddy Dyer, Mayor, City of Orlando, 400 South Orange Avenue, Orlando, FL 32801.	Public Works Department, Engineering Division, 400 South Orange Avenue, 8th Floor, Orlando, FL 32801.	https://msc.fema.gov/portal/advanceSearch .	Apr. 14, 2026	120186
Palm Beach ...	Unincorporated areas of Palm, Beach County, (25–04–0333P).	Todd C. Bonlarron, Interim County Administrator, Palm, Beach County, 301 North Olive Avenue, Suite 1101, West Palm Beach, FL 33401.	Palm Beach County Vista Center, Building Division, 2300 North Jog Road, West Palm Beach, FL 33411.	https://msc.fema.gov/portal/advanceSearch .	Apr. 10, 2026	120192
Pasco	Unincorporated areas of Pasco County, (25–04–1218P).	Mike Carballa, Pasco County Administrator, 8731 Citizens Drive, New Port Richey, FL 34654.	Pasco County Government Center, 8731 Citizens Drive, New Port Richey, FL 34654.	https://msc.fema.gov/portal/advanceSearch .	Apr. 20, 2026	120230
Pinellas	City of St. Petersburg, (25–04–4042P).	The Honorable Kenneth H. Welch, Mayor, City of St. Petersburg, 175 5th Street North, St. Petersburg, FL 33701.	Municipal Service Center (MSC), 1 4th Street North, St. Petersburg, FL 33701.	https://msc.fema.gov/portal/advanceSearch .	Apr. 13, 2026	125148
St. Johns	Unincorporated areas of St. Johns County, (24–04–7551P).	Joy Andrews, St. Johns County Administrator, 500 San Sebastian View, St. Augustine, FL 32084.	St. Johns County Administration Building, 500 San Sebastian View, St. Augustine, FL 32084.	https://msc.fema.gov/portal/advanceSearch .	Apr. 6, 2026	125147
Sarasota	City of Venice, (25–04–4120P).	James Clinch, City Manager, City of Venice, 401 West Venice Avenue, Venice, FL 34285.	City Hall, 401 West Venice Avenue, Venice, FL 34285.	https://msc.fema.gov/portal/advanceSearch .	Apr. 17, 2026	125154
Sarasota	Unincorporated areas of Sarasota County, (25–04–4120P).	Jonathan R. Lewis, Sarasota County Administrator, 1660 Ringling Boulevard, Sarasota, FL 34236.	Sarasota County Government, 1001 Sarasota Center Boulevard, Sarasota, FL 34240.	https://msc.fema.gov/portal/advanceSearch .	Apr. 17, 2026	125144
Indiana: Hancock ..	Unincorporated areas of Hancock County, (25–05–0777P).	The Honorable Bill Spaulding, President, Hancock County Board of Commissioners, 111 American Legion Place, Suite 219, Greenfield, IN 46140.	Hancock County Government Building, 111 American Legion Place, Greenfield, IN 46140.	https://msc.fema.gov/portal/advanceSearch .	Apr. 16, 2026	180419
Maryland: Montgomery.	Unincorporated areas of Montgomery County, (24–03–0138P).	The Honorable Marc Elrich, Montgomery County Executive, 101 Monroe Street, 2nd Floor, Rockville, MD 20850.	Montgomery County Planning Department, 2425 Reedie Drive, Wheaton, MD 20902.	https://msc.fema.gov/portal/advanceSearch .	Apr. 13, 2026	240049
New Mexico: Sandoval.	City of Rio Rancho, (24–06–0735P).	The Honorable Gregory D. Hull, Mayor, City of Rio Rancho, 3200 Civic Center Circle Northeast, Rio Rancho, NM 87144.	City Hall, 3200 Civic Center Circle Northeast, Rio Rancho, NM 87144.	https://msc.fema.gov/portal/advanceSearch .	Apr. 20, 2026	350146
Ohio:						

State and county	Location and case No.	Chief executive officer of community	Community map repository	Online location of letter of map revision	Date of modification	Community No.
Franklin	City of Columbus, (25–05–0680P).	The Honorable Andrew J. Ginther, Mayor, City of Columbus, 90 West Broad Street, Columbus, OH 43215.	Sewer Maintenance Operations Control (SMOC), 1250 Fairwood Avenue, Columbus, OH 43206.	https://msc.fema.gov/portal/advanceSearch .	Apr. 16, 2026	390170
Washington	Unincorporated areas of Washington County, (23–05–0879P).	The Honorable Charles Schilling, President, Washington County Board of Commissioners, 223 Putnam Street, Marietta, OH 45750.	Washington County Courthouse, 205 Putnam Street, Marietta, OH 45750.	https://msc.fema.gov/portal/advanceSearch .	Apr. 16, 2026	390566
Washington	Village of Lowell, (23–05–0879P).	The Honorable David Hanes, Mayor, Village of Lowell, P.O. Box 337, Lowell, OH 45744.	Village Hall, 308 Walnut Street, Lowell, OH 45744.	https://msc.fema.gov/portal/advanceSearch .	Apr. 16, 2026	390569
Pennsylvania:						
Butler	Township of Adams, (25–03–0392P).	Mike Tylka, Manager, Township of Adams, 690 Valencia Road, Mars, PA 16046.	Township Hall, 690 Valencia Road, Mars, PA 16046.	https://msc.fema.gov/portal/advanceSearch .	Apr. 13, 2026	421415
Clinton	Township of Chapman, (24–03–0151P).	The Honorable Charles Rossell, Chair, Township of Chapman Board of Supervisors, 196 Main Street, North Bend, PA 17760.	Township Hall, 196 Main Street, North Bend, PA 17760.	https://msc.fema.gov/portal/advanceSearch .	Apr. 15, 2026	420323
Washington	Township of Canton, (24–03–0469P).	The Honorable Howard Main, Chair, Township of Canton Board of Supervisors, 1265 West Chestnut Street, Washington, PA 15301.	Township Hall, 1265 West Chestnut Street, Washington, PA 15301.	https://msc.fema.gov/portal/advanceSearch .	Apr. 17, 2026	421201
Tennessee:						
Wilson	City of Mt. Juliet, (25–04–4821P).	The Honorable James Maness, Mayor, City of Mt. Juliet, 2425 North Mt. Juliet Road, Mt. Juliet, TN 37122.	City Hall, 2425 North Mt. Juliet Road, Mt. Juliet, TN 37122.	https://msc.fema.gov/portal/advanceSearch .	Apr. 20, 2026	470290
Wilson	Unincorporated areas of Wilson County, (25–04–4821P).	The Honorable Randall Hutto, Mayor, Wilson County, 228 East Main Street, Room 104, Lebanon, TN 37087.	Wilson County Courthouse, 228 East Main Street, Lebanon, TN 37087.	https://msc.fema.gov/portal/advanceSearch .	Apr. 20, 2026	470207
Texas:						
Collin	City of Plano (25–06–0161P).	The Honorable John B. Muns, Mayor, City of Plano, 1520 K Avenue, Plano, TX 75074.	City Hall, 1520 K Avenue, Plano, TX 75074.	https://msc.fema.gov/portal/advanceSearch .	Apr. 13, 2026	480140
Denton	Unincorporated areas of Denton County, (25–06–1529P).	The Honorable Andy Eads, Denton County Judge, 1 Courthouse Drive, Denton, TX 76208.	Denton County Development Services Department, 3900 Morse Street, Denton, TX 76208.	https://msc.fema.gov/portal/advanceSearch .	Apr. 13, 2026	480774
Guadalupe	City of New Braunfels, (25–06–1550P).	Robert Camareno, City Manager, City of New Braunfels, 550 Landa Street, New Braunfels, TX 78130.	City Hall, 550 Landa Street, New Braunfels, TX 78130.	https://msc.fema.gov/portal/advanceSearch .	Apr. 2, 2026	485493
Guadalupe	Unincorporated areas of Guadalupe County, (25–06–0170P).	The Honorable Kyle Kutscher, Guadalupe County Judge, 101 East Court Street, Seguin, TX 78155.	Guadalupe County Courthouse, 101 East Court Street, Seguin, TX 78155.	https://msc.fema.gov/portal/advanceSearch .	Apr. 16, 2026	480266
Guadalupe	Unincorporated areas of Guadalupe County, (25–06–1071P).	The Honorable Kyle Kutscher, Guadalupe County Judge, 101 East Court Street, Seguin, TX 78155.	Guadalupe County Courthouse, 101 East Court Street, Seguin, TX 78155.	https://msc.fema.gov/portal/advanceSearch .	Apr. 20, 2026	480266
Llano	Unincorporated areas of Llano County, (24–06–2085P).	The Honorable Ron Cunningham, Llano County Judge, 801 Ford Street, Suite 101, Llano, TX 78643.	Llano County Courthouse Annex, 100 West Sandstone Street, Suite 200A, Llano, TX 78643.	https://msc.fema.gov/portal/advanceSearch .	Apr. 17, 2026	481234
Tarrant	City of Benbrook, (25–06–0785P).	The Honorable Jason Ward, Mayor, City of Benbrook, 911 Winscott Road, Benbrook, TX 76126.	City Hall, 911 Winscott Road, Benbrook, TX 76126.	https://msc.fema.gov/portal/advanceSearch .	Apr. 20, 2026	480586

State and county	Location and case No.	Chief executive officer of community	Community map repository	Online location of letter of map revision	Date of modification	Community No.
Tarrant	City of Fort Worth, (25–06–0785P).	The Honorable Mattie Parker, Mayor, City of Fort Worth, 100 Fort Worth Trail, Fort Worth, TX 76102.	Department of Transportation and Public Works, Stormwater Management Division, 100 Fort Worth Trail, Fort Worth, TX 76102.	https://msc.fema.gov/portal/advanceSearch .	Apr. 20, 2026	480596
Travis	City of Austin (25–06–0340P).	T.C. Broadnax, Manager, City of Austin, P.O. Box 1088, Austin, TX 78767.	Watershed Protection Department, 505 Barton Springs Road, 11th Floor, Austin, TX 78704.	https://msc.fema.gov/portal/advanceSearch .	Apr. 13, 2026	480624
Travis	City of Austin (25–06–1102P).	T.C. Broadnax, Manager, City of Austin, P.O. Box 1088, Austin, TX 78767.	Watershed Protection Department, 505 Barton Springs Road, 11th Floor, Austin, TX 78704.	https://msc.fema.gov/portal/advanceSearch .	Apr. 13, 2026	480624
Travis	Unincorporated areas of Travis County, (25–06–0340P).	The Honorable Andy Brown, Travis County Judge, P.O. Box 1748, Austin, TX 78767.	Travis County Government Office, 700 Lavaca Street, Austin, TX 78701.	https://msc.fema.gov/portal/advanceSearch .	Apr. 13, 2026	481026
Wise	Unincorporated areas of Wise County, (25–06–1529P).	The Honorable J.D. Clark, Wise County Judge, P.O. Box 393, Decatur, TX 76234.	Wise County Public Works Department, 2901 South F.M. 51, Building 100, Decatur, TX 76234.	https://msc.fema.gov/portal/advanceSearch .	Apr. 13, 2026	481051
Wisconsin: Kenosha.	Village of, Pleasant Prairie (25–05–0617P).	The Honorable David J. Klimisch, President, Village of, Pleasant Prairie Board, 9915 39th Avenue, Pleasant Prairie, WI 53158.	Village Hall, 9915 39th Avenue, Pleasant Prairie, WI 53158.	https://msc.fema.gov/portal/advanceSearch .	Apr. 16, 2026	550613

[FR Doc. 2026–09020 Filed 5–6–26; 8:45 am]

BILLING CODE 9110–12–P

DEPARTMENT OF HOMELAND SECURITY

Federal Emergency Management Agency

[Docket ID FEMA–2026–0002]

Final Flood Hazard Determinations

AGENCY: Federal Emergency Management Agency, Department of Homeland Security.

ACTION: Notice.

SUMMARY: Flood hazard determinations, which may include additions or modifications of Base Flood Elevations (BFEs), base flood depths, Special Flood Hazard Area (SFHA) boundaries or zone designations, or regulatory floodways on the Flood Insurance Rate Maps (FIRMs) and where applicable, in the supporting Flood Insurance Study (FIS) reports have been made final for the communities listed in the table below. The FIRM and FIS report are the basis of the floodplain management measures that a community is required either to adopt or to show evidence of having an effect in order to qualify or remain qualified for participation in the Federal

Emergency Management Agency's (FEMA's) National Flood Insurance Program (NFIP).

DATES: The date of June 23, 2026 has been established for the FIRM and, where applicable, the supporting FIS report showing the new or modified flood hazard information for each community.

ADDRESSES: The FIRM, and if applicable, the FIS report containing the final flood hazard information for each community is available for inspection at the respective Community Map Repository address listed in the tables below and will be available online through the FEMA Map Service Center at <https://msc.fema.gov> by the date indicated above.

FOR FURTHER INFORMATION CONTACT: David N. Bascom, Acting Director, Engineering and Modeling Division, Federal Insurance Directorate, Resilience, FEMA, 400 C Street SW, Washington, DC 20472, or (email) david.bascom@fema.dhs.gov; or visit the FEMA Mapping and Insurance eXchange (FMIX) online at https://www.floodmaps.fema.gov/fhm/fmx_main.html.

SUPPLEMENTARY INFORMATION: The Federal Emergency Management Agency (FEMA) makes the final determinations listed below for the new or modified

flood hazard information for each community listed. Notification of these changes has been published in newspapers of local circulation and 90 days have elapsed since that publication. The Assistant Administrator, Federal Insurance Directorate, Resilience has resolved any appeals resulting from this notification.

This final notice is issued in accordance with section 110 of the Flood Disaster Protection Act of 1973, 42 U.S.C. 4104, and 44 CFR part 67. FEMA has developed criteria for floodplain management in floodprone areas in accordance with 44 CFR part 60.

Interested lessees and owners of real property are encouraged to review the new or revised FIRM and FIS report available at the address cited below for each community or online through the FEMA Map Service Center at <https://msc.fema.gov>.

The flood hazard determinations are made final in the watersheds and/or communities listed in the table below.

(Catalog of Federal Domestic Assistance No. 97.022, "Flood Insurance.")

Elizabeth Asche,

Assistant Administrator, Federal Insurance Directorate, Resilience Federal Emergency Management Agency, Department of Homeland Security.

Community	Community map repository address
Bristol County, Massachusetts (All Jurisdictions) Docket No.: FEMA-B-2390	
City of Attleboro	City Hall, 77 Park Street, Attleboro, MA 02703.
Town of North Attleborough	Town Hall, 43 S Washington Street, North Attleborough, MA 02760.
Chippewa County, Michigan (All Jurisdictions) Docket No.: FEMA-B-2513	
Bay Mills Indian Community	Bay Mills Indian Community Tribal Office, 12140 W Lakeshore Drive, Brimley, MI 49715.
City of Sault Sainte Marie	City Hall, 225 E Portage Avenue, Sault Sainte Marie, MI 49783.
Township of Bay Mills	Bay Mills Township Hall, 14740 W Lakeshore Drive, Brimley, MI 49715.
Township of Bruce	Bruce Township Hall, 3156 E 12 Mile Road, Dafer, MI 49724.
Township of DeTour	DeTour Village Hall, 260 S Superior Street, DeTour Village, MI 49725.
Township of Drummond Island	Township Hall, 29935 E Pine Street, Drummond Island, MI 49726.
Township of Pickford	Township Hall, 155 E Main Street, Pickford, MI 49774.
Township of Raber	Raber Township Hall, 16315 E M-48, Goetzville, MI 49736.
Township of Soo	Soo Township Municipal Hall, 639 3½ Mile Road, Sault Sainte Marie, MI 49783.
Township of Sugar Island	Sugar Island Community Center, 6401 E 1½ Mile Road, Sault Sainte Marie, MI 49783.
Township of Superior	Superior Township Hall, 7049 S M-221, Brimley, MI 49715.
Township of Whitefish	Whitefish Township Community Center, 7052 M-123, Paradise, MI 49768.
Village of De Tour	DeTour Village Hall, 260 S Superior Street, DeTour Village, MI 49725.
Providence County, Rhode Island (All Jurisdictions) Docket No.: FEMA-B-2403	
City of Central Falls	City Hall, 580 Broad Street, Central Falls, RI 02863.
City of Pawtucket	City Hall, 137 Roosevelt Avenue, Pawtucket, RI 02860.
City of Woonsocket	City Hall, 169 Main Street, Woonsocket, RI 02895.
Town of Burrillville	Burrillville Town Annex, 144 Harrisville Main Street, Harrisville, RI 02830.
Town of Cumberland	Department of Public Works, 45 Broad Street, Cumberland, RI 02864.
Town of Glocester	Glocester Town Hall, 1145 Putnam Pike, Chepachet, RI 02814.
Town of Lincoln	Town Hall, 100 Old River Road, Lincoln, RI 02865.
Town of North Smithfield	Town Hall, 83 Greene Street, North Smithfield, RI 02896.
Town of Scituate	Town Hall, 195 Danielson Pike, Scituate, RI 02857.
Town of Smithfield	Town Hall, 64 Farnum Pike, Smithfield, RI 02917.
Utah County, Utah and Incorporated Areas Docket No.: FEMA-B-2468	
City of American Fork	Public Works Office, 275 East 200 N, American Fork, UT 84003.
City of Lehi	City Hall, 153 North 100 E, Lehi, UT 84043.
City of Lindon	City Center Building, 100 North State Street, Lindon, UT 84042.
City of Orem	City Center, 56 North State Street, Orem, UT 84057.
City of Provo	Public Works, 1377 South 350 E, Provo, UT 84606.
City of Saratoga Springs	Public Works, 213 North 900 E, Saratoga Springs, UT 84045.
City of Springville	City Hall, 110 South Main Street, Springville, UT 84663.
City of Vineyard	City Hall, 125 South Main Street, Vineyard, UT 84059.
Town of Genola	Town Hall, 74 West 800 S, Genola, UT 84655.
Unincorporated Areas of Utah County	Utah County Public Works, 2855 South State Street, Provo, UT 84606.

[FR Doc. 2026-09013 Filed 5-6-26; 8:45 am]

BILLING CODE 9110-12-P

DEPARTMENT OF HOMELAND SECURITY**Federal Emergency Management Agency**

[Docket ID FEMA-2026-0002; Internal Agency Docket No. FEMA-B-2600]

Proposed Flood Hazard Determinations

AGENCY: Federal Emergency Management Agency, Department of Homeland Security.

ACTION: Notice.

SUMMARY: Comments are requested on proposed flood hazard determinations, which may include additions or modifications of any Base Flood Elevation (BFE), base flood depth, Special Flood Hazard Area (SFHA) boundary or zone designation, or regulatory floodway on the Flood Insurance Rate Maps (FIRMs), and where applicable, in the supporting Flood Insurance Study (FIS) reports for the communities listed in the table

below. The purpose of this notice is to seek general information and comment regarding the preliminary FIRM, and where applicable, the FIS report that the Federal Emergency Management Agency (FEMA) has provided to the affected communities. The FIRM and FIS report are the basis of the floodplain management measures that the community is required either to adopt or to show evidence of having in effect in order to qualify or remain qualified for participation in the National Flood Insurance Program (NFIP).

DATES: Comments are to be submitted on or before August 5, 2026.

ADDRESSES: The Preliminary FIRM, and where applicable, the FIS report for each community are available for inspection at both the online location <https://hazards.fema.gov/femaportal/prelimdownload> and the respective Community Map Repository address listed in the tables below. Additionally, the current effective FIRM and FIS report for each community are accessible online through the FEMA Map Service Center at <https://msc.fema.gov> for comparison.

You may submit comments, identified by Docket No. FEMA-B-2600, to David N. Bascom, Acting Director, Engineering and Modeling Division, Federal Insurance Directorate, Resilience, FEMA, 400 C Street SW, Washington, DC 20472, or (email) david.bascom@fema.dhs.gov.

FOR FURTHER INFORMATION CONTACT:

David N. Bascom, Acting Director, Engineering and Modeling Division, Federal Insurance Directorate, Resilience, FEMA, 400 C Street SW,

Washington, DC 20472, or (email) david.bascom@fema.dhs.gov; or visit the FEMA Mapping and Insurance eXchange (FMIX) online at https://www.floodmaps.fema.gov/fhm/fmx_main.html.

SUPPLEMENTARY INFORMATION: FEMA proposes to make flood hazard determinations for each community listed below, in accordance with section 110 of the Flood Disaster Protection Act of 1973, 42 U.S.C. 4104, and 44 CFR 67.4(a).

These proposed flood hazard determinations, together with the floodplain management criteria required by 44 CFR 60.3, are the minimum that are required. They should not be construed to mean that the community must change any existing ordinances that are more stringent in their floodplain management requirements. The community may at any time enact stricter requirements of its own or pursuant to policies established by other Federal, State, or regional entities. These flood hazard determinations are used to meet the floodplain management requirements of the NFIP.

The communities affected by the flood hazard determinations are provided in the tables below. Any request for reconsideration of the revised flood hazard information shown on the Preliminary FIRM and FIS report that satisfies the data requirements outlined in 44 CFR 67.6(b) is considered an appeal. Comments unrelated to the flood hazard determinations also will be considered before the FIRM and FIS report become effective.

Use of a Scientific Resolution Panel (SRP) is available to communities in

support of the appeal resolution process. SRPs are independent panels of experts in hydrology, hydraulics, and other pertinent sciences established to review conflicting scientific and technical data and provide recommendations for resolution. Use of the SRP only may be exercised after FEMA and local communities have been engaged in a collaborative consultation process for at least 60 days without a mutually acceptable resolution of an appeal. Additional information regarding the SRP process can be found online at https://www.floodsrp.org/pdfs/srp_overview.pdf.

The watersheds and/or communities affected are listed in the tables below. The Preliminary FIRM, and where applicable, FIS report for each community are available for inspection at both the online location <https://hazards.fema.gov/femaportal/prelimdownload> and the respective Community Map Repository address listed in the tables. For communities with multiple ongoing Preliminary studies, the studies can be identified by the unique project number and Preliminary FIRM date listed in the tables. Additionally, the current effective FIRM and FIS report for each community are accessible online through the FEMA Map Service Center at <https://msc.fema.gov> for comparison. (Catalog of Federal Domestic Assistance No. 97.022, "Flood Insurance.")

Elizabeth Asche,

Assistant Administrator, Federal Insurance Directorate, Resilience Federal Emergency Management Agency, Department of Homeland Security.

Community	Community map repository address
Howell County, Missouri and Incorporated Areas Project: 20-07-0035S Preliminary Date: May 16, 2025	
City of Brandsville	Howell County Courthouse, 35 Court Square, West Plains, MO 65775.
City of Mountain View	City Hall, 126 North Oak Street, Mountain View, MO 65548.
City of West Plains	City Hall, 1910 North Holiday Lane, West Plains, MO 65775.
City of Willow Springs	City Hall, 900 West Main Street, Willow Springs, MO 65793.
Unincorporated Areas of Howell County	Howell County Courthouse, 35 Court Square, West Plains, MO 65775.
Oregon County, Missouri and Incorporated Areas Project: 20-07-0035S Preliminary Date: July 24, 2025	
City of Alton	City Hall, 3 Court Square, Alton, MO 65606.
City of Thayer	City Hall, 124 North 2nd Street, Thayer, MO 65791.
Unincorporated Areas of Oregon County	Oregon County Courthouse, 1 Court Square, Alton, MO 65606.
Ozark County, Missouri and Incorporated Areas Project: 20-07-0035S Preliminary Date: May 14, 2025	
City of Gainesville	City Hall, 76 Court Square, Gainesville, MO 65655.
Unincorporated Areas of Ozark County	Ozark County Courthouse, 1 Court Street, Gainesville, MO 65655.
Village of Bakersfield	Village Hall, 112 Watertower Street, Bakersfield, MO 65609.
Village of Theodosia	Town Hall, 23 Village Hall Drive, Theodosia, MO 65761.

[FR Doc. 2026-09015 Filed 5-6-26; 8:45 am]

BILLING CODE 9110-12-P

DEPARTMENT OF HOMELAND SECURITY

U.S. Citizenship and Immigration Services

[OMB Control Number 1615-0007]

Agency Information Collection Activities; Reinstatement, With Change, of a Previously Approved Collection for Which Approval Has Expired: Alien Change of Address

AGENCY: U.S. Citizenship and Immigration Services, Department of Homeland Security.

ACTION: 60-Day notice.

SUMMARY: The Department of Homeland Security (DHS), U.S. Citizenship and Immigration Services (USCIS) invites the general public and other Federal agencies to comment upon this proposed reinstatement, with change, of a previously approved collection for which approval has expired. In accordance with the Paperwork Reduction Act (PRA) of 1995, the information collection notice is published in the **Federal Register** to obtain comments regarding the nature of the information collection, the categories of respondents, the estimated burden (*i.e.* the time, effort, and resources used by the respondents to respond), the estimated cost to the respondent, and the actual information collection instruments.

DATES: Comments are encouraged and will be accepted for 60 days until July 6, 2026.

ADDRESSES: All submissions received must include the OMB Control Number 1615-0007 in the body of the letter, the agency name and Docket ID USCIS-2008-0018. Submit comments via the Federal eRulemaking Portal website at <https://www.regulations.gov> under e-Docket ID number USCIS-2008-0018.

FOR FURTHER INFORMATION CONTACT: USCIS, Office of Policy and Strategy, Regulatory Coordination Division, John R. Pfirrmann-Powell, Acting Deputy Chief, telephone number (240) 721-3000 (This is not a toll-free number. Comments are not accepted via telephone message). Please note contact information provided here is solely for questions regarding this notice. It is not for individual case status inquiries. Applicants seeking information about the status of their individual cases can check Case Status Online, available at the USCIS website at <https://>

www.uscis.gov, or call the USCIS Contact Center at 800-375-5283 (TTY 800-767-1833).

SUPPLEMENTARY INFORMATION:

Background

The U.S. government is conducting a comprehensive review of all relevant policies, regulations and guidance related to the receipt of means-tested public benefits and the public charge ground of deportability. Therefore, the Secretary has decided to exercise his statutory authority under INA section 287, 8 U.S.C. 1357, to require aliens subject to registration and change of address reporting requirements under INA section 265, 8 U.S.C. 1305, to also report information pertaining to their receipt of any means-tested public benefits, as well as information related to their employment and schooling, when notifying USCIS of their change of address. This information will be used by the Secretary to enforce the immigration laws of the United States, including the public charge ground of deportation under INA section 237(a)(5), 8 U.S.C. 1227(a)(5). It will also be used to identify aliens who may be receiving means-tested public benefits in violation of the restrictions on eligibility established by Congress in Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193 (PRWORA), codified in 8 U.S.C. 1601 *et seq.*, and to coordinate with means-tested public benefits granting agencies to better enforce those restrictions. Individuals who are not subject to INA section 265, 8 U.S.C. 1305, are not required to provide information related to the receipt of means-tested public benefits or information related to employment and schooling.

Comments

You may access the information collection instrument with instructions or additional information by visiting the Federal eRulemaking Portal site at: <https://www.regulations.gov> and entering USCIS-2008-0018 in the search box. Comments must be submitted in English, or an English translation must be provided. All submissions will be posted, without change, to the Federal eRulemaking Portal at <https://www.regulations.gov>, and will include any personal information you provide. Therefore, submitting this information makes it public. You may wish to consider limiting the amount of personal information that you provide in any voluntary submission you make to DHS. DHS may withhold information provided in comments from public

viewing that it determines may impact the privacy of an individual or is offensive. For additional information, please read the Privacy Act notice that is available via the link in the footer of <https://www.regulations.gov>.

Written comments and suggestions from the public and affected agencies should address one or more of the following four points:

(1) 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;

(2) 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;

(3) Enhance the quality, utility, and clarity of the information to be collected; and

(4) 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.

Overview of This Information Collection

(1) *Type of Information Collection:* Reinstatement, With Change, of a Previously Approved Collection For Which Approval Has Expired.

(2) *Title of the Form/Collection:* Alien Change of Address.

(3) *Agency form number, if any, and the applicable component of the DHS sponsoring the collection:* AR-11; USCIS.

(4) *Affected public who will be asked or required to respond, as well as a brief abstract:* *Primary:* Individuals or households. Form AR-11, Alien Change of Address, provides a standardized format for aliens who are required to report their change of address to inform USCIS of an address change in compliance with INA section 265, 8 U.S.C. 1305. Alien Change of Address Online provides a standardized format for providing change of address information electronically. This information collection may also be used by persons with a pending immigration benefit request with USCIS, or an approved immigrant visa petition to report a change of address to USCIS, consistent with INA section 103, 8 U.S.C. 1103. The information collected on this form may be used to determine whether an alien is deportable under INA sections 237(a)(3) or (5) (8 U.S.C.

1227(a)(3) or (5)). Aliens subject to change of address reporting requirements under INA section 265, 8 U.S.C. 1305, will also report information on any receipt of means-tested public benefits, as well as information related to their employment or schooling, when notifying USCIS of their change of address.

(5) *An estimate of the total number of respondents and the amount of time estimated for an average respondent to respond:* The estimated total number of annual respondents for the information collection Alien Change of Address (paper) is 244,274 and the estimated hour burden per response is 0.5 hours; the estimated total number of annual respondents for the information collection Alien Change of Address Online is 2,440,059 and the estimated hour burden per response is 0.47 hours.

(6) *An estimate of the total public burden (in hours) associated with the collection:* The estimated total annual hour burden associated with this collection is 1,268,965 hours.

(7) *An estimate of the total public burden (in cost) associated with the collection:* The estimated total annual cost burden associated with this collection of information is \$916,028.

Dated: May 5, 2026

John R. Pfirrmann-Powell,

Acting Deputy Chief, Regulatory Coordination Division, Office of Policy and Strategy, U.S. Citizenship and Immigration Services, Department of Homeland Security.

[FR Doc. 2026-09107 Filed 5-6-26; 8:45 am]

BILLING CODE 9111-97-P

DEPARTMENT OF HOMELAND SECURITY

U.S. Citizenship and Immigration Services

[OMB Control Number 1615-0100]

Agency Information Collection Activities; Extension, Without Change, of a Currently Approved Collection: Request for the Return of Original Documents

AGENCY: U.S. Citizenship and Immigration Services, Department of Homeland Security.

ACTION: 60-Day notice.

SUMMARY: The Department of Homeland Security (DHS), U.S. Citizenship and Immigration Services (USCIS) invites the general public and other Federal agencies to comment upon this proposed extension of a currently approved collection of information. In accordance with the Paperwork Reduction Act (PRA) of 1995, the

information collection notice is published in the **Federal Register** to obtain comments regarding the nature of the information collection, the categories of respondents, the estimated burden (*i.e.* the time, effort, and resources used by the respondents to respond), the estimated cost to the respondent, and the actual information collection instruments.

DATES: Comments are encouraged and will be accepted for 60 days until July 6, 2026.

ADDRESSES: All submissions received must include the OMB Control Number 1615-0100 in the body of the letter, the agency name and Docket ID USCIS-2008-0010. Submit comments via the Federal eRulemaking Portal website at <https://www.regulations.gov> under e-Docket ID number USCIS-2008-0010.

FOR FURTHER INFORMATION CONTACT: USCIS, Office of Policy and Strategy, Regulatory Coordination Division, John R. Pfirrmann-Powell, Acting Deputy Chief, telephone number (240) 721-3000 (This is not a toll-free number. Comments are not accepted via telephone message). Please note contact information provided here is solely for questions regarding this notice. It is not for individual case status inquiries. Applicants seeking information about the status of their individual cases can check Case Status Online, available at the USCIS website at <https://www.uscis.gov>, or call the USCIS Contact Center at 800-375-5283 (TTY 800-767-1833).

SUPPLEMENTARY INFORMATION:

Comments

You may access the information collection instrument with instructions or additional information by visiting the Federal eRulemaking Portal site at: <https://www.regulations.gov> and entering USCIS-2008-0010 in the search box. Comments must be submitted in English, or an English translation must be provided. All submissions will be posted, without change, to the Federal eRulemaking Portal at <https://www.regulations.gov>, and will include any personal information you provide. Therefore, submitting this information makes it public. You may wish to consider limiting the amount of personal information that you provide in any voluntary submission you make to DHS. DHS may withhold information provided in comments from public viewing that it determines may impact the privacy of an individual or is offensive. For additional information, please read the Privacy Act notice that

is available via the link in the footer of <https://www.regulations.gov>.

Written comments and suggestions from the public and affected agencies should address one or more of the following four points:

(1) 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;

(2) 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;

(3) Enhance the quality, utility, and clarity of the information to be collected; and

(4) 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.

Overview of This Information Collection

(1) *Type of Information Collection:* Extension, Without Change, of a Currently Approved Collection.

(2) *Title of the Form/Collection:* Request for the Return of Original Documents.

(3) *Agency form number, if any, and the applicable component of the DHS sponsoring the collection:* G-884; USCIS.

(4) *Affected public who will be asked or required to respond, as well as a brief abstract:* Primary: Individuals or households. This form standardizes the USCIS procedures for requesting the return of original documents contained in alien files. The information provided will be used by the USCIS to determine whether a person is eligible to obtain original documents contained in an alien file.

(5) *An estimate of the total number of respondents and the amount of time estimated for an average respondent to respond:* The estimated total number of annual respondents for the information collection G-884 is 6,600 and the estimated hour burden per response is 0.5 hours.

(6) *An estimate of the total public burden (in hours) associated with the collection:* The estimated total annual hour burden associated with this collection is 3,300 hours.

(7) *An estimate of the total public burden (in cost) associated with the collection:* The estimated total annual

cost burden associated with this collection of information is \$808,500.

Dated: May 5, 2026.

John R. Pfirrmann-Powell,

Acting Deputy Chief, Regulatory Coordination Division, Office of Policy and Strategy, U.S. Citizenship and Immigration Services, Department of Homeland Security.

[FR Doc. 2026-09082 Filed 5-6-26; 8:45 am]

BILLING CODE 9111-97-P

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

[Docket No. FWS-R4-ES-2026-0727;
FXES11140400000-267-FF04EF4000]

Receipt of Incidental Take Permit Application and Proposed Habitat Conservation Plan for Sand Skink and Blue-Tailed Mole Skink; Polk County, FL; Categorical Exclusion

AGENCY: Fish and Wildlife Service, Interior.

ACTION: Notice of availability; request for comments and information.

SUMMARY: We, the Fish and Wildlife Service (Service), announce receipt of an application from FLLWCC, LLC/ FLOW CC, LLC (Oakwood & Lake Wales Country Club (Vintage)) (applicant) for an incidental take permit (ITP) under the Endangered Species Act (ESA). The applicant requests the ITP to take the federally listed threatened sand skink and blue-tailed mole skink (skinks) incidental to the construction of a multi-phase residential development and associated clearing and infrastructure installation in Polk County, Florida. We request public comment on the application, which includes the applicant's proposed habitat conservation plan, and on the Service's preliminary determination that the proposed permitting action may be eligible for a categorical exclusion pursuant to the National Environmental Policy Act (NEPA), the Department of the Interior's (DOI) NEPA regulations, and the DOI Departmental Manual. To make this preliminary determination, we prepared a draft screening form and NEPA statement for HCPs, which are available for public review. We invite comment from the public and local, State, Tribal, and Federal agencies.

DATES: We must receive your written comments on or before June 8, 2026.

To ensure your comment is received and considered, you must submit it using one of the methods identified in the **ADDRESSES** section of this document. Comments submitted through any method not authorized in this

document, or sent to an address not listed here, will not be considered.

ADDRESSES:

Obtaining Documents: The documents this notice announces, as well as any comments and other materials that we receive, will be available for public inspection online in Docket No. FWS-R4-ES-2026-0727 at <https://www.regulations.gov>.

Submitting Comments: All submissions must include the docket number [FWS-R4-ES-2026-0727] for this document. You must submit comments using one of the following methods:

- **Online:** <https://www.regulations.gov>.

Follow the instructions for submitting comments on Docket No. FWS-R4-ES-2026-0727.

- **U.S. mail:** Public Comments Processing, Attn: Docket No. FWS-R4-ES-2026-0727; U.S. Fish and Wildlife Service, MS: PRB/3W; 5275 Leesburg Pike; Falls Church, VA 22041-3803.

Comments submitted through any method not authorized in this document, or sent to an address not listed here, will not be considered. We will not accept comments via email, fax, or hand delivery. We are not required to consider comments that are submitted after the comment period ends or that are submitted via a method outside of these instructions. Comments containing profanity, vulgarity, threats, or other inappropriate content will not be considered.

We will post all comments at <https://www.regulations.gov>. You may request that we withhold personal identifying information from public review; however, we cannot guarantee that we will be able to do so. See Public Availability of Comments for more information.

FOR FURTHER INFORMATION CONTACT: Erin Gawera, Jacksonville Ecological Services Field Office, by phone at 904-404-2464 or via email at erin_gawera@fws.gov. 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.

SUPPLEMENTARY INFORMATION: We, the U.S. Fish and Wildlife Service (Service), announce receipt of an application from FLLWCC, LLC/ FLOW CC, LLC (Oakwood & Lake Wales Country Club (Vintage)) (applicant) for an Incidental Take Permit (ITP) under the Endangered Species Act of 1973, as amended (ESA);

16 U.S.C. 1531 *et seq.*). The applicant requests the ITP to take the federally listed threatened sand skinks (*Neopseps* (= *Plestiodon*) *reynoldsi*) and blue-tailed mole skinks (*Eumeces egregius lividus*) (skinks) incidental to the construction of a multi-phase residential development and associated clearing and infrastructure installation in Polk County, Florida.

We request public comment on the application, which includes the applicant's HCP, and on the Service's preliminary determination that this proposed ITP may qualify for a categorical exclusion pursuant to the National Environmental Policy Act (NEPA; 42 U.S.C. 4321 *et seq.*), the Department of the Interior's (DOI) NEPA regulations (43 CFR part 46), and the DOI's Departmental Manual (DM; 516 DM 8.5(C)(2)). To make this preliminary determination, we prepared a draft screening form and NEPA statement for Habitat Conservation Plans (HCP), both of which are available for public review.

Proposed Project

The applicant requests a 10-year ITP to take skinks via the conversion of approximately 8.28 acres (ac) of occupied nesting, foraging, and sheltering skink habitat incidental to the construction and operation of a multi-phase residential development on 553.64 ac, on parcel numbers 28-30-05-000000-021010, 28-30-05-000000-034020, 28-30-05-000000-014010, 28-30-05-000000-013020, 28-30-05-000000-011020, 28-30-05-000000-011090, 28-30-05-000000-011060, 28-30-05-000000-011030, 28-29-32-937720-020211, 28-29-32-937720-020041, 28-29-32-937720-020171, 28-29-32-937720-020201, 28-29-32-937720-020051, and 28-29-32-937720-030291 in Sections 5, 6, 31, and 32, Township 29 and 30 South, Range 28 East, Polk County, Florida.

The applicant proposes to mitigate for take of the skinks by purchasing credits equivalent to 16.56 ac of skink-occupied habitat in the Lake Wales Ridge Conservation Bank or another Service approved skink conservation bank. The Service would require the applicant to purchase the credits prior to engaging in any phase of the project.

Our Preliminary Determination

The Service has made a preliminary determination that reasonably foreseeable effects of the applicant's proposed project, including the construction of a multi-phase residential development and the associated clearing and infrastructure, would have a minor effect on skinks and the human environment and that extraordinary

circumstances in 43 CFR 46.215 do not apply. Reasonably foreseeable effects encompass effects of implementation of the action including effects of the action in addition to other past, present, and reasonably foreseeable future effects.

Therefore, we have preliminarily determined that the proposed ESA section 10(a)(1)(B) permit would be a low-effect ITP that may qualify for application of a categorical exclusion (516 DM 8.5(C)(2)) pursuant to NEPA, the DOI's NEPA regulations, and the DOI DM. A low-effect ITP is one that would result in (1) negligible or minor individual or cumulative effects on species covered in the HCP; (2) no significant effect on the human environment; and (3) reasonably foreseeable effects that would not result in significant effects to the human environment.

Next Steps

The Service will evaluate the application and the comments to determine whether to issue the requested ITP. We will also conduct an intra-Service consultation pursuant to section 7 of the ESA to evaluate the effects of the proposed take. After considering the preceding and other matters, we will determine whether the permit issuance criteria of section 10(a)(1)(B) of the ESA have been met. If met, the Service will issue ITP number PER21381462 to FLLWCC, LLC/FLOW CC, LLC (Oakwood & Lake Wales Country Club (Vintage)).

Public Availability of Comments

Before including your address, phone number, email address, or other personal identifying information in your comment, be aware that your entire comment, including your personal identifying information, may be made available to the public. If you submit a comment at <https://www.regulations.gov>, your entire comment, including any personal identifying information, will be posted on the website. If you submit a hard copy comment that includes personal identifying information, such as your address, phone number, or email address, you may request at the top of your document that we withhold this information from public review. However, we cannot guarantee that we will be able to do so. Moreover, all submissions from organizations or businesses, and from individuals identifying themselves as representatives or officials of organizations or businesses, will be made available for public disclosure in their entirety.

Authority

The Service provides this notice under section 10(c) of the Endangered Species Act (16 U.S.C. 1531 *et seq.*), its implementing regulations (50 CFR 17.32), National Environmental Policy Act (42 U.S.C. 4321 *et seq.*), as amended, and the and the Department of Interior's implementing regulations (43 CFR part 46).

Jose Rivera,

*Manager, Division of Environmental Review,
Florida Ecological Services Field Office, U.S.
Fish and Wildlife Service.*

[FR Doc. 2026-09093 Filed 5-6-26; 8:45 am]

BILLING CODE 4333-15-P

DEPARTMENT OF THE INTERIOR

Geological Survey

[Docket No. USGS-2026-0067; OMB Control Number 1028-0106; GX26WC00GJNV331]

Agency Information Collection Activities; Submission to the Office of Management and Budget for Review and Approval; USGS Ash Fall Report

AGENCY: U.S. Geological Survey, Interior.

ACTION: Notice of information collection; request for comment.

SUMMARY: In accordance with the Paperwork Reduction Act (PRA) of 1995, the U.S. Geological Survey (USGS) is proposing to renew an information collection.

DATES: Interested persons are invited to submit comments on or before June 8, 2026.

ADDRESSES: You may submit comments by one of the following methods:

- **Internet:** <https://www.regulations.gov>. Search for and submit comments on Docket No. USGS-2026-0067.

- **U.S. Mail:** USGS, Information Collections Clearance Officer, 12201 Sunrise Valley Drive, MS 159, Reston, VA 20192.

FOR FURTHER INFORMATION CONTACT:

Kristi Wallace by email at kwallace@usgs.gov, or by telephone at (907) 786-7109. 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 PRA of 1995 (44 U.S.C. 3501 *et seq.*) and 5 CFR 1320.8(d)(1), the USGS provides the 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 March 3, 2026, (91 FR 10408). 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 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 using 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 personally identifiable information (PII) in your comment, you should be aware that your entire comment—including your PII—may be made publicly available at any time. While you can ask us in your comment to withhold your PII from public review, we cannot guarantee that we will be able to do so.

Abstract: The USGS provides notifications and warnings to the public of volcanic activity in the United States in order to reduce the loss of life, property, and economic and societal impacts. Ash fall to the ground can pose

significant disruption and damage to buildings, transportation, water and wastewater, power supply, communications equipment, agriculture, and primary production leading to potentially substantial societal impacts and costs, even at thicknesses of only a few millimeters or inches. Additionally, fine grained ash, when ingested can cause health impacts to humans and animals. The USGS will use reports entered in real time by respondents of ash fall in their local area to correct or refine ash fall forecasts as the ash cloud moves downwind. Retrospectively these reports will enable USGS to improve their ash fall models and further research into eruptive processes.

This project is a database module and web interface allowing the public and Alaska Volcano Observatory (AVO) staff to enter reports of ash fall in their local area in real time and retrospectively following an eruptive event. Users browsing the AVO website during eruptions will be directed towards a web form allowing them to fill in ash fall information and submit the information to AVO.

Compiled ashfall reports are available in real-time to AVO staff through the AVO internal website. A pre-formatted summary report or table that distills information received online will show ash fall reports in chronological order with key fields including (1) date and time of ash fall, (2) location, (3) positive or negative ash fall (4) name of observer, and (5) contact information is easily viewable internally on the report so that calls for clarification can be made by AVO staff quickly and Operations room staff can visualize ashfall information quickly.

Ashfall report data will also be displayed on a dynamic map interface and show positive (yes ash) and negative (no ash) ash fall reports by location. Ashfall reports (icons) will be publicly displayed for a period of 24 hours and shaded differently as they age so that the age of reports is obvious.

The ashfall report database will help AVO track eruption clouds and associated fallout downwind. These reports from the public will also give scientists a more complete record of the amount and duration and other conditions of ash fall. Getting first-hand accounts of ash fall will support model ash fall development and interpretation of satellite imagery. AVO scientists will—as time allows—be able to contact the individuals using their entered contact information for clarification and details. Knowing the locations from which ash-fall reports have been filed will improve ash fall warning messages,

AVO Volcanic Activity Notifications, and make fieldwork more efficient. AVO staff will be able to condense and summarize the various ash fall reports and forward that information on to emergency management agencies and the wider public. The online form will also free up resources during exceedingly busy times during an eruption, as most individuals currently phone AVO with their reports.

Title of Collection: USGS Ash Fall Report.

OMB Control Number: 1028–0106.

Form Number: None.

Type of Review: Extension of a currently approved collection.

Respondents/Affected Public: General Public, local governments and emergency managers.

Total Estimated Number of Annual Respondents: We are likely to ask individuals to respond 1–6 times year which is the number of past eruptions we have during any one year in Alaska. Individuals can submit responses more than once during an eruption to report ashfall details.

Total Estimated Number of Annual Respondents: 250.

Total Estimated Number of Annual Responses: 250 individuals affected by a volcanic ashfall event each year.

Estimated Completion Time per Response: We estimate the public reporting burden will average 5 minutes per response. This includes the time for reviewing instructions and answering a web-based questionnaire.

Total Estimated Number of Annual Burden Hours: 21 hours.

Respondent's Obligation: Voluntary.

Frequency of Collection: On occasion, after each ashfall event.

Total Estimated Annual Non-hour Burden Cost: \$750.

An agency may not conduct or sponsor, nor is a person required to respond to, a collection of information unless it displays a currently valid OMB control number.

The authority for this action is the PRA of 1995 (44 U.S.C. 3501 *et seq.*).

Jacob Lowenstern,

Center Director, USGS Volcano Science Center.

[FR Doc. 2026–09041 Filed 5–6–26; 8:45 am]

BILLING CODE 4311–51–P

DEPARTMENT OF THE INTERIOR

Bureau of Reclamation

[RN.17730001.0000000 26XR0680S1 RR040U2200]

Colorado River Basin Salinity Control Advisory Council Notice of Public Meeting

AGENCY: Bureau of Reclamation, Interior.

ACTION: Notice of public meeting.

SUMMARY: The Bureau of Reclamation is publishing this notice to announce that a Federal Advisory Committee meeting of the Colorado River Basin Salinity Control Advisory Council (Council) will take place. The meeting is open to the public.

DATES: The meeting will take place in-person and virtually on Wednesday, May 13, 2026, beginning at 3:00 p.m. to approximately 4:30 p.m. (PDT) and Thursday, May 14, 2026, beginning at 8:30 a.m. to approximately 9:30 a.m. (PDT).

ADDRESSES: The in-person meeting will be held at the Southern Nevada Water Authority, Molasky Corporate Center, 100 N City Parkway, Las Vegas, NV 89106.

The virtual meeting held on Wednesday, May 13, 2026, may be accessed at <https://us02web.zoom.us/j/89470457016>.

The virtual meeting held on Thursday, May 14, 2026, may be accessed at <https://us02web.zoom.us/j/84829775490>.

FOR FURTHER INFORMATION CONTACT:

Kathleen Callister, telephone (801) 524–3781; email at kcallister@usbr.gov.

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.

SUPPLEMENTARY INFORMATION: The meeting of the Council is being held under the provisions of the Federal Advisory Committee Act of 1972. The Council was established by the Colorado River Basin Salinity Control Act of 1974 (Pub. L. 93–320) (Act) to receive reports and advise Federal agencies on implementing the Act.

Purpose of the Meeting: The purpose of the meeting is to discuss the accomplishments of Federal agencies and make recommendations on future

activities to control salinity in the Colorado River Basin.

Agenda: Council members will be briefed on the status of salinity control activities. Discussions about salinity control research studies will occur. The Bureau of Reclamation, Bureau of Land Management, U.S. Fish and Wildlife Service, and United States Geological Survey of the Department of the Interior; the Natural Resources Conservation Service of the Department of Agriculture; and the Environmental Protection Agency will each present a progress report and a schedule of activities on salinity control in the Colorado River Basin. The Council will discuss salinity control activities, the contents of the reports, and the Basin States Program created by Public Law 110–246, which amended the Act. A final agenda will be posted online at <https://www.usbr.gov/uc/progact/salinity/> at least one week prior to the meeting. This notice is published less than seven days in advance of the meeting as agenda items require the Council's immediate consideration to support Federal program deadlines, interagency coordination needs, and time-sensitive decision processes essential to program implementation. Delay in convening the Council would impede the ability to meet program timelines, address pending recommendations, and ensure continuity in federally mandated planning and review processes in support of public interests.

Meeting Accessibility/Special Accommodations: The meeting is open to the public. Please make requests in advance for sign language interpreter services, assistive listening devices, or other reasonable accommodations. We ask that you contact Ms. Kathleen Callister (see **FOR FURTHER INFORMATION CONTACT** section of this notice) at least seven (7) business days prior to the meeting to give the Department of the Interior sufficient time to process your request. All reasonable accommodation requests are managed on a case-by-case basis.

Individuals wanting virtual access to the meeting or those requiring special accommodations should contact Kathleen Callister (see **FOR FURTHER INFORMATION CONTACT**) no later than seven (7) days prior to the meeting, to receive instructions.

Public Comments: The Council chairman will provide time for oral comments from members of the public at the meeting. Individuals wanting to make an oral comment should contact Ms. Kathleen Callister (see **FOR FURTHER INFORMATION CONTACT**) to be placed on the public comment list. Members of the

public may also file written statements with the Council before, during, or up to 30 days after the meeting either in person or by mail. Written comments provided to Kathleen Callister (see **FOR FURTHER INFORMATION CONTACT**) by May 8, 2026, will be considered during the Council meeting.

Public Disclosure of Personal Information: 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.

Authority: 5 U.S.C. Ch. 10.

Stephanie McPhee,

Group Federal Officer, Bureau of Reclamation.

[FR Doc. 2026–09022 Filed 5–5–26; 4:15 pm]

BILLING CODE 4332–90–P

DEPARTMENT OF JUSTICE

[OMB Number 1121–0360]

Agency Information Collection Activities; Proposed eCollection eComments Requested; Extension of a Previously Approved Collection; Generic Clearance for Cognitive, Pilot, and Field Studies for Office of Juvenile Justice and Delinquency Prevention Data Collection Activities

AGENCY: Office of Justice Programs, Department of Justice.

ACTION: 30-Day notice.

SUMMARY: The National Institute of Justice, Office of Justice Programs, Department of Justice (DOJ), 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 June 8, 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: Benjamin Adams, Supervisory Social Science Analyst, National Institute of Justice, 999 N Capitol Street

NE, Washington, DC 20531 (email: benjamin.adams@usdoj.gov; telephone: 202–598–6493).

SUPPLEMENTARY INFORMATION: The proposed information collection was previously published in the **Federal Register** on March 10, 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 Office of Juvenile Justice and Delinquency Prevention, 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;
- Enhance the quality, utility, and clarity of the information to be collected; and/or
- 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 1121–0360. 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:* Generic clearance for cognitive, pilot, and field studies for Office of Juvenile Justice and Delinquency Prevention data collection activities.

3. *Agency form number, if any, and the applicable component of the Department of Justice sponsoring the collection:* Form numbers are not available for a generic clearance. The applicable components within the Department of Justice are the National Institute of Justice and the Office of Juvenile Justice and Delinquency Prevention, in the Office of Justice Programs

4. *Affected public who will be asked or required to respond, as well as a brief abstract:* Affected Public: State, local and tribal governments, individuals or households, Private Sector-for or not for profit institutions. Abstract: The proposed generic information collection clearance will enable the National Institute of Justice (NIJ), on behalf of the Office of Juvenile Justice and Delinquency Prevention (OJJDP), to develop, test, and improve its survey and data collection instruments and methodologies. NIJ will engage in cognitive, pilot, and field test activities to inform its data collection efforts and to minimize respondent burden associated with each new or modified data collection. NIJ anticipates using a variety of procedures including, but not limited to, tests of various types of survey and data collection operations, focus groups, cognitive laboratory activities, pilot testing, field testing, exploratory interviews, experiments with questionnaire design, and usability testing of electronic data collection instruments.

5. *Obligation to Respond:* The obligation to respond is voluntary.

6. *Total Estimated Number of Respondents:* 2,000.

7. *Estimated Time per Respondent:* 120 minutes.

8. *Frequency:* Once.

9. *Total Estimated Annual Time Burden:* 4,000 hours.

10. *Total Estimated Annual Other Costs Burden:* \$0.

If additional information is required, contact: Darwin Arceo, Department Clearance Officer, Enterprise Portfolio Management, Justice Management Division, United States Department of Justice, Two Constitution Square, 145 N Street NE, 4W-218 Washington, DC 20530.

Dated: May 5, 2026.

Darwin Arceo,

Department Clearance Officer for PRA, U.S. Department of Justice.

[FR Doc. 2026-09074 Filed 5-6-26; 8:45 am]

BILLING CODE 4410-18-P

DEPARTMENT OF LABOR

Agency Information Collection Activities; Submission for OMB Review; Comment Request; Student Data Form

ACTION: Notice of availability; request for comments.

SUMMARY: The Department of Labor (DOL) is submitting this Occupational Safety & Health Administration (OSHA)-sponsored information collection request (ICR) to the Office of Management and Budget (OMB) for review and approval in accordance with the Paperwork Reduction Act of 1995 (PRA). Public comments on the ICR are invited.

DATES: The OMB will consider all written comments that the agency receives on or before June 8, 2026.

ADDRESSES: Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to www.reginfo.gov/public/do/PRAMain. Find this particular information collection by selecting "Currently under 30-day Review—Open for Public Comments" or by using the search function.

FOR FURTHER INFORMATION CONTACT:

Nicole Bouchet by telephone at 202-693-0213, or by email at DOL_PRA_PUBLIC@dol.gov.

SUPPLEMENTARY INFORMATION: The OSHA Student Data Form, OSHA Form 182, is used to collect student group and emergency contact information from OSHA Training Institute students. The collected information is used to contact a designated person in case of an emergency. Student group data is used for reports, and tuition receipts. For additional substantive information about this ICR, see the related notice published in the **Federal Register** on September 12, 2025 (90 FR 44248).

Comments are invited on: (1) whether the collection of information is necessary for the proper performance of the functions of the Department, including whether the information will have practical utility; (2) the accuracy of the agency's estimates of the burden and cost 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 collection; and (4) ways to minimize the burden of the collection of information on those who are to respond, including the use of automated collection techniques or other forms of information technology.

This information collection is subject to the PRA. A Federal agency generally cannot conduct or sponsor a collection of information, and the public is generally not required to respond to an information collection, unless the OMB approves it and displays a currently valid OMB Control Number. In addition, notwithstanding any other provisions of law, no person shall generally be subject to penalty for failing to comply with a collection of information that does not display a valid OMB Control Number. See 5 CFR 1320.5(a) and 1320.6.

DOL 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 DOL notes that information collection requirements submitted to the OMB for existing ICRs receive a month-to-month extension while they undergo review.

Agency: DOL-OSHA.

Title of Collection: Student Data Form.

OMB Control Number: 1218-0172.

Affected Public: Individuals or Households.

Total Estimated Number of Respondents: 2,100.

Total Estimated Number of Responses: 2,100.

Total Estimated Annual Time Burden: 175 hours.

Total Estimated Annual Other Costs Burden: \$0.

(Authority: 44 U.S.C. 3507(a)(1)(D))

Nicole Bouchet,

Senior Paperwork Reduction Act Analyst.

[FR Doc. 2026-09080 Filed 5-6-26; 8:45 am]

BILLING CODE 4510-26-P

DEPARTMENT OF LABOR

Privacy Act of 1974; System of Records

AGENCY: Department of Labor.

ACTION: Notice of a modified system of records.

SUMMARY: The Privacy Act of 1974 and Office of Management and Budget (OMB) Circular No. A-108 require that each agency publish notice of a new or modified system of records that it maintains. DOL/GOVT-1, Office of Workers' Compensation Programs, Federal Employees' Compensation Act

File is a system of records that contains all records relating to injury or death of civilian employees or other persons entitled to benefits under the Federal Employees' Compensation Act. In compliance with Executive Order 14249, Protecting America's Bank Account Against Fraud, Waste, and Abuse, and Office of Management and Budget Memorandum M-25-32, Preventing Improper Payments and Protecting Privacy Through Do Not Pay, the Department of Labor (DOL) is modifying DOL/GOVT-1 by adding a new routine use to permit the disclosure of records to the U.S. Department of the Treasury. Additionally, in accordance with Office of Management and Budget Memorandum M-17-12, Preparing for and Responding to a Breach of Personally Identifiable Information, DOL is adding two model routine uses to the system of records to permit the disclosure of records in response to a breach.

DATES: Comments must be received no later than June 8, 2026. This modified SORN is effective upon publication of this Notice. If no public comments are received, the new routine uses will be effective beginning June 8, 2026. If the DOL receives public comments, the DOL will review the comments to determine whether any changes to the notice are necessary.

ADDRESSES: We invite you to submit comments on this notice. You may submit comments by the following method:

- *Federal e-Rulemaking Portal:* <https://www.regulations.gov> or <https://www.federalregister.gov>. Follow the instructions for submitting comments.

All comments will be made public and will be posted without change to <https://www.regulations.gov>, including any personal information provided.

FOR FURTHER INFORMATION CONTACT: To submit general questions about the system, contact Mara S. Blumenthal, DOL Privacy Program, by telephone at 202-693-3181, or by email at privacy@dol.gov.

SUPPLEMENTARY INFORMATION: In accordance with the Privacy Act of 1974 and in compliance with Executive Order 14249, Protecting America's Bank Account Against Fraud, Waste, and Abuse (E.O. 14249), and Office of Management and Budget Memorandum M-25-32, Preventing Improper Payments and Protecting Privacy Through Do Not Pay, DOL is modifying DOL/GOVT-1, Office of Workers' Compensation Programs, Federal Employees' Compensation Act File system of records by adding a new routine use to permit the disclosure of

records to the U.S. Department of the Treasury to review payments through the Do Not Pay Working System for the purposes of identifying, preventing, or recouping fraud and improper payments, to the extent permissible by law.

A "routine use" means, with respect to the disclosure of a Privacy Act record, the use of such record for a purpose which is compatible with the purpose for which it is collected. 5 U.S.C. 552a(a)(7). All agency systems of records must have a system of records notice (SORN) published in the **Federal Register**, and the SORN must describe "each routine use of the records contained in the system, including the categories of users and the purposes of such use." 5 U.S.C. 552a(e)(4)(D). The new routine use required by E.O. 14249 and OMB Memorandum M-25-32 is the following:

To the U.S. Department of the Treasury when disclosure of the information is relevant to review payment and award eligibility through the Do Not Pay Working System for the purposes of identifying, preventing, or recouping improper payments to an applicant for, or recipient of, Federal funds, including funds disbursed by a state (meaning a state of the United States, the District of Columbia, a territory or possession of the United States, or a federally recognized Indian tribe) in a state-administered, federally funded program.

DOL is also adding to this system of records two model routine uses from OMB Memorandum M-17-12, Preparing for and Responding to a Breach of Personally Identifiable Information, for Federal agencies to prepare for and respond to a breach of personally identifiable information. One permits the disclosure of information related to breaches of an agency's own records, and the second permits the disclosure of agency records to assist other agencies in their efforts to respond to a breach. To date, DOL has been adding these routine uses to individual SORNs when they otherwise require modification. The routine uses are:

To appropriate agencies, entities, and persons when (1) the Department suspects or has confirmed that there has been a breach of the system of records, (2) the Department has determined that as a result of the suspected or confirmed breach there is a risk of harm to individuals, the Department (including its information systems, programs, and operations), the Federal Government, or national security; and (3) the disclosure made to such agencies, entities, and persons is reasonably necessary to assist in connection with the Department's

efforts to respond to the suspected or confirmed breach or to prevent, minimize, or remedy such harm.

To another Federal agency or Federal entity, when the Department determines that information from this system of records is reasonably necessary to assist the recipient agency or entity in (1) responding to a suspected or confirmed breach or (2) preventing, minimizing, or remedying the risk of harm to individuals, the recipient agency or entity (including its information systems, programs, and operations), the Federal Government, or national security, resulting from a suspected or confirmed breach.

SYSTEM NAME AND NUMBER:

Office of Workers' Compensation Programs, Federal Employees' Compensation Act File, DOL/GOVT-1.

SECURITY CLASSIFICATION:

Most files and data are unclassified. Files and data in certain cases have Top Secret classification, but the rules concerning their maintenance and disclosure are determined by the agency that has given the information the security classification of Top Secret.

SYSTEM LOCATION:

The central database for DOL/GOVT-1 is located at the DOL National office and the offices of OWCP's contractor. Paper claim files are located at the various OWCP district offices; claim files of employees of the Central Intelligence Agency are located at that agency. Copies of claim forms and other documents arising out of a job-related injury that resulted in the filing of a claim under the Federal Employees' Compensation Act (FECA) may also be maintained by the employing agency (and where the forms were transmitted to OWCP electronically, the original forms are maintained by the employing agency). In addition, records relating to third-party claims of FECA beneficiaries are maintained in the Division of Federal Employees' and Energy Workers' Compensation, Office of the Solicitor, United States Department of Labor, 200 Constitution Avenue NW, Washington, DC 20210.

SYSTEM MANAGER(S):

Director for Federal Employees' Compensation, Office of Workers' Compensation Programs, 200 Constitution Avenue NW, Washington, DC 20210.

* * * * *

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND PURPOSES OF SUCH USES:

* * * * *

v. To the U.S. Department of the Treasury when disclosure of the information is relevant to review payment and award eligibility through the Do Not Pay Working System for the purposes of identifying, preventing, or recouping improper payments to an applicant for, or recipient of, Federal funds, including funds disbursed by a state (meaning a state of the United States, the District of Columbia, a territory or possession of the United States, or a federally recognized Indian tribe) in a state-administered, federally funded program.

w. To appropriate agencies, entities, and persons when (a) DOL suspects or has confirmed that there has been a breach of the system of records; (b) DOL has determined that as a result of the suspected or confirmed breach there is a risk of harm to individuals, DOL (including its information systems, programs, and operations), the Federal Government, or national security; and (c) the disclosure made to such agencies, entities, and persons is reasonably necessary to assist in connection with DOL's efforts to respond to the suspected or confirmed breach or to prevent, minimize, or remedy such harm.

x. To another Federal agency or Federal entity, when DOL determines that information from this system of records is reasonably necessary to assist the recipient agency or entity in (a) responding to a suspected or confirmed breach or (b) preventing, minimizing, or remedying the risk of harm to individuals, the recipient agency or entity (including its information systems, programs, and operations), the Federal Government, or national security, resulting from a suspected or confirmed breach.

HISTORY:

81 FR 25766 (April 29, 2016).

Braye Cloud,

*Deputy Assistant Secretary for Operations,
Department of Labor.*

[FR Doc. 2026-09081 Filed 5-6-26; 8:45 am]

BILLING CODE 4510-04-P

DEPARTMENT OF LABOR

Agency Information Collection Activities; Submission for OMB Review; Comment Request; Respirable Crystalline Silica Standards for General Industry, Maritime and Construction

ACTION: Notice of availability; request for comments.

SUMMARY: The Department of Labor (DOL) is submitting this Occupational Safety & Health Administration (OSHA)-sponsored information collection request (ICR) to the Office of Management and Budget (OMB) for review and approval in accordance with the Paperwork Reduction Act of 1995 (PRA). Public comments on the ICR are invited.

DATES: The OMB will consider all written comments that the agency receives on or before June 8, 2026.

ADDRESSES: Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to www.reginfo.gov/public/do/PRAMain. Find this particular information collection by selecting "Currently under 30-day Review—Open for Public Comments" or by using the search function.

FOR FURTHER INFORMATION CONTACT:

Nicole Bouchet by telephone at 202-693-0213, or by email at DOL_PRA_PUBLIC@dol.gov.

SUPPLEMENTARY INFORMATION: The standards require covered employers to monitor employee exposure to respirable crystalline silica, to establish either regulated areas or a written access control plan, to conduct medical surveillance, and to establish and maintain accurate records of employee exposure to respirable crystalline silica and employee medical records. These records will be used by employers, workers, physicians and the Government to ensure that workers are not being harmed by exposure to respirable crystalline silica. For additional substantive information about this ICR, see the related notice published in the **Federal Register** on December 17, 2025 (90 FR 58625).

Comments are invited on: (1) whether the collection of information is necessary for the proper performance of the functions of the Department, including whether the information will have practical utility; (2) the accuracy of the agency's estimates of the burden and cost 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 collection; and (4) ways to minimize the burden of the collection of information on those who are to respond, including the use of automated collection techniques or other forms of information technology.

This information collection is subject to the PRA. A Federal agency generally cannot conduct or sponsor a collection of information, and the public is generally not required to respond to an

information collection, unless the OMB approves it and displays a currently valid OMB Control Number. In addition, notwithstanding any other provisions of law, no person shall generally be subject to penalty for failing to comply with a collection of information that does not display a valid OMB Control Number. See 5 CFR 1320.5(a) and 1320.6.

DOL 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 DOL notes that information collection requirements submitted to the OMB for existing ICRs receive a month-to-month extension while they undergo review.

Agency: DOL-OSHA.

Title of Collection: Respirable Crystalline Silica Standards for General Industry, Maritime and Construction.

OMB Control Number: 1218-0266.

Affected Public: Private Sector—Businesses or other for-profits.

Total Estimated Number of Respondents: 818,438.

Total Estimated Number of Responses: 18,175,280.

Total Estimated Annual Time Burden: 8,186,825 hours.

Total Estimated Annual Other Costs Burden: \$220,825,320.

(Authority: 44 U.S.C. 3507(a)(1)(D))

Nicole Bouchet,

Senior Paperwork Reduction Act Analyst.

[FR Doc. 2026-09079 Filed 5-6-26; 8:45 am]

BILLING CODE 4510-26-P

NUCLEAR WASTE TECHNICAL REVIEW BOARD

Board Meeting

The U.S. Nuclear Waste Technical Review Board will hold a hybrid (in-person/virtual) public meeting on June 9, 2026.

Board meeting: June 9, 2026 — The U.S. Nuclear Waste Technical Review Board will hold a hybrid (in-person/virtual) meeting in Arlington, Virginia, on June 9, 2026, focusing on technical lessons learned from the siting and development of geologic repositories in other countries.

Pursuant to its authority under section 5051 of Public Law 100-203, Nuclear Waste Policy Amendments Act (NWPAA) of 1987, the U.S. Nuclear Waste Technical Review Board will hold a hybrid (in-person/virtual) meeting in Arlington, Virginia, on Tuesday, June 9, 2026, focusing on technical lessons learned from the siting and development of geologic repositories in other countries. Speakers

from countries that are (i) in the site selection process (e.g., Czech Republic, Germany, and Republic of Korea) and (ii) those who have advanced to subsequent development stages (e.g., Finland and Switzerland) will participate.

The hybrid (in-person/virtual) meeting will be held at the AUSA Conference & Event Center at 2425 Wilson Blvd. in Arlington, Virginia. On June 9, 2026, the meeting will begin at 8:00 a.m. Eastern Daylight Time (EDT) and is scheduled to adjourn at approximately 4:30 p.m. EDT. A detailed meeting agenda will be available on the Board's website at www.nwtrb.gov approximately one week before the meeting.

The meeting will be open to the public, and there will be an opportunity for public comment at the end of the meeting. Those attending the meeting in person and wishing to provide oral comments are encouraged to sign-in using the Public Comment Register at the check-in table near the entrance to the meeting room. Oral commenters will be taken in the order in which they signed in. Public comments may also be submitted during the meeting via the online meeting viewing platform, using the "Comment for the Record" form. Comments submitted online during the day of the meeting may be read into the record by Board staff during the public comment period, if time allows. Depending on the number of speakers and online comments, a time limit on individual remarks may be set. Written comments of any length may be submitted to the Board staff by mail or electronic mail. Comments received in writing will be included in the meeting record, which will be posted on the Board's website. An archived recording of the meeting will be available on the Board's website following the meeting, and a transcript of the meeting will be available on the website by August 7, 2026.

The Board is a federal agency in the Executive Branch. It was established in the Nuclear Waste Policy Amendments Act of 1987 (Pub. L. 100-203) to perform ongoing evaluation of the technical and scientific validity of U.S. Department of Energy activities related to developing and implementing a program for the management and disposal of spent nuclear fuel and high-level radioactive waste, in accordance with the terms of the Nuclear Waste Policy Act of 1982, as amended. Board members serve part-time and are appointed by the President from a list of nominees submitted by the National Academy of Sciences. The Board reports its findings, conclusions, and

recommendations to Congress and the Secretary of Energy. Board reports, correspondence, congressional testimony, meeting transcripts, and related materials are posted on the Board's website.

For information regarding the meeting, contact Dr. Jay Santillan at santillan@nwtrb.gov, or by phone at 703-235-4490, or Ms. Chandrika Manepally at manepally@nwtrb.gov or by phone at 703-235-4489. For information on meeting logistics, contact Ms. Davonya Barnes at barnes@nwtrb.gov, or by phone at 703-235-9141. All three may be reached by mail at 2300 Clarendon Boulevard, Suite 1300, Arlington, VA 22201-3367; or by fax at 703-235-4495.

Dated: May 5, 2026.

Bret W. Leslie,

Acting Executive Director, U.S. Nuclear Waste Technical Review Board.

[FR Doc. 2026-09089 Filed 5-6-26; 8:45 am]

BILLING CODE 6820-AM-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105362; File No. SR-MSRB-2026-01]

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Filing of a Proposed Rule Change To Amend MSRB Rule G-12(c) To Codify and Retire or Revise Certain Existing Interpretive Guidance on Confirmation Requirements for Those Inter-Dealer Municipal Securities Transactions That Are Ineligible for Automated Comparison

May 4, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act" or "Exchange Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on April 30, 2026, the Municipal Securities Rulemaking Board ("MSRB" or "Board") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the MSRB. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The MSRB filed with the Commission a proposed rule change relating to

MSRB Rule G-12, on uniform practice (the "proposed rule change"). The proposed rule change would revise section (c) of Rule G-12 ("Rule G-12") to codify into rule language and to retire or revise existing interpretive guidance on confirmation requirements for those inter-dealer municipal securities transactions between two brokers, dealers or municipal securities dealers (collectively, "dealers") that are ineligible for automated comparison at a registered clearing agency, as well as to retire or revise other related interpretive guidance and to make technical amendments to simplify and clarify current rule requirements.

If the Commission approves the proposed rule change, the MSRB would announce the effective date of the proposed rule change in a regulatory notice to be published on the MSRB website no later than 90 days following Commission approval. The effective date would be no later than one year following Commission approval.

The text of the proposed rule change is available on the MSRB's website at <https://msrb.org/2026-SEC-Filings> and at the MSRB'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 MSRB included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The MSRB has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

Section (c) of Rule G-12 sets forth the confirmation requirements for inter-dealer municipal securities transactions that are ineligible for automated comparison in a system operated by a registered clearing agency,³ also referred to herein as "inter-dealer

³ A list of registered clearing agencies is available at <https://www.sec.gov/about/divisions-offices/division-trading-markets/clearing-agencies>. Currently, registered clearing agencies active in the municipal securities market consist of the Depository Trust & Clearing Corporation and its affiliates.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

confirmations.”⁴ Since the original adoption of Rule G–12(c) in 1977, the rule has requirements for the exchange and comparison of trade confirmations by dealers in inter-dealer transactions.⁵ Rule G–12(c) outlines a list of content requirements related to inter-dealer confirmations, analogous in scope to the content requirements for customer confirmations listed in pre-1990s iterations of section (a) of MSRB Rule G–15 (“Rule G–15”), on customer confirmations.

In 1983, the MSRB approved an amendment to Rule G–12 that required that dealers use automated comparison through a registered clearing agency for eligible inter-dealer trades, foregoing the need for the sending of separate confirmations previously used for that purpose for such eligible trades.⁶ By 1985, a majority of inter-dealer trades were compared through such automated means⁷ and, after when-issued securities became eligible for automated comparison, the MSRB assessed in 1995 that nearly all new issue municipal securities were eligible for automated comparison with the exception of those that do not meet the eligibility requirements to be assigned a Committee on Uniform Securities Identification Procedures (CUSIP) number.⁸ Thus, only a very small number of inter-dealer trades remained subject to the confirmation requirement of Rule G–12(c), predominantly due to their ineligibility for CUSIP number assignment.

Notwithstanding the low number of municipal securities that currently remain ineligible for automated comparison and therefore could be subject to Rule G–12(c), the MSRB observes that a population of municipal securities that do not have CUSIP numbers—and are therefore ineligible

for automated comparison—persists. For example, over five years, from 2020 to 2025, an annual average of 2,447 new municipal securities were issued without assigned CUSIP numbers,⁹ so that any inter-dealer trades in such securities would be ineligible for automated comparison and would therefore be subject to Rule G–12(c).¹⁰

Because of the historically low number of transactions subject to Rule G–12(c), the MSRB had not, to date, consolidated Rule G–12(c) and its associated interpretive guidance, as the MSRB has already completed for other MSRB rules whose provisions are more frequently used (e.g., Rule G–15).¹¹ The proposed rule change is mainly intended to significantly streamline the requirements of Rule G–12(c) and related interpretations to the core elements needed to fulfill the purpose of this confirmation requirement to facilitate comparison of inter-dealer transactions where such transactions cannot use the standard automated comparison system. The proposed rule change would, among other things, incorporate those key comparison-related principles established in interpretive guidance into the relevant rule text and eliminate certain requirements, from the current rule text or certain interpretive guidance, unrelated to the comparison process.¹² The text of proposed amended Rule G–12(c) would set out, in full and in a better organized manner, the streamlined set of informational elements for inter-dealer confirmations for which automated comparison is not available.

The MSRB believes that, given recent technological innovations in the market, it is timely to update and streamline

Rule G–12(c). The MSRB understands that issuers and other market participants are contemplating and, in some cases, may already be implementing new technological approaches in the municipal securities market with the rise of distributed ledger technologies (including blockchain technology), digital assets and other decentralized finance approaches. Some are beginning to explore the potential of issuing digital or tokenized securities.¹³ The issuance and subsequent trading of such securities could involve many unique features that did not exist at the time that the current centralized processes for comparison, clearance and settlement became the default manner for effecting municipal securities transactions. Such features may include, among others, digitizing and electronic record keeping of security ownership without the need for a traditional bond certificate and other aspects that would make such securities ineligible for the existing automated comparison and/or book-entry settlement process envisioned under MSRB rules. Thus, the MSRB believes that modernization of Rule G–12(c) is even more significant in light of alternative models for securities transactions that are emerging in the marketplace.¹⁴ The MSRB believes that the proposed rule change would effectuate this modernization of Rule G–12(c), ensuring that the rule continues to achieve its goals consistent with current market practices while simultaneously easing compliance burdens on regulated entities by removing outdated informational elements, and thereby removing potential impediments to market innovation and further perfecting the mechanism of a free and open market in municipal securities.

Therefore, in summary, the proposed rule change would:

¹³ See Commissioner Hester M. Peirce, *Enchanting, but Not Magical: A Statement on the Tokenization of Securities*, July 9, 2025, available at <https://www.sec.gov/newsroom/speeches-statements/peirce-statement-tokenized-securities-070925>, regarding the applicability of broker-dealer rules to tokenized securities.

¹⁴ The MSRB has launched a retrospective rule review of certain of its rules, including Rule G–12, that relate to these key market infrastructure processes that could provide opportunities for removing barriers to technological and product innovation in the municipal market. See MSRB Press Release of April 25, 2025, available at <https://www.msrb.org/Press-Releases/MSRB-Discusses-Market-Regulation-and-Transparency-Initiatives-Quarterly-Board>. The MSRB views this proposed rule change as being an early step in this retrospective rule review, and believes among other things, it is timely given the potential emergence of decentralized finance practices and products in the municipal securities market.

⁴ Rule G–12(a) exempts inter-dealer transactions in municipal securities submitted to a registered clearing agency for comparison from the inter-dealer confirmation provisions of Rule G–12(c), since the purposes of transaction confirmations are subsumed within the automated comparison process as provided in Rule G–12(f)(i).

⁵ Order Approving Proposed Rule Change, Exchange Act Release No. 13939 (Sept. 8, 1977), 42 FR 46445 (Sept. 15, 1977) (File No. SR–MSRB–76–12).

⁶ Order Approving Proposed Rule Change of the Municipal Securities Rulemaking Board, Exchange Act Release No. 20365 (Nov. 14, 1983), 48 FR 52531 (Nov. 18, 1983) (File No. SR–MSRB–83–13). While confirmations are not required under Rule G–12(c) for inter-dealer transactions eligible for automated comparison, such transactions are subject to the requirements and processes specified by Rule G–12(f).

⁷ See MSRB Reports Vol. 5, No. 2, (February 1985) at 7.

⁸ See Exchange Act Release No. 36352 (October 6, 1995), 60 FR 53652, at FN 6 (October 16, 1995) (File No. SR–MSRB–1995–14).

⁹ Based on submissions of MSRB Form G–32 by underwriters to the Electronic Municipal Market Access (EMMA) website under MSRB Rule G–32 for primary offerings for which CUSIP numbers had not been assigned.

¹⁰ Because trades in securities without CUSIP numbers are not subject to trade reporting to the MSRB’s Real-Time Transaction Reporting System (RTRS) under MSRB Rule G–14, the MSRB does not have an estimate of how many inter-dealer trades may occur in such securities.

¹¹ Customer trades generally remained subject to the confirmation requirements of Rule G–15(a)(i) and its interpretive guidance, ultimately leading the MSRB to revise and consolidate much of this guidance into the rule language in 1995. See Exchange Act Release No. 35700 (May 10, 1995), 60 FR 26747, at FN 6 (May 18, 1995) (File No. SR–MSRB–1995–04).

¹² As part of its efforts to streamline the rulebook, the MSRB has identified requirements under the current rule text and related pieces of interpretive guidance—pieces that have been rendered obsolete in the context of modern transaction practices or that otherwise are no longer necessary to promote the accuracy and efficiency of inter-dealer confirmations—which this proposed rule change would delete, as described herein.

- Codify principles from interpretive guidance into the rule text and reorganize the content of Rule G–12(c);

- Remove certain existing requirements from current Rule G–12(c) that no longer serve a beneficial purpose for dealers or the market;

- Make technical modifications to the rule requirements that would simplify and clarify the existing requirements under Rule G–12(c), including amending current Rule G–12(c)(vi) to replace it with a new definition section;

- Retire certain guidance that is being codified or is already codified in current Rule G–12(c) or noted under other MSRB rules;¹⁵ and

- Amend and retain certain interpretive guidance relevant to Rule G–12 and Rule G–15 and retire certain other guidance that may be obsolete or no longer serve a beneficial purpose to the market.¹⁶

Codification of Certain Principles From Existing Interpretive Guidance and Reorganization of Rule G–12(c)

The proposed rule change would codify central principles of the interpretive guidance using more succinct and precise language and reorganize the content of Rule G–12(c)(v)–(vi) to clarify the existing requirements of Rule G–12(c). The proposed rule change would not impose any new requirements and would eliminate obsolete or superfluous requirements. A portion of the proposed rule change discussed herein is comprised of key informational elements drawn from pieces of certain interpretive guidance which would be codified in the proposed rule text.¹⁷

The proposed rule change would organize informational elements required to be disclosed in a transaction subject to Rule G–12(c) into three categories, with the first covering securities transaction information, set forth in proposed Rule G–12(c)(v)(A), and the second covering securities identification information, set forth in proposed Rule G–12(c)(v)(B). The proposed rule change would also add, in proposed Rule G–12(c)(v)(C), a third

category of securities additional information beyond the information noted under the securities transaction and securities identification category that, in limited circumstances, may be necessary to ensure that the counterparties are in agreement as to the fundamental terms of an inter-dealer transaction and to the identity of the specific security being transacted. The items of information that would be required to be included on an inter-dealer confirmation in these three categories pursuant to proposed amended Rule G–12(c) are described below.

Securities Transaction Information

The proposed rule change would codify certain elements consisting of securities transaction information into Rule G–12(c)(v)(A).¹⁸ The following securities transaction information would be required to be disclosed under the proposed rule change.

- The confirming party's name (that is, the name of the dealer producing the confirmation) and its contact information;¹⁹

- The contra party's identification (that is, the name of the dealer with whom the confirming dealer is engaging in a transaction ineligible for automated comparison);²⁰

- Designation of whether the transaction is a purchase from or sale to the contra party;²¹

- Par value of the securities;²²

- Trade date;²³

- Settlement date;²⁴

¹⁸ Broadly, proposed Rule G–12(c)(v)(A) would include informational elements currently described in Rule G–12(c)(v)(A)–(D), G–12(c)(v)(G)–(N) and in the additional language following Rule G–12(c)(v)(N).

¹⁹ Existing Rule G–12(c)(v)(A) would be redesignated as Rule G–12(c)(v)(A)(1) and would be modified to instead reference the more flexible contact information to reflect modernization and changes in modes of communication. Updated rule language information would allow for address, telephone number or other information providing reasonable means of contacting the confirming party.

²⁰ Existing Rule G–12(c)(v)(B) would be redesignated as Rule G–12(c)(v)(A)(2) without substantive change.

²¹ Existing Rule G–12(c)(v)(C) would be redesignated as Rule G–12(c)(v)(A)(3) without substantive change.

²² Existing Rule G–12(c)(v)(D) would be redesignated as Rule G–12(c)(v)(A)(4). The proposed rule change would further clarify that, for zero coupon securities, the maturity value of the securities must be shown if it differs from the par value. This clarification incorporates language currently in the second paragraph following Rule G–12(c)(v)(N), which would be deleted as part of the proposed rule change.

²³ Existing Rule G–12(c)(v)(G) would be redesignated as Rule G–12(c)(v)(A)(5) without substantive change.

²⁴ Existing Rule G–12(c)(v)(H) would be redesignated as Rule G–12(c)(v)(A)(6). The

- Yield and dollar price, to be computed and shown as follows:²⁵

- For transactions effected on the basis of yield to maturity, yield to call date, or yield to put date, proposed Rule G–12(c)(v)(A)(7)(a) would require that the yield at which the transaction was effected be shown and, if that yield is to a call or put date, this must be noted, along with the date and dollar price of the call or put date;²⁶

- For transactions effected on the basis of dollar price, proposed Rule G–12(c)(v)(A)(7)(b) would require that a dollar price at which the transaction was effected be shown and, unless the transaction was effected at par, a yield be computed and shown;

- Proposed Rule G–12(c)(v)(A)(7)(c)(i) would specify that yield shown on confirmations must be computed to the lower of call date or maturity date (instead of lowest of price to call, price to par option, or price to maturity, as stated in current Rule G–12(c)(v)(I)). For purposes of computing yield to call or dollar price to call, proposed Rule G–12(c)(v)(A)(7)(c)(ii) would limit call

proposed rule change would also specify that initial confirmations for “when, as and if issued” transactions are excepted from this disclosure requirement. This exception incorporates language currently in the third paragraph following Rule G–12(c)(v)(N), which paragraph would be deleted as part of the proposed rule change.

²⁵ Existing Rule G–12(c)(v)(I) would be redesignated as Rule G–12(c)(v)(A)(7) and revised to adopt a simpler format, similar to the comparable provisions of Rule G–15(a)(i)(A)(5) for customer confirmations. Proposed Rule G–12(c)(v)(A)(7) would also codify guidance noted in certain pieces of interpretive guidance setting forth the manner of computing the yield and dollar price in a manner consistent with Rule G–15(a)(i)(A)(5). The proposed amendment would also codify certain guidance set forth in several pieces of interpretive guidance. See MSRB Interpretive Guidance, Pricing to Call (Dec. 10, 1980), available at <https://www.msrb.org/Pricing-Call>; MSRB Interpretive Guidance, Callable Securities: Pricing to Call and Extraordinary Mandatory Redemption Features (Feb. 10, 1984), available at <https://www.msrb.org/Callable-Securities-Pricing-Call-and-Extraordinary-Mandatory-Redemption-Features>; MSRB Interpretive Guidance, Confirmation Disclosure: Put Option Bonds (Apr. 24, 1981), available at <https://www.msrb.org/Confirmation-Disclosure-Put-Option-Bonds>; MSRB Interpretive Guidance, Calculation of Price and Yield on Continuously Callable Securities (Aug. 15, 1989), available at <https://www.msrb.org/Calculation-Price-and-Yield-Continuously-Callable-Securities>; MSRB Interpretive Guidance, Notice Concerning the Application of Board Rules to Put Option Bonds (Sep. 30, 1985), available at <https://www.msrb.org/Notice-Concerning-Application-Board-Rules-Put-Option-Bonds>. The foregoing items of interpretive guidance would be retired either in whole or in part through this initiative. See *supra* note 15.

²⁶ Proposed Rule G–12(c)(v)(A)(7)(a) would repurpose some text from current Rule G–12(c)(v)(I); however, it would primarily codify language noted in MSRB Interpretive Guidance, Notice Concerning the Application of Board Rules to Put Option Bonds (Sep. 30, 1985), available at <https://www.msrb.org/Notice-Concerning-Application-Board-Rules-Put-Option-Bonds>.

¹⁵ The MSRB will publish a regulatory notice that sets forth a list of each item of interpretive guidance that would be amended or retired in connection with the proposed rule change, following the Commission's approval.

¹⁶ See *supra* note 15.

¹⁷ The MSRB sought comment regarding the pieces of interpretive guidance under consideration as part of its review of Rule G–12(c). MSRB Notice 2023–08, Request for Comment on Retrospective Rule Review of Rule G–12(c) on Inter-Dealer Confirmations and Related Interpretive Guidance (Sep. 28, 2023) (“Request for Comment”), available at <https://www.msrb.org/sites/default/files/2023-09/2023-08.pdf>.

features that may be used to only those call features that represent “in whole calls” of the type that may be used by the issuer without restriction in a refunding.²⁷ Proposed Rule G–12(c)(v)(A)(7)(c)(iii) would clarify the computation and content requirements applicable to securities subject to a series of pricing calls at declining premiums,²⁸ securities that, at the time of trade, are subject to a notice of a pricing call at any time,²⁹ and additional requirements for zero coupon securities.³⁰ Proposed Rule G–12(c)(v)(A)(7)(c)(iv) would require all yield and dollar price computations to be made in accordance with MSRB Rule G–33, on calculations (“Rule G–33”);³¹

○ Proposed Rule G–12(c)(v)(A)(7)(d) would not require yield to be shown for securities traded on a discounted basis and would not require dollar price to be shown for when-issued trades.³²

- Amount of concession;³³
- Final monies;³⁴ and

²⁷ These changes would also effectively harmonize this aspect of the rule text with the comparable provision in Rule G–15(a)(i)(A)(5)(c) for customer confirmations, which the MSRB understands represents current industry usage of the terms “call date” to reflect any type of call, such as a par option call or a premium call, and “pricing calls” to reflect only call features available to issuers for use without restriction in a refunding.

²⁸ Dealers would be required to consider the call date resulting in the lowest yield or dollar price to be the yield to call or dollar price to call. This provision would codify key concepts relating to declining premium calls drawn from MSRB Interpretive Guidance, Pricing to Call, *supra* note 25.

²⁹ This provision would codify language relating to continuously callable securities gleaned from MSRB Interpretive Guidance, Calculation of Price and Yield on Continuously Callable Securities, *supra* note 25.

³⁰ The call price shown on the confirmation would be required to be expressed in terms of a percentage of the security’s maturity value. See MSRB Interpretive Guidance, Yield Disclosures: Yields to Call on Zero Coupon Bonds (Jan. 4, 1984), available at <https://www.msrb.org/Yield-Disclosures-Yields-Call-Zero-Coupon-Bonds>.

³¹ This proposed amendment codifies language regarding the applicability of Rule G–33 to yield and dollar price computation, which are drawn from MSRB Interpretive Guidance, Calculations for Securities with Periodic Interest Payments (Feb. 23, 2016), available at <https://www.msrb.org/Calculations-Securities-Periodic-Interest-Payments>.

³² These exceptions would be incorporated from the first and third paragraphs following current Rule G–12(c)(v)(N).

³³ Existing Rule G–12(c)(v)(f) would be redesignated Rule G–12(c)(v)(A)(8) without substantive change.

³⁴ Existing Rule G–12(c)(v)(K)–(M) would be redesignated Rule G–12(c)(v)(A)(9)(a)–(d). Proposed Rule G–12(c)(v)(A)(9)(a)–(d) would also incorporate language currently in the three paragraphs immediately following Rule G–12(c)(v)(N). Proposed Rule G–12(c)(v)(A)(9)(a)–(d) would be revised to adopt a simpler format, virtually identical in both structure and substance to the corresponding and analogous provisions of Rule G–15(a)(i)(A)(6) for customer confirmations. With the exception of initial confirmations of transactions

- Delivery of securities.³⁵

Securities Identification Information

The proposed rule change would codify certain informational elements consisting of securities identification information into proposed Rule G–12(c)(v)(B).³⁶ The proposed rule change would require inter-dealer confirmations to include the following elements of securities identification information.

- The name of the issuer;³⁷
- A securities identifier, if any, such as a CUSIP number or an alternative securities identifier that is mutually agreed upon between two parties;³⁸

affected on a “when, as and if issued” basis, proposed Rule G–12(c)(v)(A)(9) would clarify the computation and content requirements by specifying the elements of information which must be included: (a) the total dollar amount of the transaction; (b) the amount of accrued interest (with additional provisions for specific types of securities); (c) a notation of “flat” for securities that pay interest on a current basis but are traded without interest; and (d) the extended principal amount (with additional provisions for specific types of securities).

³⁵ Existing Rule G–12(c)(v)(N) would be redesignated as Rule G–12(c)(v)(A)(10), which would require inclusion of information regarding denominations of bonds, other than denominations that are multiples of \$1,000 par value (up to \$100,000 par value), largely similar to corresponding provision of Rule G–15(a)(i)(A)(7)(b) on customer confirmations. Proposed Rule G–12(c)(v)(A)(10)(b) would retain the delivery instructions under existing Rule G–12(c)(v)(N), which harmonizes with the corresponding provision of Rule G–15(a)(i)(A)(7)(d) on customer confirmations.

³⁶ Proposed Rule G–12(c)(v)(B) would largely consist of text from Rule G–12(c)(v)(E), (v)(F) and (vi)(A). It would also consolidate related text that appears in paragraphs between Rule G–12(c)(v) and (vi).

³⁷ Existing requirements from Rule G–12(c)(v)(E) would be redesignated as Rule G–12(c)(v)(B)(1), requiring name of the issuer, which would codify principles from interpretive guidance to include trade name and series designation for stripped coupon securities, analogous to Rule G–15(a)(i)(B)(1)(a). See MSRB Interpretive Guidance, Notice Concerning Stripped Coupon Municipal Securities (Mar. 13, 1989), available at <https://www.msrb.org/Notice-Concerning-Stripped-Coupon-Municipal-Securities>.

³⁸ Existing requirements from Rule G–12(c)(v)(F) would be redesignated as Rule G–12(c)(v)(B)(4). The proposed rule change would also broaden this provision by permitting use of an alternative securities identifier that would assist parties to the transaction to have assurance that they are each referencing the same security, such as an identifier that may be assigned by a vendor or other entity through which both parties are engaging in key steps of the transaction. The MSRB is mindful that the data standards to be adopted by the federal financial regulators that could become applicable with respect to submissions of information to the MSRB under the Financial Data Transparency Act, Public Law 117–263, title LVIII, 136 Stat. 2395, 3421 (2022) could include data standards for securities identifiers encompassing identifiers beyond CUSIP numbers. See Financial Data Transparency Act Joint Data Standards, Exchange Act Release No. 100647 (Aug. 2, 2024), 89 FR 67890 (Aug. 22, 2024). Furthermore, if tokenized municipal securities were to be traded on a

- Maturity date;³⁹
- Interest rate;⁴⁰ and,
- Dated date.⁴¹

Securities Additional Information

The proposed rule change would move and modify language from existing Rule G–12(c)(vi)(I) to proposed new Rule G–12(c)(v)(C), which would retain the requirement that the confirmation include any additional information necessary to ensure that the parties agree to the details of the transaction, beyond the information that would be required under proposed Rule G–12(c)(v)(A), and would add reference to ensuring that the parties have uniquely identified the specific securities being transacted, beyond the information that would be required under proposed Rule G–12(c)(v)(B). While the MSRB expects that such additional information would only rarely be needed, additional information

blockchain and such securities have not been assigned a CUSIP number, any alternative securities identifier incorporated within the mechanics of the blockchain itself could serve as a securities identifier. While the proposed rule change would permit the use on a confirmation of an alternative securities identifier and is not limited to the use of CUSIP number, the decision to use an alternative securities identifier on the confirmation would not obviate any obligation under other MSRB rules, such as the requirement to report trades to RTRS under MSRB Rule G–14, if the security in fact has a CUSIP number assigned to it.

³⁹ Existing requirements from Rule G–12(c)(v)(E) would be redesignated as Rule G–12(c)(v)(B)(2), which would codify informational elements from interpretive guidance with respect to stripped coupon securities to include maturity date of the instrument in lieu of the maturity date of the underlying securities. See MSRB Interpretive Guidance, Notice Concerning Stripped Coupon Municipal Securities, *supra* note 37.

⁴⁰ Existing requirements from Rule G–12(c)(v)(E) would be redesignated as Rule G–12(c)(v)(B)(3), which would also codify language from interpretive guidance requiring that, for zero coupon securities, the interest rate would be shown as 0%, and for securities with a variable or floating interest rate, the interest rate would be shown as “variable”. See MSRB Interpretive Guidance, Notice Concerning “Zero Coupon” and “Stepped Coupon” Securities (Apr. 27, 1982), available at <https://www.msrb.org/Notice-Concerning-Zero-Coupon-and-Stepped-Coupon-Securities>. See also MSRB Interpretive Guidance, Confirmation Disclosure Requirements Applicable to Variable-Rate Municipal Securities (Dec. 10, 1980), available at <https://www.msrb.org/Confirmation-Disclosure-Requirements-Applicable-Variable-Rate-Municipal-Securities>.

⁴¹ Existing Rule G–12(c)(vi)(A) would be reorganized as Rule G–12(c)(v)(B)(5), on disclosure requirements related to dated date. The proposed rule change would also codify language from interpretive guidance to specify that, for stripped coupon securities, the date that interest begins accruing to the custodian for payment to the beneficial owner would be shown in lieu of the dated date of the underlying securities; this date, along with the first date that interest will be paid to the owner, would be stated on the confirmation whenever it is necessary for calculation of price or accrued interest. See MSRB Interpretive Guidance, Notice Concerning Stripped Coupon Municipal Securities, *supra* note 37.

about the securities at certain times may be necessary particularly where no CUSIP number or other alternative identifier has been assigned to the securities and/or where some event or change to the securities gives rise to the need to distinguish the subject securities from other securities that previously were fully fungible but which have become no longer fungible.

The MSRB believes it is imperative for dealers to consider the circumstances under which additional identifying information may be required since it may be essential for both parties to agree upon which security is being transacted. For example, where a portion of securities might be secured by funds held in escrow, or may be backed by a personal guarantee, or might have some other feature not known or otherwise accessible to the market that could call into question the fungibility of different portions of such securities, while another portion may not have such backing or such other feature, there may be a need to provide greater specificity to the counterparty to ensure that both dealers engaged in an inter-dealer transaction are not mistaken as to the specific securities being transacted. In such circumstances, the dealers may need to include additional information on the confirmation under proposed Rule G–12(c)(v)(C) to precisely identify which unique securities are being transacted.

Amendments To Remove Certain Existing Requirements

The proposed rule change would remove current rule text pertaining to confirmation requirements that are primarily of a descriptive nature, which are unnecessary to provide a materially complete description for purposes of the modern comparison process, and are neither securities transaction information nor securities identification information.⁴² Because trade confirmations are delivered after the time of trade—documenting previously-agreed-upon terms of the trade rather than providing disclosures necessary to

inform counterparties at or prior to the time of trade—the need for securities descriptive information in a post-trade inter-dealer confirmation is significantly less than in a customer confirmation involving retail investors, who may value having documented in the customer confirmation some of these material substantive disclosures. In addition, for the vast majority of inter-dealer trades that are eligible for automated comparison, the current processes that substitute for trade confirmations under Rule G–12(c) do not entail the dissemination of this type of securities descriptive information. The proposed rule change would also retire certain pieces of interpretive guidance currently memorializing such requirements.⁴³

The proposed rule change would remove the following confirmation requirements, which pertain to securities descriptive information.

- Credit backing (from current Rule G–12(c)(v)(E));
- Features of securities (from current Rule G–12(c)(vi)(B), (E) and (G));
- Status of securities (from current Rule G–12(c)(vi)(H)); and
- Tax information (from current Rule G–12(c)(vi)(C) and (D)).

The MSRB notes that removing such requirements from inter-dealer confirmations would have no impact on whether dealers selling municipal securities in an inter-dealer transaction with features that would have been subject to confirmation disclosures under the current language of Rule G–12(c) must still comply with their obligations under other MSRB rules. For example, dealers would still be obligated to provide any required disclosures at or prior to the time of trade to their dealer counterparties under certain circumstances as provided in the Rule G–17 Inter-Dealer Time of Trade Disclosure Guidance.⁴⁴ Of course, given that a confirmation is not received by the counterparty until after a transaction is effected, confirmation disclosure, even if it were to include any such information, would not

normally be timely for purposes of a time of trade disclosure obligation.

Addition of a New Definition Section and Other Technical Amendments To Simplify and Clarify Existing Requirements Under the Rule

Rule G–12(c) currently utilizes certain terms, the definitions of which can be found in the text of other MSRB rules and interpretive guidance. Drawing from these sources, the proposed rule change would add a definition section to Rule G–12(c) to add clarity and facilitate compliance by reorganizing and compiling relevant definitions within the proposed rule text. The new definitions section would include the terms “stepped coupon securities,” “zero coupon securities,” “stripped coupon securities” and “pricing call,” codified as Rule G–12(c)(vi)(A)–(D).

Additionally, the proposed rule change would implement certain technical amendments to simplify, clarify and modernize existing content requirements under Rule G–12 as noted below:

- The proposed rule change would update certain internal cross references relating to the delivery of securities in Rule G–12(e)(ii),⁴⁵ on securities delivered, and Rule G–12(e)(iii),⁴⁶ on delivery ticket. The proposed rule change would also update Rule G–12(e)(v), on units of delivery under delivery of securities, to remove a separate reference to information regarding denomination of certificates to be delivered in case of bearer bonds since bearer bonds are no longer issued in the primary municipal securities market and any outstanding bearer bonds could be delivered in the same denominations applicable generally to municipal securities.

- The proposed rule change would also update internal cross-references under Rule G–12(g)(i) and (ii), on the reclamation requirements, from subparagraph (c)(v)(E) to paragraph (v)(B)(1)–(3) of section (c) of this rule.

⁴⁵ The proposed rule change would update internal cross-references under subparagraph (e)(ii)(A) from current rule language pertaining to paragraph (c)(v) and (c)(vi) to information now set forth in subparagraph (v)(B) of section (c) of this rule. The proposed rule change would also remove certain text under Rule G–12(e)(ii)(B) since the proposed rule change updating Rule G–12(e)(ii)(A) as noted above would make the rest of the information pertaining to CUSIP number under current Rule G–12(e)(ii)(B) redundant.

⁴⁶ The proposed rule change would update internal cross-references under subparagraph (e)(iii) from current rule language pertaining to information set forth in subparagraph (c)(v) and (vi) to information now reflected under paragraph (v) of section (c) of this rule except the information set forth in items (3), (7), (8) and clauses (b) and (d) of item (9) of subparagraph (c)(v)(A) thereof.

⁴² This elimination of obsolete confirmation requirements is consistent with the principles cited in the time of trade disclosure guidance for inter-dealer transactions. See MSRB Interpretive Guidance, *Time of Trade Disclosures in Inter-Dealer Transactions* (March 3, 2025) (the “Rule G–17 Inter-Dealer Time of Trade Disclosure Guidance”), available at <https://www.msrb.org/Rules-and-Interpretive-Guidance/Time-Trade-Disclosures-Inter-Dealer-Transactions> (In regard to inter-dealer transactions, the items of information that professionals must exchange “should be sufficient to distinguish the municipal security from other similar issues.”). See also Exchange Act Release No. 100508 (July 11, 2024), 89 FR 58229 (July 17, 2024) (File No. SR–MSRB–2024–03) (the “Time of Trade Disclosure Amendment Approval Order”).

⁴³ The MSRB will publish a full list of interpretive guidance that would be retired pursuant to this proposed rule change by no later than 90 days from the approval date of this proposed rule change. This notice would be the second of a series of two notices and would be similar to the previously published first notice where the MSRB retired nine pieces of guidance. See MSRB Notice 2024–07, *MSRB to Retire Select Interpretive Guidance Regarding Inter-Dealer Confirmation Disclosures* (May 22, 2024), available at <https://www.msrb.org/sites/default/files/2024-05/2024-07.pdf>.

⁴⁴ See *supra* note 42.

Retirement of Interpretive Guidance Codified in the Proposed Rule Text and Amendment of Certain Interpretive Guidance

As discussed above, the proposed rule change would amend Rule G–12(c) not only through reorganization of existing rule text but also through the codification of certain pieces of related interpretive guidance. This codification of guidance would promote ease of compliance with Rule G–12(c) both by improving the clarity of the proposed rule text and by reducing the number of documents dealers and compliance professionals must consult to understand Rule G–12(c). With the codification of requirements previously included in interpretive guidance, such source guidance would be retired in whole or have the relevant portions modified or removed in light of the incorporation of such requirements into the rule language.⁴⁷

Thus, the proposed rule change would fully retire MSRB Interpretive Guidance, Confirmation Disclosure Requirements for Callable Municipal Securities (Feb. 20, 1986), pertaining to confirmation of disclosure requirements for callable municipal securities, since the requirements of Rule G–12(c), as amended by the proposed rule change, would codify the confirmation requirements set forth therein, making such guidance superfluous.⁴⁸

In addition, the proposed rule change would amend five other pieces of interpretive guidance to modify certain rule references to reflect current rule language, including the new language of Rule G–12(c) under the proposed rule change, or to remove portions of such guidance that would be codified by the proposed rule change, that have previously been codified into MSRB rules, or that address outdated practices that are no longer relevant in the market, with the remaining portions of such guidance continuing to be in effect:

- MSRB Interpretive Guidance, Yield Disclosures: Yields to Call on Zero Coupon Bonds (Jan. 4, 1984),⁴⁹ which would be amended to conform a reference to Rule G–12 to the appropriate portion of the rule (as it would be modified by the proposed rule change) and a parallel reference to Rule

G–15 to the appropriate current provision of that rule, as well as to make a minor language change to reflect current rule language;⁵⁰

- MSRB Interpretive Guidance, Confirmation Requirements for Partially Refunded Securities (Aug. 15, 1989),⁵¹ which would be amended to remove references to Rule G–12, to conform references to Rule G–15 to the appropriate current provisions of that rule, and to remove references to retired guidance;⁵²

- MSRB Interpretive Guidance, Notice of Interpretation on Escrowed-to-Maturity Securities: Rules G–17, G–12 and G–15 (Sep. 21, 1987),⁵³ which would be amended to delete the first and last sections of the guidance so that the guidance would only apply to issues under MSRB Rule G–17 (“Rule G–17”), on conduct of municipal securities and municipal advisory activities;⁵⁴

⁵⁰ Specifically, a reference to former Rule G–15(a)(i)(I) would be changed to current Rule G–15(a)(i)(A)(5), an older reference to the Rule G–15 text would be removed, and a reference to current Rule G–12(c)(v)(I) in a footnote would be changed to proposed new rule text under Rule G–12(c)(v)(A)(7).

⁵¹ Currently available at <https://www.msrb.org/Confirmation-Requirements-Partially-Refunded-Securities>. See Exchange Act Release No. 27450 (Nov. 17, 1989), 54 FR 49157 (Nov. 29, 1989) (File No. SR–MSRB–89–7).

⁵² Specifically, certain outdated pinpoint references to provisions of Rules G–12(c) and G–15(a) in the third paragraph relating to pricing calculations would be eliminated and the footnote at the end of that paragraph would also be eliminated since the referenced interpretive guidance has previously been retired. See Time of Trade Disclosure Amendment Approval Order. In addition, references to Rule G–12 in the fourth paragraph relating to securities descriptive information in confirmation disclosures would be eliminated since, pursuant to the proposed rule change, such securities descriptive information would not be required under proposed Rule G–12(c), as amended, in connection with inter-dealer confirmations. However, the fourth paragraph would be retained in connection with customer confirmations, with the reference to former Rule G–15(a)(i)(E) to be changed to current Rule G–15(a)(i)(C)(3)(a), the reference to former Rule G–15(a)(iii)(J) to be changed to current Rule G–15(a)(i)(A)(8), and the footnote in that paragraph to be eliminated since the portion of the referenced interpretive guidance would be deleted by the proposed rule change.

⁵³ Currently available at <https://www.msrb.org/Notice-Interpretation-Escrowed-Maturity-Securities-Rules-G-17-G-12-and-G-15>. See Exchange Act Release No. 25426 (Mar. 8, 1988), 53 FR 8533 (Mar. 15, 1988) (File No. SR–MSRB–87–11).

⁵⁴ Specifically, the introductory paragraph and related heading “Introduction” would be deleted since it references market conditions in 1987, which may not reflect current market conditions and does not provide substantive guidance on the matters covered by the guidance. In addition, the final three paragraphs and related heading “Application of Rules G–12(c) and G–15(a) on Confirmation Disclosure of Escrowed-to-Maturity Securities” would be deleted since the substantive requirements thereof have previously been incorporated into Rule G–15(a) and, pursuant to the proposed rule change, such securities descriptive

- MSRB Interpretive Guidance, Notice Concerning Stripped Coupon Municipal Securities (Mar. 13, 1989),⁵⁵ which would be amended by removing language in the guidance pertaining to the confirmation requirements under Rules G–12 and G–15 for transactions in stripped coupon municipal securities which either were previously incorporated into Rule G–15 and/or would be codified into Rule G–12(c) pursuant to the proposed rule change;⁵⁶

- MSRB Interpretive Guidance, Calculation of Price and Yield on Continuously Callable Securities (Aug. 15, 1989),⁵⁷ which would be amended to conform a reference to Rule G–12 to the appropriate portion of the rule (as it would be modified by the proposed rule change) and a parallel reference to Rule G–15 to the appropriate current provision of that rule.⁵⁸

2. Statutory Basis

The MSRB believes that the proposed rule change is consistent with Section 15B(b)(2) of the Exchange Act,⁵⁹ which provides that the MSRB shall propose and adopt rules to effect the purposes of the Exchange Act with respect to, among other matters, transactions in municipal securities effected by dealers. Section 15B(b)(2)(C) of the Exchange Act⁶⁰ provides that the MSRB’s rules shall be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of

information would not be required under proposed Rule G–12(c), as amended, in connection with inter-dealer confirmations.

⁵⁵ Currently available at <https://www.msrb.org/Notice-Concerning-Stripped-Coupon-Municipal-Securities>. See Exchange Act Release No. 26706 (Apr. 10, 1989), 54 FR 15064 (Apr. 14, 1989) (File No. SR–MSRB–89–2).

⁵⁶ Specifically, the entire portion under “Confirmation Requirements” would be deleted since it is already codified under Rule G–15 and other portions would either be codified into Rule G–12(c) pursuant to the proposed rule change or removed by the proposed rule change. The final paragraph and the heading “Clearance and Settlement of Stripped Coupon Municipal Securities” would be retained as the title of the guidance, and footnote 7 would be updated to footnote number 1, which would reflect the current confirmation disclosure under Rule G–15. The reference to former Rule G–12(c)(v)(N) would be changed to proposed new Rule G–12(c)(v)(A)(10)(b) and the reference to former Rule G–15(a)(i)(N) would be changed to current Rule G–15(a)(i)(A)(7)(d).

⁵⁷ Currently available at <https://www.msrb.org/Calculation-Price-and-Yield-Continuously-Callable-Securities>. See Exchange Act Release No. 27460 (Nov. 21, 1989), 54 FR 49156 (Nov. 29, 1989) (File No. SR–MSRB–89–8).

⁵⁸ Specifically, a reference to current Rule G–12(c)(v)(I) would be changed to proposed new Rule G–12(c)(v)(A)(7)(c), and a reference to former Rule G–15(a)(v)(I) would be changed to current Rule G–15(a)(i)(A)(5)(c).

⁵⁹ 15 U.S.C. 78o–4(b)(2).

⁶⁰ 15 U.S.C. 78o–4(b)(2)(C).

⁴⁷ See *supra* note 43.

⁴⁸ Currently available at <https://www.msrb.org/Confirmation-Disclosure-Requirements-Callable-Municipal-Securities>. See Exchange Act Release No. 22965 (Mar. 5, 1986), 51 FR 8931 (Mar. 14, 1986) (File No. SR–MSRB–86–5).

⁴⁹ Currently available at <https://www.msrb.org/Yield-Disclosures-Yields-Call-Zero-Coupon-Bonds>. See Exchange Act Release No. 20628 (Feb. 8, 1984), 49 FR 6054 (Feb. 16, 1984) (File No. SR–MSRB–84–2).

trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in municipal securities and municipal financial products, to remove impediments to and perfect the mechanism of a free and open market in municipal securities and municipal financial products, and, in general, to protect investors, municipal entities, obligated persons, and the public interest.

The MSRB believes the proposed rule change is consistent with Section 15B(b)(2)(C) of the Exchange Act⁶¹ because it would foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in municipal securities. The proposed rule change streamlines the current rule on confirmation requirements for inter-dealer transactions by removing informational elements that are outdated and allows for key information to flow in a more efficient manner to contra parties for these unique transactions that are not eligible for automated comparison. Given that Rule G–12(c) allows for exchange and comparison of key information for such unique transactions, the MSRB believes that the proposed rule change, by reorganizing the rule in categories similar to Rule G–15, would foster cooperation and coordination with parties engaged in processing information with respect to such transactions in municipal securities. The MSRB also believes that consolidating its rulebook by removing interpretive guidance that is outdated or has already been incorporated into the rulebook would promote regulatory clarity by reducing the need for industry participants to cross reference multiple sources and provide for more efficiency in the marketplace. Specifically, the MSRB believes that consolidating existing interpretive guidance into the text of Rule G–12, where appropriate, and clarifying existing rule language would facilitate compliance by dealers with existing requirements under Rule G–12 and would thereby remove impediments to and perfect the mechanism of a free and open market in municipal securities.

B. Self-Regulatory Organization's Statement on Burden on Competition

Section 15B(b)(2)(C) of the Exchange Act⁶² requires that MSRB rules not be designed to impose any burden on

competition that is not necessary or appropriate in furtherance of the purposes of the Exchange Act. The MSRB has considered the economic impact of the proposed rule change and believes that it would not impose any burden on competition, as the proposed rule change to Rule G–12(c) on uniform practice for dealer confirmations would codify certain existing interpretive guidance for inter-dealer confirmation disclosure requirements that are ineligible for automated comparison into Rule G–12(c), retire certain other interpretive guidance, add a new definitions section and make certain technical amendments to simplify and clarify current rule requirements under Rule G–12(c). In addition, the proposed rule change applies equally to all dealers who engage in these transactions. Therefore, the MSRB believes the proposed rule change would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Exchange Act.⁶³

In determining whether the proposed rule change is necessary and appropriate, the MSRB was guided by the MSRB's Policy on the Use of Economic Analysis in MSRB Rulemaking.⁶⁴ In accordance with this policy, the MSRB evaluated the potential impacts of the proposed rule change relative to the current baseline. The proposed rule change to Rule G–12(c) is intended to modernize, streamline and clarify dealer obligations under Rule G–12(c) as they relate to inter-dealer confirmations.

Specifically, the proposed rule change would: codify central principles of the interpretive requirements in a more succinct and precise manner, and reorganize the content of Rule G–12(c); remove certain existing requirements from current Rule G–12(c) that no longer serve a beneficial purpose for dealers or the market; amend current Rule G–12(c)(vi) to replace it with a new definitions section; make technical modifications to the rule requirements that would simplify and clarify the existing requirements under Rule G–12(c); retire certain guidance that is being codified or is already codified in

current Rule G–12(c) and amend certain guidance and where applicable, retire guidance that is no longer beneficial to the market. The proposed rule change would modernize the rule for inter-dealer confirmations for securities ineligible for automated comparison by clarifying the rule text and would reduce the burden for dealers.

Benefits, Costs and Effect on Competition

The proposed rule change to Rule G–12(c) is intended to benefit dealers by providing clarification to dealers by streamlining and centralizing the needed information for producing an inter-dealer confirmation for securities transactions that are ineligible for automated comparison, which is a small percentage of all inter-dealer trades. The proposed rule change would ensure that Rule G–12(c) is consistent with current market practices while simultaneously reducing compliance costs on dealers, therefore promoting more efficiency in the marketplace.

Benefits

The MSRB believes that retiring interpretive guidance that is obsolete, superfluous or has been or is in the process of being codified ensures that the intent of Rule G–12(c) is consistent with current market practices while also reducing compliance burdens for dealers. The benefits of the proposed rule change would be achieved by eliminating outdated guidance and incorporating the remaining relevant guidance into the body of the rule which would streamline and consolidate duplicative guidance. Dealers would have additional clarity for their regulatory obligations without having to refer to different pieces of guidance, some of which are obsolete. The proposed rule change would potentially promote ease of compliance with the same requirements. The MSRB believes that dealers would also benefit from increased efficiency and reduced compliance costs with streamlined rule text and reorganized interpretive guidance. The MSRB also amends, where applicable, and preserves certain pieces of interpretive guidance, which may still be essential to a dealer's understanding of the regulatory framework.

Costs

The MSRB notes that no incremental ongoing compliance burdens in the form of new requirements or greater disclosures are being added by the proposed rule change. MSRB acknowledges that dealers would likely incur minor incremental costs as a

⁶³ *Id.*

⁶⁴ See Policy on the Use of Economic Analysis in MSRB Rulemaking, available at <https://www.msrb.org/Policy-Use-Economic-Analysis-MSRB-Rulemaking>. In evaluating whether there was any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Exchange Act, the MSRB was guided by its principles that required the MSRB to consider costs and benefits of a rule change, its impact on efficiency, capital formation and competition, and the main reasonable alternative regulatory approaches.

⁶¹ *Id.*

⁶² *Id.*

result of the proposed rule change, relative to the baseline state (current state). These costs may include the potential one-time upfront costs related to revising related policies and procedures to reflect new rule citations and to decrease the items of information identified as required in such inter-dealer confirmations,⁶⁵ if existing policies and procedures provide such detail or the dealer chooses to include a greater degree of detail. In addition, to the extent that dealers currently or plan in the future to produce these rare inter-dealer confirmations on a systemic basis rather than on a one-by-one basis as they execute inter-dealer trades that are ineligible for automated comparison, dealers may incur costs in connection with such system modification or development. However, the proposed rule change likely would not add incremental ongoing costs since dealers are presumably already in compliance with the existing interpretive guidance and relevant MSRB rules, including the recordkeeping requirements. Similarly, the revisions to a dealer's policies and procedures may not be extensive if the dealer presumably already incorporates the review of existing interpretive guidance into their current policies and procedures. Nonetheless, the MSRB conducted an analysis of the upfront costs a dealer may incur in implementing the changes outlined in the proposed rule change.

The MSRB identified certain upfront costs, mostly related to updating

existing policies and procedures which would entail identifying compliance staff at a dealer firm to conduct an analysis of the proposed new rule language and any remaining interpretive guidance within their policies and procedures. Based on the MSRB's assumptions, the total upfront costs per dealer would be estimated at \$7,080 as shown in Table 1. The upfront costs include 6 hours for a compliance attorney (\$461 × 6 = \$2,766) to identify and change all references to Rule G–12(c) in their policies and procedures. In addition to identifying and changing the policies and procedures, the MSRB also expects two hours for a Compliance Director (\$607 × 2 = \$1,214) to review the changes and 0.5 hours for the Chief Compliance Officer to sign off on the changes.

Additionally, changes may need to be made to the actual inter-dealer confirmation process if a dealer chooses. The MSRB expects that while the confirmation updates are not required as part of the proposed rule change (that is, a dealer that currently conforms to Rule G–12(c) and the related interpretations would not need to make any changes to come into compliance with the proposed rule change, including not being required to reduce the items of information it currently may provide as it would not be a violation to provide more information than the baseline requirement in the proposed rule change), many dealers may elect to remove the additional information to

minimize any potential risk, and some dealers may elect to programmatically remove these items through a technological project. To be conservative, the MSRB included this cost in the estimate and anticipates that if a dealer chooses to update their confirmations, they would spend a total of \$2,755 to remove information that would no longer be required as part of the proposed rule change. This cost takes into account approximately two hours for a Senior Business Analyst (\$348 × 2 = \$696) to develop the requirements needed for IT staff to update the confirmations. In addition, the MSRB also expects a Senior Programmer to take four hours of work (\$363 × 4 = \$1,452) to change the coding that produces each inter-dealer confirmation. Lastly, the changes made by the Senior Business Analyst and the Senior Programmer would be reviewed for approval by the Director of Compliance. The MSRB estimates one hour of time (\$607 × 1 = \$607) for the approval to be completed. However, as previously articulated, other dealers may not currently use and may continue not to use a technological process for producing these inter-dealer confirmations and those that do may elect not to amend their inter-dealer confirmation process and would thus not incur any costs associated with a technological change.

TABLE 1—ESTIMATED COMPLIANCE COSTS FOR EACH DEALER ⁶⁶

Cost components	Hourly rate	Number of hours	Cost per firm
Upfront Costs:			
(a) Revision of Policies and Procedures:			
Compliance Attorney	\$461	6.0	\$2,766
Director of Compliance	607	2.0	1,214
Chief Compliance Officer	607	2.0	1,214
			4,325
(b) Inter-dealer Confirmation Update (Optional):			
Senior Business Analyst	348	2.0	696
Senior Programmer	363	4.0	1,452
Director of Compliance	607	1.0	607
			2,755

The MSRB believes that the benefits of the proposed rule change from the cumulative compliance cost savings as a result of the streamlining of the rule

language and guidance would outweigh the upfront costs associated with policies and procedures revision and programmatic changes. The proposed

changes are intended to provide enhanced clarity to dealers when conducting an inter-dealer trade for

⁶⁵ While the proposed rule change would reduce the number of items required to be included in an inter-dealer confirmation, a dealer could choose to retain any existing procedures and processes that provide the broader array of information currently required under Rule G–12(c) and related interpretations.

⁶⁶ The hourly-rate data is gathered from a variety of Commission filings compiled by the MSRB for

usage in economic analysis. The Commission's economic analysis utilizes the Securities Industry and Financial Markets Association's "Management & Professional Earnings in the Securities Industry—2013 Report" for the hourly rates of various financial industry market professionals. To compensate for inflation, the data reflects the 2025 hourly rate level after adjusting for the annual cumulative wage inflation rate of 46.7% between

2013 and 2025. See The Federal Reserve Bank of St. Louis Employment Cost Index: Wages and Salaries: Private Industry Workers, available at <https://fred.stlouisfed.org/series/ECIWAG>. The MSRB estimates the number of hours for each task based on the MSRB's consultation with regulated entities' compliance officers.

securities ineligible for automated comparison.

Effect on Competition, Efficiency, and Capital Formation

The MSRB believes that the proposed rule change to Rule G–12(c) would neither impose a burden on competition nor hinder capital formation. The proposed rule change would improve the municipal securities market's operational efficiency and promote regulatory certainty by providing dealers with a clearer understanding of regulatory obligations that are incorporated into the rule text. At present, the MSRB is unable to quantitatively evaluate the magnitude of the efficiency gains or losses, but believes the overall incremental benefits accumulated over time for all market participants would outweigh the minor upfront costs of revising policies and procedures, with no expected incremental change in the ongoing compliance and recordkeeping costs by dealers. The MSRB does not expect that the proposed rule change to Rule G–12(c) would impose a burden on competition for dealers, as the proposed amendments are applicable to all dealers and the upfront costs are expected to be relatively minor for all dealers.

Reasonable Regulatory Alternatives

The MSRB's Policy on the Use of Economic Analysis in MSRB Rulemaking requires the MSRB's economic analysis to identify and discuss reasonable alternatives to the proposed rule.⁶⁷ The MSRB has identified two reasonable alternatives for the proposed rule change.

One alternative the MSRB considered was to fully harmonize the Rule G–12(c) requirements for inter-dealer confirmations for securities ineligible for automated comparison with the provisions of Rule G–15(a) on customer confirmations, rather than providing for a more streamlined set of requirements under Rule G–12(c). While Rule G–12(c) addresses solely those inter-dealer transactions that are ineligible for automated comparison, Rule G–15(a) addresses the requirements for dealers to provide customers with written confirmations in all customer transactions. Under this alternative, dealers would be required to provide confirmations to other dealers for inter-dealer municipal securities transactions that are ineligible for automated comparison with the same level of disclosure as on a customer confirmation. While the MSRB generally

seeks to harmonize existing rules, in this instance it would not be appropriate or necessary. Dealers are generally more sophisticated than customers, especially retail customers, and even without any further disclosure requirement, dealers on both sides of an inter-dealer trade already possess, or have the means for obtaining, sufficient disclosure information to complete a trade, so that the items of information that are of value to a dealer in an inter-dealer trade ineligible for automated comparison are only those items necessary to ensure that they are able to accurately and efficiently compare and settle the transaction. Of note, there is no obligation to provide the types of disclosure information that would be removed from Rule G–12(c) for those inter-dealer trades that do use the automated comparison system. It is for this reason that the MSRB has deemed this alternative as inferior to the proposed rule change.

Another alternative the MSRB considered was to embed all remaining pieces of guidance (after retiring certain superfluous guidance) into Rule G–12(c) and Rule G–15(a). In this alternative, all guidance would be directly added to both rules. As part of the rulebook modernization, this would allow compliance personnel to only have to look to one place (Rule G–12(c)) for inter-dealer confirmation requirements and one place (Rule G–15(a)) for customer confirmation requirements. However, there are benefits to not having every standalone interpretive guidance embedded into rule text, as the purpose of interpretive guidance for certain more complex or nuanced situations is to provide additional clarity and context to existing rules while remaining flexible and to allow for changes as industry practices and technology evolves. By providing this information directly in the rule text, the MSRB would limit its ability to adapt to potential changes in the future and might design a rule that would be either overly broad and cumbersome or overly restrictive. It is for this reason that the MSRB deemed this alternative as inferior to the proposed rule change.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

In response to the Request for Comment,⁶⁸ the MSRB received one letter (the "SIFMA Letter") from Leslie M. Norwood, Managing Director and Associate General Counsel, Securities Industry and Financial Markets

Association (SIFMA).⁶⁹ The SIFMA Letter,⁷⁰ and additional engagement with the organization,⁷¹ raised two main themes: first, that G–12(c) is obsolete/unnecessary because dealers' informational needs relative to inter-dealer trades extend only to that information that is necessary for trade settlement;⁷² and second, should Rule G–12(c) be retained, its requirements should be drastically pared back to only that information which is necessary to achieve settlement.⁷³ The main themes of the SIFMA Letter are summarized below in more detail with MSRB responses provided.

G–12(c) Is Obsolete and Unnecessary

The SIFMA Letter argued that paper interdealer confirmations are obsolete⁷⁴ and stated that dealers rely on their information service vendors for all data points related to trade execution, confirmations, clearance, and settlement, and industry practice is that inter-dealer trades are evidenced (to Financial Industry Regulatory Authority (FINRA) examiners) by screen captures, VCONs, or electronic blotters. SIFMA further asserted that, as an ordinary part of the cost of doing business, all dealers have access to a security master database or reliable security master information.⁷⁵ The MSRB believes that, while dealers generally have securities masters with varying degrees of information and completeness as to the full universe of municipal securities, such securities masters are unlikely to address the purposes of the proposed rule change. This is because almost all securities that are ineligible for automated comparison lack CUSIP numbers (and likely lack other alternative securities identifiers), and dealer securities masters are almost universally based, at least in large measure, on such securities identifiers. Thus, it is highly unlikely that dealers on the two sides of an inter-dealer transaction ineligible for automated comparison would, regardless of the breadth and depth of their respective securities masters, have information on the security in question included in such securities master that would fully match with the counterparty's

⁶⁹ SIFMA Letter, dated December 15, 2023, available at <https://www.msrb.org/sites/default/files/2023-12/SIFMA-Comment-Letter-2023-08.pdf>.

⁷⁰ See SIFMA Letter *passim*.

⁷¹ On May 2, 2024, MSRB staff convened a virtual meeting with Ms. Norwood and representatives of SIFMA members. Participants discussed in greater detail the suggestions and concerns voiced in the SIFMA Letter.

⁷² SIFMA Letter at 2.

⁷³ *Id.* at 2–3.

⁷⁴ *Id.* at 2.

⁷⁵ *Id.*

⁶⁷ See *supra* note 64.

⁶⁸ See *supra* note 15.

information, much less have any information on the security included therein at all. The more limited items of information that the MSRB would retain under the proposed rule change in the streamlined version of Rule G–12(c) would address the need to be able to properly compare, clear and settle trades in such securities while reducing the burden of having to compile and disclose other information that is extraneous to this process.

While the proposed rule change would narrow the scope of information required in such confirmations, further narrowing the scope of information would risk a deterioration in the ability to transact in such securities in an efficient and secure manner, which is a risk that the MSRB is concerned could rise if decentralized finance processes and products are introduced into the marketplace that might not allow for the current automated comparison process. The MSRB believes the proposed rule change would allow for modernization of information needed for inter-dealer confirmations without sacrificing the regulatory mandate by preserving the exchange of information sufficient to prevent fraudulent obfuscation and promote efficient and accurate trade settlement. Finally, the proposed rule change would not require that inter-dealer confirmations be on paper so that, for example, if tokenized municipal securities were to be traded on a blockchain, dealers would be able to meet their inter-dealer confirmation requirement through the transmission of the required information, such as by means of a unique contract address, on or as part of the mechanics of the blockchain itself.⁷⁶

G–12(c) Should Be Pared Down and Materially Simplified

SIFMA noted that for inter-dealer trades, the only information that should be required to be transmitted is that which is required to settle the trade and did not see the need for harmonizing disclosure requirements under Rule G–12(c) to Rule G–15.⁷⁷ SIFMA further noted Rule G–15, as well as MSRB Rule G–47 describes information disclosures due at the time of confirmation, or trade, to customers and such disclosures are unnecessary to dealers and may create a “web of potential regulatory foot-

faults” without any corresponding benefit.⁷⁸

The MSRB is aware that the informational requirements of customers and dealers are fundamentally different, and that dealers may not utilize information received through inter-dealer trade confirmations for settlement and processing transactions. The MSRB agrees that the scope of inter-dealer confirmation disclosure requirements should be narrowed to focus on the purposes of inter-dealer confirmations in this context and not be required to include information that is extraneous to that purpose.

As detailed above, the MSRB has identified certain informational elements required under the current rule text that may be conceptualized as “securities descriptive information” that do not assist in processing or clearing of transactions. The types of information subsumed within the “securities descriptive information” category—consisting of credit backing, features of securities, information on status of securities, and tax information—are primarily of a substantive disclosure nature rather than of a securities identification nature. Importantly, because trade confirmations are delivered after the time of trade and therefore primarily serve to document the terms of a trade already agreed to rather than as a mechanism for providing disclosures that can inform counterparties at or prior to the time of trade, the need for securities descriptive information in a post-trade document is significantly less relevant for dealers than for investors, who may value having documented in the customer confirmation some of these material substantive disclosure information. In addition, for the vast majority of inter-dealer trades that are eligible for automated comparison, the current processes that substitute for trade confirmations under Rule G–12(c) do not entail the dissemination of this type of securities descriptive information.

Because this type of information is not essential in the context of comparing, clearing and settling an inter-dealer trade, the MSRB believes that it is appropriate that the proposed rule change would eliminate these informational elements from the disclosure requirements for inter-dealer confirmations.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period of up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) by order approve or disapprove such proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, 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 (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include File Number SR–MSRB–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.

All submissions should refer to File Number SR–MSRB–2026–01. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission’s internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the MSRB. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to File Number SR–MSRB–2026–01 and should be submitted on or before May 28, 2026.

⁷⁶ For example, for a tokenized municipal security traded on a blockchain, its contract address or other innate unique identifier could be deemed to satisfy the requirement for an alternative securities identifier on the inter-dealer confirmation under the proposed amendment to Rule G–12(c). See *supra* note 37.

⁷⁷ SIFMA Letter at 2.

⁷⁸ *Id.*

For the Commission, pursuant to delegated authority.⁷⁹

J. Matthew DeLesDernier,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105361; File No. SR-MSRB-2026-02]

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Consisting of Amendments to MSRB Rule G-20 To Revise the MSRB's Gift and Gratuities Requirements To Preserve Alignment With Amendments to FINRA Rule 3220 and To Make Certain Technical Amendments

May 4, 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 May 1, 2026 the Municipal Securities Rulemaking Board ("MSRB") 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 MSRB. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The MSRB filed with the Commission a proposed rule change consisting of amendments to MSRB Rule G-20, on gifts, gratuities, non-cash compensation and expenses of issuance, to (i) revise the MSRB's gift and gratuities requirements for brokers, dealers, and municipal securities dealers (collectively, "dealers") and municipal advisors (together with dealers, "regulated entities") to preserve alignment with the Financial Industry Regulatory Authority ("FINRA") amendments to FINRA Rule 3220³ ("FINRA's gift rule amendment"), and (ii) make technical amendments to renumber certain rule provisions under

MSRB Rule G-20 to enhance the clarity of the rule (collectively, the "proposed rule change").

The MSRB has designated the proposed rule change as constituting a "noncontroversial" rule change under Section 19(b)(3)(A)⁴ of the Exchange Act and Rule 19b-4(f)(6)⁵ thereunder, which renders the proposal effective upon receipt of this filing by the Commission. The operative date for the proposed rule change would be June 1, 2026, for dealers that are FINRA members. However, a separate compliance date of December 1, 2026, would apply for all municipal advisors as well as dealers that are not FINRA members ("bank dealers")⁶ with respect to the proposed rule change. Until such compliance date for municipal advisors and bank dealers, such regulated entities would be subject to the existing provisions of MSRB Rule G-20, including, but not limited to, the gift limit (*i.e.*, \$100 limit per person per year) and overarching supervisory and recordkeeping requirements, as applicable.

The text of the proposed rule change is available on the MSRB's website at <https://msrb.org/2026-SEC-Filings> and at the MSRB'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 MSRB included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The MSRB has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The proposed rule change is intended to more closely harmonize the MSRB's provisions relating to the giving of gifts and gratuities in MSRB Rule G-20 to FINRA Rule 3220, as amended by FINRA's gift rule amendment, in furtherance of promoting greater efficiency in complying with MSRB

Rule G-20 by clarifying certain regulatory obligations of regulated entities without reducing the protection of investors and the public interest and at the same time making them consistent with current FINRA Rule 3220. MSRB Rule G-20 prohibits regulated entities and their associated persons, in certain circumstances, from giving directly or indirectly any thing or service of value, including gratuities (hereinafter referred to as "gifts"), in excess of \$100 per year to any person in relation to the municipal securities or municipal advisory activities of the recipient's employer.⁷ The rule is meant to maintain the integrity of the municipal securities market, including the bond issuance process, by ensuring the prevention of improprieties and conflicts of interest that may arise associated with the giving of gifts in relation to the business of the recipient's employer.⁸

The MSRB believes the proposed rule change would enhance regulated entities' understanding of their compliance obligations under MSRB Rule G-20, including by avoiding regulatory inconsistency in the application of MSRB and FINRA rules with respect to dealers that are FINRA members. To that end, the MSRB is proposing to amend MSRB Rule G-20, consistent with FINRA Rule 3220 as amended by FINRA's gift rule amendment, to (i) increase the gift limit from \$100 to \$300 per person per year; (ii) address how gifts incidental to normal business dealings should be treated; (iii) revise valuation and aggregation requirements; (iv) codify additional exceptions to which the gift limit and recordkeeping requirements do not apply; (v) establish additional supervision and recordkeeping requirements; and (vi) clarify that the rule does not apply to gifts from a regulated entity to its own associated persons or to individual retail customers. The proposed rule change would also make technical amendments to renumber certain Supplementary Materials for simplicity and better organization. The amendments are addressed below.

Background

Current MSRB Rule G-20

The MSRB adopted MSRB Rule G-20 in 1978,⁹ alongside several other rules

⁷⁹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Exchange Act Release No. 104830 (Feb. 12, 2026), 91 FR 7570 (Feb. 18, 2026), File No. SR-FINRA-2025-003 ("FINRA Approval Order"), available at <https://www.sec.gov/files/rules/sro/firra/2026/34-104830.pdf>.

⁴ 15 U.S.C. 78s(b)(3)(A).

⁵ 17 CFR 240.19b-4(f)(6).

⁶ A bank dealer is defined under MSRB Rule D-8 as a municipal securities dealer which is a bank or a separately identifiable department or division of a bank.

⁷ MSRB Rule G-20 does not apply to gifts given by a regulated entity to its own employees or partners.

⁸ MSRB Rule G-20(a).

⁹ See Exchange Act Release No. 15247 (Oct. 27, 1978), 43 FR 50526 (Oct. 30, 1978), File No. SR-MSRB-77-12.

including the MSRB's baseline fair practice rule, MSRB Rule G-17, with the purpose to "codify basic standards of fair and ethical business conduct for municipal securities professionals."¹⁰ Originally applicable to dealers, MSRB Rule G-20 was amended in 2015 to extend its provisions to municipal advisors.¹¹ The rule functions to protect against improprieties and conflicts of interest that may arise when a regulated entity, or its associated persons, attempts to induce organizations active in the municipal securities market to engage in business with such regulated entity by means of gifts given to employees of such organizations. However, MSRB Rule G-20 should not be read in isolation from other MSRB fair practice rules, including MSRB Rule G-17.

In pertinent part, MSRB Rule G-20 currently prohibits a regulated entity,¹² and its associated persons, in certain circumstances, from giving directly or indirectly gifts in excess of \$100 per year to a person other than an employee or partner of the regulated entity.¹³ This prohibition only applies if such gifts are in relation to the municipal securities or municipal advisory activities of the employer of the recipient of the payment or service.¹⁴ This general limitation (hereinafter referred to as the "gift limit"), currently set forth in section (c) of MSRB Rule G-20, has remained fixed at \$100 since MSRB Rule G-20 was adopted in 1978.¹⁵

MSRB Rule G-20 currently specifies certain types of gifts that are not subject to the gift limit, provided that they do not give rise to any apparent or actual material conflict of interest:¹⁶

(i) normal business dealings, which include occasional gifts of meals or tickets to theatrical, sporting, and other entertainments that are hosted by the regulated entity or its associated persons,¹⁷ and the sponsoring by the regulated entity of legitimate business functions that are recognized by the Internal Revenue Service as deductible

business expenses, provided that such gifts shall not be so frequent or so extensive as to raise any question of propriety;

(ii) transaction-commemorative gifts that are solely decorative items commemorating a business transaction, such as a customary plaque or desk ornament (e.g., Lucite tombstone);

(iii) *de minimis* gifts, such as pens, notepads or modest desk ornaments;

(iv) promotional gifts of nominal value displaying the regulated entity's corporate or other business logo¹⁸ and that are substantially below the gift limit (considered of nominal value);

(v) bereavement gifts that are reasonable and customary for the circumstances; and

(vi) gifts that are personal in nature given upon infrequent life events (e.g., a wedding gift or a congratulatory gift for the birth of a child).¹⁹

MSRB Rule G-20 includes Supplementary Material, which provides guidance relating to the valuation and the aggregation of gifts and to the applicability of state laws. Supplementary Material .01, on valuations of gifts, currently states that a gift's value should be determined generally according to the higher of its cost or market value, and that tickets to a sporting or other entertainment event should use the higher of cost or face value. Supplementary Material .02, on aggregations of gifts, currently states that regulated entities must aggregate all gifts that are subject to the gift limit given by the regulated entity and each associated person of the regulated entity to a particular recipient over the course of a year.²⁰

As noted above, MSRB Rule G-20 does not conclusively exempt these categories of gifts from the gift limit as such gifts must not give rise to any

apparent or actual material conflict of interest, even if they otherwise fully meet the description of an exempt category of gifts, consistent with a core purpose of the rule to protect against improprieties and conflicts of interest that may arise when regulated entities or their associated persons give gifts or gratuities in relation to the municipal securities or municipal advisory activities of the recipients' employers under Rule G-20(a). Furthermore, MSRB Rule G-17, on conduct of municipal securities and municipal advisory activities, applies to the activities of regulated entities, whether or not another rule may apply to certain aspects of such activities.²¹ As such, the MSRB reminds regulated entities that MSRB Rule G-17 has long been articulated as a rule that complements the other rules centered on the protection of investors, municipal entities, obligated persons and the public interest. Depending on the particular facts and circumstances, a regulated entity may violate the fundamental fair-dealing obligations of MSRB Rule G-17 if such regulated entity engages in behavior that would constitute a deceptive, dishonest or unfair practice, whether or not such behavior also constitutes a violation of MSRB Rule G-20, as amended by this proposed rule change.

With respect to the applicability of state or other laws, the MSRB notes that regulated entities and their associated persons may be subject to other duties, restrictions or obligations under state or other laws and nothing within the rule shall be deemed to supersede any more restrictive provision of state or other laws in this area.²²

FINRA's Gift Rule Amendment

FINRA's gift rule amendment, which was approved by the Commission on February 12, 2026,²³ and became effective March 30, 2026,²⁴ makes the following revisions to FINRA Rule 3220:

²¹ For example, the MSRB has previously provided guidance regarding payments for excessive or lavish entertainment expenses that, depending on the specific facts, can constitute both a violation of MSRB Rule G-20 and MSRB Rule G-17. See MSRB Interpretation, Dealer Payments in Connection With the Municipal Securities Issuance Process (Jan. 29, 2007), available at <https://www.msrb.org/Dealer-Payments-Connection-Municipal-Securities-Issuance-Process>.

²² Supplementary Material .05. The MSRB recognizes that the federal government and many states and localities limit gifts to government officials and their employees.

²³ See FINRA Approval Order, *supra* note 3, 91 FR at 7570.

²⁴ See FINRA Regulatory Notice 26-05 (Feb. 27, 2026), available at <https://www.finra.org/rules-guidance/notices/26-05>.

¹⁰ See Exchange Act Release No. 14519 (Mar. 2, 1978), 43 FR 9672, 9672 (Mar. 9, 1978), File No. SR-MSRB-77-12.

¹¹ See Exchange Act Release No. 76381 (Nov. 6, 2015), 80 FR 70271 (Nov. 13, 2015), File No. SR-MSRB-2015-09.

¹² See MSRB Rule G-20(b)(vii).

¹³ MSRB Rule G-20(c).

¹⁴ *Id.* For the purposes of Rule G-20, the definition of the term "employer" includes a principal for whom the recipient of a payment or service is acting as agent or representative. *Id.*

¹⁵ See *supra* note 10, 43 FR at 9673.

¹⁶ MSRB Rule G-20(d)(i)-(vi), respectively.

¹⁷ Pursuant to MSRB Rule G-20, if the regulated entity or its associated person(s) failed to host (*i.e.*, accompany guests) such types of events, then gifts of this kind would be subject to the gift limit.

¹⁸ Under current Supplementary Material .03, on promotional gifts and other business logo, logos of a product or service being offered by a regulated entity, for or on behalf of a client or an affiliate of that regulated entity, would constitute an "other business logo" under subsection (d)(iv).

¹⁹ Under current Supplementary Material .04, on personal gifts, the rule, among other things, exempts personal gifts that are not "in relation to the municipal securities or municipal advisory activities of the employer of the recipient" from the gift limit. The Supplementary Material states that, in determining whether a gift is personal in nature, a number of factors will be considered including, but not limited to, the nature of any pre-existing personal or family relationship between the associated person giving the gift and the recipient and whether the associated person or the regulated entity with which he or she is associated paid for the gift.

²⁰ A "year" is defined by the regulated entity (*i.e.*, calendar year, fiscal year, or rolling basis beginning with the first gift given to any particular recipient). See Supplementary Material .02 to MSRB Rule G-20.

- raises the dollar amount of FINRA's gift limit from \$100 to \$300;
- provides FINRA the authority to grant exemptive relief from the gift limit;
- codifies certain existing FINRA guidance, including guidance regarding gifts incidental to business entertainment, valuation of gifts, aggregation of gifts, personal gifts, bereavement gifts, *de minimis* gifts and promotional or commemorative items, donations due to federally declared major disasters; and
- adopts supervision requirements and additional recordkeeping obligations.

Moreover, FINRA's gift rule amendment makes conforming changes to the gift limit with respect to FINRA Rules 2310, 2320, 2341 and 5110, on non-cash compensation.²⁵

While the MSRB has filed with the Commission this proposed rule change to harmonize MSRB Rule G–20 with FINRA Rule 3220 as amended by FINRA's gift rule amendment, significant portions of MSRB Rule G–20 would be unaffected by FINRA's gift rule amendment due to the MSRB's earlier codification into MSRB Rule G–20 the substance of certain FINRA interpretations that FINRA had not yet incorporated into FINRA Rule 3220 until FINRA's gift rule amendment.²⁶ The MSRB notes that, although FINRA's gift rule amendment provides authority for FINRA to grant exemptive relief to FINRA Rule 3220, the proposed rule change would not harmonize or align with FINRA through the inclusion of corresponding provisions, for the reasons stated below. The proposed rule change would align and harmonize both the substantive requirements, as appropriate, and the text and organization with FINRA's gift rule amendment where doing so does not negatively impact the clarity of MSRB Rule G–20.

Description of Proposed Rule Change Increase in Dollar Amount of Gift Limit

FINRA Rule 3220(a) prohibits a FINRA member or person associated with a FINRA member from giving anything of value, including gratuities, in excess of \$300, which represents an

increase to the dollar amount of the gift limit from \$100 to \$300 effectuated by FINRA's gift rule amendment. In determining the increase to the gift limit, FINRA calculated the average annual rate of inflation since 1992, when the limit was set at \$100.²⁷ In response to comments received by the Commission during the course of rulemaking with respect to FINRA's gift rule amendment, FINRA modified its original proposal by extrapolating this rate to account for ten years of future inflation.²⁸ FINRA stated that it believed the proposed, higher gift limit would continue to permit the exchange of business courtesies while helping to guard against excessiveness.²⁹ FINRA also articulated that a dollar limit, as opposed to, for example, a principles-based approach, would provide certainty regarding the limit for gifts and help facilitate broker-dealer compliance.³⁰ The MSRB agrees that this is an appropriate approach (*i.e.*, a stated dollar limit) in modernizing the MSRB's gift limit under MSRB Rule G–20.

Thus, the proposed rule change would increase the gift limit under MSRB Rule G–20(c) from \$100 to \$300, matching the increased limit under FINRA's gift rule amendment.³¹ MSRB Rule G–20 has maintained a \$100 gift limit since the late 1970s, in service of a purpose substantively the same as the purpose of FINRA Rule 3220.³² The proposed rule change would also mirror FINRA's gift rule amendment by making a conforming amendment to MSRB Rule G–20(g)(i), increasing the dollar amount

of the gift limit in relation to non-cash compensation from \$100 to \$300.³³

Amendments To Harmonize With New Supplementary Material to FINRA Rule 3220

FINRA previously issued guidance and interpretations regarding the application of FINRA gifts rules in specific contexts. FINRA's gift rule amendment incorporates and substantially codifies such guidance and interpretations into supplementary material to FINRA Rule 3220. As noted above, many of the interpretations, now codified as FINRA supplementary material, were incorporated into MSRB Rule G–20 by way of past filings. As a result, the proposed rule change does not require significant wholesale changes to Rule G–20 to achieve harmony with those specific FINRA supplementary materials. In contrast, some new FINRA supplementary materials impose requirements not currently found under MSRB Rule G–20, and the proposed rule change contains corresponding proposed amendments. The proposed rule change's treatment of each topic is detailed below.

Gifts Incidental to Business Entertainment or Normal Business Dealings

FINRA's interpretive guidance did not expressly exclude from its gift limit gifts given during the course of a business entertainment event, so FINRA sought to clarify that a gift given during the course of a business entertainment event would be subject to the \$300 limit on gifts unless one of the requisite exclusions apply (*i.e.*, the gift given is a personal gift, of *de minimis* value, or a promotional/commemorative item). FINRA's Rule 3220.01 expressly states that, unless a gift qualifies as a personal gift under FINRA Rule 3220.04 or as a gift of *de minimis* value or a promotional or commemorative item under FINRA Rule 3220.06, a gift given during a business entertainment event would be subject to the \$300 gift limit and to the rule's recordkeeping requirements.³⁴ In its filing, FINRA further clarified the obligation under FINRA Rule 3220.06 through an example—gifts of clothing or electronics at a business entertainment event would be subject to its gift limit. However, pens or note pads of *de minimis* value given during such business

²⁷ See Exchange Act Release No. 103226 (June 11, 2025), 90 FR 25674, 25675 (June 17, 2025), File No. SR-FINRA-2025-003 ("FINRA Filing").

²⁸ See Exchange Act Release No. 103958 (Sept. 12, 2025), 90 FR 44855, 44856 (Sept. 17, 2025), File No. SR-FINRA-2025-003 ("Amendment 1").

²⁹ FINRA Filing, *supra* note 27, 90 FR at 25675.

³⁰ *Id.*

³¹ Proposed amendment to Rule G–20(c), mirroring FINRA Rule 3220(a).

³² Compare MSRB Rule G–20(a) ("The purpose of this rule is to maintain the integrity of the municipal securities market and to preserve investor and public confidence in the municipal securities market, including the bond issuance process. The rule protects against improprieties and conflicts of interest that may arise when regulated entities or their associated persons give gifts or gratuities in relation to the municipal securities or municipal advisory activities of the recipients' employers."), with Amendment 1, *supra* note 28, 90 FR at 44855 ("[FINRA Rule 3220] is designed to avoid improprieties, such as conflicts of interest, that may arise when a [FINRA] member or associated person makes a gift to an employee of another person, such as an institutional customer, vendor, or counterparty with the hope of strengthening the business relationship with them.") (internal reference omitted).

³³ Proposed amendment to Rule G–20(g)(i), mirroring FINRA non-cash compensation rules referenced above (*supra* note 25).

³⁴ The cost of the business entertainment event itself would not be included in the value of the gift. FINRA Filing, *supra* note 27, 90 FR at 25676.

²⁵ See FINRA Approval Order, *supra* note 3, 91 FR at 7571. FINRA's non-cash compensation provisions are codified as separate rules, while the MSRB's non-cash compensation provisions are codified within MSRB Rule G–20 (subsections G–20(g)(i)–(v)).

²⁶ See Exchange Act Release No. 52555 (Oct. 3, 2005), 70 FR 59106 (Oct. 11, 2005), File No. SR-MSRB-2005-02; Exchange Act Release No. 76381 (Nov. 6, 2015), 80 FR 70271 (Nov. 13, 2015), File No. SR-MSRB-2015-09.

entertainment would not be subject to the gift limit provided the item meets the requirements of 3220.06.³⁵

MSRB Rule G–20(d) lists gifts that are not subject to the gift limit, including, among other things, “normal business dealings” as described in MSRB Rule G–20(d)(i). The term normal business dealings refers to occasional gifts of meals or tickets to theatrical, sporting, and other entertainments that are hosted by the regulated entity or its associated persons, and the sponsoring by the regulated entity of legitimate business functions that are recognized by the Internal Revenue Service as deductible business expenses; provided that such gifts shall not be so frequent or so extensive as to raise any question of propriety. The concept of normal business dealings included in MSRB Rule G–20 effectively includes what is referred to in FINRA Rule 3220 as “business entertainment.”

While MSRB Rule G–20 currently makes clear that normal business dealings should not be so frequent or so extensive as to raise any questions of propriety, the rule does not expressly state that gifts given in the course of normal business dealings that are not among the types of gifts excepted by the rule from the gift limit (e.g., gifts that are not personal, *de minimis* or promotional in nature, as further described below) would themselves be subject to the gift limit.

The proposed rule change would amend subsection G–20(d)(i), which addresses normal business dealings (including occasional gifts of meals or tickets to theatrical, sporting, and other entertainments that are hosted by the regulated entity or its associated persons), by adding language to explicitly state that a gift given during the course of a normal business dealing is subject to the \$300 gift limit unless it qualifies for certain other exceptions prescribed under Rule G–20(d) ³⁶ for gifts and gratuities not subject to the gift limit.³⁷ This language would align closely with FINRA Rule 3220.01.

Valuation of Gifts ³⁸

FINRA Rule 3220.02, as amended by FINRA’s gift rule amendment, requires

that gifts (other than tickets to sporting or other events) be valued at cost, exclusive of tax and delivery charges. This differs from FINRA’s previous interpretive guidance, which required that gifts be valued at the higher of either cost or market value. In adopting FINRA’s gift rule amendment, FINRA stated that it believes that this deviation from existing guidance is justified because the difficulty and burdensome nature of determining the market value would result in complexity and subjectivity in the valuation that would outweigh any benefit.³⁹ Otherwise, FINRA Rule 3220.02 codifies FINRA guidance and interpretations by requiring the use of the higher of cost or face value when valuing tickets to sporting or other events, and by requiring that if gifts are given to multiple recipients, firms should record the names of each recipient and calculate and record the value of the gift on a pro rata per recipient basis for purposes of ensuring compliance with the gift limit.⁴⁰

Current Supplementary Material .01 of MSRB Rule G–20 largely mirrors the requirements of FINRA Rule 3220.02 ⁴¹ with the exception of the change specific to the valuation of gifts. The proposed rule change would amend this supplementary material to harmonize with FINRA Rule 3220.02 to value gifts at cost with the exception of tickets to sporting or other events, which as previously mentioned would continue to be valued at the higher of cost or face value.⁴²

Aggregation of Gifts

FINRA Rule 3220.03 requires the aggregation of all gifts given by its members and each associated person of its members to a particular recipient over the course of the year, and for its

as legitimate business functions. See “Gifts Incidental to Business Entertainment or Normal Business Dealings,” *supra*.

³⁹ See FINRA Filing, *supra* note 27, 90 FR at 25676.

⁴⁰ *Id.*

⁴¹ Proposed Supplementary Material .01, mirroring FINRA Rule 3220.02, would include minor, non-substantive changes to the title: “Valuations of Gifts” to “Valuation of Gifts.” The non-substantive changes add clarity, improve organization and highlight parallels with FINRA Rule 3220.02.

⁴² See Proposed Supplementary Material .01 of MSRB Rule G–20. While the MSRB acknowledges the rationale for the change as articulated by FINRA with respect to the difficulty in discerning the market value of gifts, the MSRB reminds regulated entities that MSRB Rule G–20(d) provides that gifts otherwise excepted from the gift limit under section (d) must not give rise to any apparent or actual material conflict of interest, and that the principles of fair dealing under MSRB Rule G–17 also may apply, as described above. See *supra* note 21 and accompanying text.

members to state in their procedures whether they are aggregating all gifts given on a calendar year, fiscal year, or on a rolling basis beginning with the first gift to any particular recipient. FINRA Rule 3220.03 also states that it does not apply to gifts that meet the requirements of certain other provisions of FINRA’s gift rule amendment (i.e., personal gifts, *de minimis* gifts, promotional or commemorative items).

The requirement to aggregate all gifts given and in a consistent manner over the course of a year aligns with existing Supplementary Material .02 of MSRB Rule G–20, on aggregations of gifts; however, Supplementary Material .02 of MSRB Rule G–20 does not currently require regulated entities’ policies and procedures to state the requisite time frame over which all gifts would be aggregated. Therefore, the proposed rule change would make conforming changes by expressly stating within Supplementary Material .06, on supervision and recordkeeping, that regulated entities’ procedures must state the requisite time frame for the aggregation (i.e., calendar year, fiscal year, or rolling basis).⁴³ The proposed rule change would further align and harmonize with FINRA Rule 3220.03 by explicitly stating that the aggregation requirements do not apply to gifts that meet the requirements of section (d) and that are consistent with the requirements of Supplementary Materials .03 and .05 of MSRB Rule G–20 (i.e., transaction-commemorative/promotional gifts, *de minimis* gifts, bereavement gifts, personal gifts and donations due to federally declared major disasters).⁴⁴ The MSRB believes that operationalizing the aggregation of gifts and gratuities would be aided by policies and procedures that address the time frame for such aggregation.

Personal Gifts

FINRA Rule 3220.04, on personal gifts, states that gifts that are given for infrequent life events (e.g., a wedding gift or a congratulatory gift for the birth of a child) are not subject to the gift limit restrictions in FINRA Rule 3220(a) or the recordkeeping requirements in

⁴³ The requisite time frame for the aggregation of gifts has been expressly incorporated into Proposed Supplementary Material .06, on supervision and recordkeeping, which is discussed below, due to the logical nature and fit of such policies and procedure requirement.

⁴⁴ Proposed Supplementary Material .02, mirroring FINRA Rule 3220.03. Proposed Supplementary Material .02 would also include minor non-substantive changes to the title: “Aggregations of Gifts” to “Aggregation of Gifts.” The non-substantive changes add clarity, improve organization and highlight parallels with FINRA Rule 3220.03.

³⁵ See FINRA Filing, *supra* note 27, 90 FR at 25675–76.

³⁶ These exceptions would be limited to transaction-commemorative gifts, *de minimis* gifts, promotional gifts and personal gifts. See MSRB Rules G–20(d)(ii)–(iv), (vi), respectively.

³⁷ See the final sentence of proposed MSRB Rule G–20(d)(i), mirroring FINRA Rule 3220.01.

³⁸ Note that the gifts discussed in this section would not ordinarily be considered normal business dealings, as discussed above, since the gifts discussed in this section are not meals or tickets to other events hosted by the regulated entity

FINRA Rule 3220(c), provided the gifts are customary and reasonable, personal in nature, and not in relation to the business of the employer of the recipient.⁴⁵ In determining whether a gift is personal in nature and not in relation to the business of the employer of the recipient, factors including the nature of any pre-existing personal or family relationship between the person giving the gift and the recipient and whether the associated person paid for the gift should be considered. FINRA Rule 3220.04 also states that when its member bears the cost of a gift, either directly or by reimbursing an associated person, there is a presumption that the gift is not personal in nature and instead is in relation to the business of the employer of the recipient.

The proposed rule change would amend MSRB Rule G–20(d)(vi) by adding language that would explicitly require personal gifts to be reasonable and customary. The MSRB believes that the combination of the amended text of subsection G–20(d)(vi), which would provide an exception for personal gifts and brief definition of the same, and the corresponding Supplementary Material,⁴⁶ which provides additional clarification regarding the nature of personal gifts and the exception for such gifts, would substantively align with the requirements of FINRA Rule 3220.04.⁴⁷ To harmonize with the recordkeeping exception of FINRA Rule 3220.04, the proposed rule change would add language within new Supplementary Material .06, on supervision and recordkeeping requirements, stating that personal gifts are not subject to the recordkeeping requirements under MSRB Rule G–8(h)(ii) by way of incorporation into Supplementary Material .06 of MSRB Rule G–20.

Bereavement Gifts

FINRA Rule 3220.05, on bereavement gifts, states that such gifts that are customary and reasonable are not considered to be in relation to the business of the employer of the recipient and, therefore, are not subject to the gift limit. FINRA had long considered bereavement gifts to be a

type of personal gift because bereavement gifts are given for infrequent life events. However, commenters raised concerns about treating bereavement gifts as a type of personal gift. In response, FINRA adopted 3220.05 to separate the supplementary material from that on personal gifts.

MSRB Rule G–20(d)(v) states that bereavement gifts that are reasonable and customary for the circumstances are not subject to the gift limit provided they do not give rise to any apparent or actual material conflict of interest.⁴⁸ To further align and harmonize with FINRA's gift rule amendment, the proposed rule change would amend subsection (d)(v) of MSRB Rule G–20 by adding language explicitly stating that bereavement gifts are not considered to be in relation to the business of the employer of the recipient.⁴⁹ The proposed rule change would also add language within new Supplementary Material .06, on supervision and recordkeeping requirements, stating that bereavement gifts are not subject to the recordkeeping requirements under MSRB Rule G–8(h)(ii) by way of incorporation into Supplementary Material .06 of MSRB Rule G–20. The MSRB believes that clarification on the exclusions under MSRB Rule G–20 will assist regulated entities in achieving compliance objectives.

De Minimis Gifts and Promotional Gifts or Commemorative Items

FINRA Rule 3220.06(a) provides that gifts of *de minimis* value (e.g., pens, notepads, or modest desk ornaments) or promotional items of nominal value that display the member's logo (e.g., umbrellas, tote bags, or shirts) are excepted from FINRA Rule 3220's gift limit and the recordkeeping requirements under the rule, if the value of such gift or item is substantially below the \$300 gift limit. FINRA Rule 3220.06(b) provides an exception from the gift limit and recordkeeping requirements for customary and reasonable solely decorative items commemorating a business transaction. FINRA noted it did not believe it was necessary to explicitly limit the value of customary commemorative items because such items must be solely decorative. Thus, the restrictions under FINRA Rule 3220(a) would apply where the item is not solely decorative, irrespective of whether the item was

intended to commemorate a business transaction.⁵⁰

MSRB Rule G–20(d)(ii)–(iv) already provides corresponding exceptions to the gift limit for gifts of *de minimis* value (e.g., pens, notepads or modest desk ornaments),⁵¹ promotional items of nominal value displaying the regulated entity's corporate or other business logo (provided that the value be substantially below the \$100 general gift limit),⁵² and gifts that are solely decorative items commemorating a business transaction, such as a customary plaque or desk ornament (e.g., Lucite tombstone).⁵³ To fully align these provisions with FINRA's gift rule amendment, the proposed rule change would amend MSRB Rule G–20(d)(iii) by adding a sentence explicitly stating that the value of a gift must be substantially below the \$300 gift limit for such gift to be considered of *de minimis* value, and amend MSRB Rule G–20(d)(iv) to change the gift limit from \$100 to \$300 and add parenthetical examples of promotional gifts (e.g., umbrellas, tote bags, or shirts).⁵⁴ In conforming with FINRA's gift rule amendment, the proposed rule change would add language to new Supplementary Material .06, on supervision and recordkeeping, stating that personal gifts are not subject to the recordkeeping requirements under MSRB Rule G–8(h)(ii) by way of incorporation into Supplementary Material .06 of MSRB Rule G–20. In addition, the proposed rule change would renumber Supplementary Material .03, on promotional gifts and "other business logo," to Supplementary Material .04.

Donations Due to Federally Declared Major Disasters

FINRA Rule 3220.07 codifies FINRA interpretive guidance stating that donations to an employee of an institutional customer to provide assistance to an individual in connection with a federally declared

⁵⁰ FINRA expressed for example, providing an employee of an organization with elaborate electronic equipment following the closing of a transaction would be subject to the gift limit. See FINRA Filing, *supra* note 27, 90 FR at 25677.

⁵¹ See MSRB Rule G–20(d)(iii).

⁵² See MSRB Rule G–20(d)(iv). See also Proposed Supplementary Material .04 of MSRB Rule G–20 (providing additional clarity regarding the nature of promotional items and other business logos). Proposed Supplementary Material .04 is substantively the same as current Supplementary Material .03.

⁵³ See MSRB Rule G–20(d)(ii).

⁵⁴ The proposed rule change would amend MSRB Rule G–20(d)(iv), to mirror FINRA Rule 3220.06, by updating the gift limit to \$300 and by adding parenthetical examples of promotional gifts. As previously noted, the rule is consistent in all other respects.

⁴⁵ FINRA has noted that the exception for personal gifts would not apply to gifts given for events that occur frequently, or even annually, such as birthdays. See FINRA Filing, *supra* note 27, 90 FR at 25682.

⁴⁶ Proposed Supplementary Material .03 is renumbered from Supplementary Material .04 of MSRB Rule G–20. This Supplementary Material is substantively the same as current Supplementary Material .04.

⁴⁷ In addition, the MSRB agrees with FINRA's assessment that the exception for personal gifts would not apply to gifts given for events that occur frequently, or even annually, such as birthdays.

⁴⁸ See MSRB Rule G–20(d)(v). The material conflict of interest caveat applies to all exceptions under MSRB Rule G–20(d).

⁴⁹ Proposed MSRB Rule G–20(d)(v), harmonizing with FINRA Rule 3220.05.

major disaster, such as a wild fire, hurricane, tornado, earthquake, or flood, are not considered to be in relation to the business of the employer of the recipient and are therefore not subject to the gift limit. The proposed rule change would add Supplementary Material .05 of MSRB Rule G–20 and would directly mirror FINRA Rule 3220.07.⁵⁵ The MSRB agrees with FINRA that such donations are not in relation to the business of the employer of the recipient, and therefore, should be excluded from the gift limit and recordkeeping requirements under MSRB Rule G–8(h)(ii).

Supervision and Recordkeeping

Citing FINRA Rule 3110, on supervision, FINRA Rule 3220.08 requires a supervisory system that is reasonably designed to achieve compliance with Rule 3220.⁵⁶ Specifically, FINRA Rule 3220.08 requires FINRA members to have systems and procedures reasonably designed to ensure that payments and gratuities in relation to the business of the employer of the recipient given by the member firm and its associated persons to employees of another person are: (1) reported to the firm; (2) reviewed for compliance with Rule 3220; and (3) maintained in the firm's records.⁵⁷ FINRA Rule 3220.08 also requires procedures reasonably designed to ensure that the person giving a gift or gratuity is not the same person responsible for determining whether that gift or gratuity is related to the business of the recipient's employer. Finally, this provision restates that gifts described in FINRA Rule 3220.04, on personal gifts, FINRA Rule 3220.05, on bereavement gifts, FINRA Rule 3220.06, on *de minimis* gifts and promotional or commemorative items,⁵⁸ and FINRA Rule 3220.07, on donations due to federally declared major disasters, are not subject to the recordkeeping requirements of the rule.⁵⁹

The proposed rule change would add new Supplementary Material .06, on supervision and recordkeeping, that substantively aligns with FINRA Rule 3220.08 by mirroring the language that clarifies the nature of the requirements

necessary to achieve compliance with the rule.⁶⁰ The supervisory requirements expressly state that procedures must be reasonably designed to ensure that the person giving the gift or gratuity is not the same person responsible for determining whether the gift or gratuity is in relation to the business of the recipient's employer. However, this provision does not account for the uniqueness of the regulatory framework for small municipal advisors. The proposed rule change caveats this supervisory requirement by permitting municipal advisors to carry out their compliance obligation in accordance with Supplementary Material .03 of Rule G–44.⁶¹ Additionally, the proposed rule change adds language to clarify that regulated entities are not required to maintain records of gifts not subject to the general limitation of section (c) as described in section (d) and that are consistent with the requirements of Supplementary Materials .03 and .05 of this rule. The MSRB believes aligning the substantive provisions that directly address the standards necessary to achieve compliance is the most direct way to promote regulatory harmonization and reduce compliance burdens for firms subject to the rules of multiple regulators.

The recordkeeping requirements would not apply to normal business dealings, *de minimis* gifts, promotional or commemorative items, personal gifts, bereavement gifts or donations due to federally declared major disasters⁶² because such gifts, by their very nature, should be infrequent or customary and reasonable for the circumstances, depending on the nature of the gift in question. Although the MSRB is not requiring records to be made and maintained related to normal business dealings, the MSRB notes that regulated entities may determine to implement recordkeeping requirements in this area as part of their supervisory system to achieve compliance with the MSRB's gift rule. The MSRB believes that a principles-based approach to recordkeeping requirements for normal business dealings is a more prudent approach given the application to both dealers and municipal advisors, and additional, potentially unnecessary, administrative costs associated with making and maintaining such records.

As such, regulated entities should decide whether records should be made and maintained, based on the facts and circumstances specific to any given normal business dealing. The MSRB notes that regulated entities should make such determination in the context of their overall supervisory obligations and in ensuring their supervisory system is reasonably designed to achieve compliance with MSRB rules and other applicable securities laws and regulations.

Gifts to a Regulated Entity's Associated Persons or Individual Retail Investors

FINRA Rule 3220.09 states that FINRA Rule 3220 does not apply to "gifts from a member to its own associated persons, or to gifts from a member or an associated person to individual retail customers." Although the substance of this provision was already implied by the text of FINRA Rule 3220, FINRA added Rule 3220.09 to clarify and improve awareness and understanding of the scope of FINRA's gift rule amendment.⁶³ The proposed rule change would add new Supplementary Material .07 to MSRB Rule G–20 directly mirroring FINRA Rule 3220.09.⁶⁴

Minor Technical Language Changes

Finally, the proposed rule change would make a limited number of non-substantive technical changes to rule language to improve consistency and clarity. Current rule language inconsistently refers to sections of MSRB Rule G–20 and its Supplementary Materials; the proposed rule change would correct these inconsistencies. In addition, the proposed rule change would make a technical amendment to renumber existing Supplementary Material .05, on applicability of state or other laws, to Supplementary Material .08.

Provision From FINRA's Gift Rule Amendment Omitted From Proposed Rule Change

FINRA's gift rule amendment includes a new section within Rule 3220,⁶⁵ which authorizes FINRA staff, pursuant to the FINRA Rule 9600 series, to conditionally or unconditionally grant an exemption from any provision of FINRA Rule 3220 for good cause shown, after taking into account all relevant factors and provided that such exemption is consistent with the purposes of FINRA Rule 3220, the

⁵⁵ Proposed Supplementary Material .05, to mirror FINRA Rule 3220.07.

⁵⁶ Amendment 1, *supra* note 28, 90 FR at 44858.

⁵⁷ *Id.*

⁵⁸ FINRA has previously stated that its gift rule does not apply to gifts of *de minimis* value (e.g., pens, notepads or modest desk ornaments). See NASD Notice to Members 06–69, NASD Issues Additional Guidance on Rule 3060 (Influencing or Rewarding Employees of Others) (Dec. 4, 2006), available at <https://www.finra.org/rules-guidance/notices/06-69>.

⁵⁹ *Id.*

⁶⁰ Proposed Supplementary Material .06, to mirror FINRA Rule 3220.08.

⁶¹ Pursuant to Supplementary Material .03 of MSRB Rule G–44, a municipal advisor is permitted to tailor its written supervisory procedures based on, among other things, an advisor's size.

⁶² Proposed Supplementary Material .05, to mirror FINRA Rule 3220.07.

⁶³ See FINRA Approval Order, *supra* note 3, 91 FR at 7574.

⁶⁴ Proposed Supplementary Material .07, to mirror FINRA Rule 3220.09.

⁶⁵ FINRA Rule 3220(d).

protection of investors, and the public interest.⁶⁶

The proposed rule change does not include a corresponding amendment to MSRB Rule G–20 due to the unique regulatory structure under Section 15B of the Exchange Act,⁶⁷ which requires the MSRB to undertake rulemaking responsibilities while assigning examination and enforcement authority to other regulators such as the Commission, FINRA and the federal banking regulators. Any amendment to MSRB Rule G–20 to permit regulated entities to seek exemptive relief would require a regulated entity to submit its request to the appropriate regulator (*i.e.*, not the MSRB) for consideration and potential exemptive action under that regulator's procedures. At such time as the appropriate regulators have processes in place, or agree to put such processes in place, to potentially receive, review and act on any such exemptive requests, the MSRB could consider whether to adopt a further provision to MSRB Rule G–20 to institute a similar exemptive relief mechanism.

Operative and Compliance Dates

As previously mentioned, the operative date for the proposed rule change would be June 1, 2026, for dealers that are FINRA members. However, a separate compliance date of December 1, 2026, would apply for all municipal advisors as well as bank dealers with respect to the proposed rule change. Until such compliance date for municipal advisors and bank dealers, such regulated entities would be subject to the existing provisions of MSRB Rule G–20, including, but not limited to, the gift limit (*i.e.*, \$100 limit per person per year) and overarching supervisory and recordkeeping requirements, as applicable.

The delayed compliance date for all municipal advisors and bank dealers is designed to provide such regulated entities sufficient time to revise their policies and procedures and their recordkeeping and related processes to ensure efficient and effective compliance with the new requirements of the proposed rule change without creating unnecessary burdens or disruption. While FINRA member firms should have come into compliance with the comparable policies and procedures under FINRA Rule 3220 in connection with their other securities market activities, non-dealer municipal advisors, as well as bank dealers, would

need time to make any necessary changes.

Exchange Act Section 15B(b)(2)(L)(iv) directs the MSRB to adopt rules with respect to municipal advisors that do not impose a regulatory burden on small municipal advisors that is not necessary or appropriate in the public interest and for the protection of investors, municipal entities, and obligated persons, provided that there is robust protection of investors against fraud.⁶⁸ In response to a request for information published by the MSRB in 2023 seeking input on the impacts of MSRB rules on small firms (the “Small Firm RFI”),⁶⁹ one commenter noted “[m]any firms do seek outside counsel or compliance professionals to assist with their compliance programs. These costs may represent the price of doing business, but place greater financial and administrative burdens on smaller firms. The cost of external compliance review and/or development and maintenance of written supervisory procedures (‘WSP’)/policies and procedures, etc., are typically not based on the size of the firm, but rather a fixed cost to firms. That proportionately places greater costs on small firms.”⁷⁰ This commenter also asked that the MSRB confer with small municipal advisors to discuss how small municipal advisors “approach reviewing new/updated rules, making changes to their WSPs, and implementing compliance and supervisory procedures.”⁷¹

Focusing across both dealer and municipal advisor firms, another commenter on the Small Firm RFI “... urge[d] the Board to consider how its potential rule changes would affect all market participants, including smaller BDs, and to write rules which do not impose unreasonable compliance standards on any market participant, big or small. This is especially important with respect to implementation periods for regulatory changes. In many cases, it may reasonably take smaller firms more time to implement rule changes than larger firms due to fewer resources available for the task. We urge the Board to consider the effects of its rule amendments on those firms that would be particularly challenged and to gauge

implementation times to ensure all firms are able to be fully compliant on a rule's effective date.”⁷²

The MSRB believes that providing additional time to come into compliance with the new supervisory and recordkeeping requirements in the proposed rule change is responsive to these concerns and suggestions.

2. Statutory Basis

The MSRB believes that the proposed rule change is consistent with Section 15B(b)(2)(C) of the Exchange Act,⁷³ which provides that the MSRB's rules shall 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 municipal securities and municipal financial products, to remove impediments to and perfect the mechanism of a free and open market in municipal securities and municipal financial products, and, in general, to protect investors, municipal entities, obligated persons, and the public interest.

In accordance with Section 15B(b)(2)(C) of the Exchange Act,⁷⁴ the proposed rule change is designed to prevent fraudulent and manipulative acts and practices. Although the proposed rule change would increase the gift limit, it continues to protect investors and preserve public confidence in the municipal securities market because the proposed rule change would also put into place additional provisions strengthening supervision and recordkeeping requirements designed to prevent fraudulent acts and manipulative practices.⁷⁵ For example, the proposed rule change would require policies and procedures to be reasonably designed to ensure that the associated person giving a gift is not also the person responsible for the determination of whether the gift in question is in relation to the municipal securities or municipal advisory activities of the employer of the gift's recipient. Not only is the proposed rule change consistent with the explicit purpose of MSRB Rule G–20, but also increased harmonization

⁶⁸ 15 U.S.C. 78o–4(b)(2)(L)(iv).

⁶⁹ MSRB Notice 2023–11, Request for Information on Impacts of MSRB Rules on Small Firms (Dec. 4, 2023), available at <https://www.msrb.org/sites/default/files/2023-12/2023-11.pdf>.

⁷⁰ See Letter from Susan Gaffney, Executive Director, National Association of Municipal Advisors, p. 2 (Feb. 26, 2024), available at <https://www.msrb.org/sites/default/files/2024-02/NAMAsmallfirmFEB2024.pdf>.

⁷¹ *Id.* at 4.

⁷² See Letter from Michael Decker, Senior Vice President, Bond Dealers of America, p.2 (Feb. 26, 2024), available at <https://www.msrb.org/sites/default/files/2024-02/BDA-Notice-2023-11.pdf>.

⁷³ 15 U.S.C. 78o–4(b)(2)(C).

⁷⁴ *Id.*

⁷⁵ MSRB Rule G–20(a) (stating that the purpose of MSRB Rule G–20 is to preserve investor and public confidence in the municipal securities market, including the bond issuance process).

⁶⁶ *Id.*

⁶⁷ 15 U.S.C. 78o–4.

with the corresponding FINRA provisions is intended to provide a practical and balanced way for regulated entities to continue effectively meeting the core regulatory obligation to establish and maintain a system to supervise the activities of each associated person that is reasonably designed to achieve compliance with applicable securities laws and regulations and with applicable MSRB rules, which directly serves investor protection. Furthermore, the proposed rule change clarifies the supervisory obligations of regulated entities and provides greater flexibility to design and implement necessary policies and procedures.

By aligning the requirements of MSRB Rule G–20 with FINRA’s gift rule amendment, the proposed rule change promotes just and equitable principles of trade by ensuring all regulated entities are subject to the same regulatory standard under both FINRA and MSRB rules. This regulatory consistency would allow regulated entities that are subject to FINRA and MSRB rules to more efficiently design and implement policies and procedures to ensure compliance with both MSRB Rule G–20 and with FINRA’s gift rule amendment without the burden or confusion of differing regulatory requirements. The MSRB believes that the proposed rule change would alleviate some of the operational challenges regulated entities would otherwise experience due to regulatory uncertainty—regulated entities would be able to more effectively allocate resources to the operations that facilitate transactions in municipal securities, and thereby, removing impediments to a free and open market.

Finally, aligning MSRB Rule G–20 with FINRA’s gift rule amendment fosters cooperation between regulators because it creates as close as possible a uniform standard, with minimal distinction needed between the treatment of municipal securities and other asset classes, enabling FINRA and the Commission to more efficiently inspect regulated entities subject to the rules of both self-regulatory organizations.

In addition, Section 15B(b)(2)(L)(iv) of the Exchange Act provides that MSRB rules may not impose a regulatory burden on small municipal advisors that is not necessary or appropriate in the public interest and for the protection of investors, municipal entities, and obligated persons provided that there is robust protection of investors against fraud.⁷⁶ While the proposed rule change

would burden some small municipal advisors, the MSRB believes that any such burden is outweighed by the need to maintain the integrity of the municipal securities market by extending to municipal advisors the same regulatory obligations by which dealers have to operate with respect to the protection of investors and the public interest. The MSRB believes that clarifying the narrow exclusions to the gift limit would reduce the chances of potential violations of the public trust by having rules of the road on how municipal advisors engage with elected officials and other market participants involved in the issuance of municipal securities. Moreover, municipal advisors having to state in their procedures whether they are aggregating all gifts on a calendar year, fiscal year, or on a rolling basis beginning with the first gift to any particular recipient ensures gifts are not given so frequently that they unduly influence the awarding of municipal advisor business. Finally, both the delayed compliance date for proposed Supplementary Material .06 with respect to supervisory and recordkeeping requirements and the exception for municipal advisors to certain supervisory requirements via reliance on Supplementary Material .03 of MSRB Rule G–44 would serve to reduce the regulatory burden on small municipal advisors in a manner consistent with Section 15B(b)(2)(L)(iv) of the Exchange Act.⁷⁷

The MSRB also believes that the proposed rule change is consistent with Section 15B(b)(2)(G) of the Exchange Act,⁷⁸ which provides that the MSRB’s rules shall prescribe records to be made and kept by municipal securities brokers, municipal securities dealers, and municipal advisors and the periods for which such records shall be preserved. The MSRB believes that the proposed rule change related to recordkeeping requirements under MSRB Rule G–20 coupled with existing obligations under MSRB Rule G–8 would promote compliance with and facilitate enforcement of the proposed rule change by clarifying the records that must be preserved. The proposed rule change would also improve recordkeeping by specifying that gifts that are normal business dealings, *de minimis* gifts, promotional or commemorative items, personal gifts, bereavement gifts or donations due to federally declared major disasters are not subject to the recordkeeping requirements.

⁷⁷ *Id.*

⁷⁸ 15 U.S.C. 78o–4(b)(2)(G).

B. Self-Regulatory Organization’s Statement on Burden on Competition

Section 15B(b)(2)(C) of the Exchange Act⁷⁹ requires that MSRB rules not be designed to impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Exchange Act. In addition, Section 15B(b)(2)(L)(iv) of the Exchange Act⁸⁰ provides that MSRB rules may not impose a regulatory burden on small municipal advisors that is not necessary or appropriate in the public interest and for the protection of investors, municipal entities, and obligated persons provided that there is robust protection of investors against fraud. In determining whether the standards have been met, the MSRB was guided by the MSRB’s Policy on the Use of Economic Analysis in MSRB Rulemaking.⁸¹ In accordance with this policy, the MSRB evaluated the potential impacts on competition of the proposed rule change and believes that the proposed rule change would not impose any unnecessary or inappropriate burden on competition, as the proposed rule change would align with the newly approved amendments to FINRA Rule 3220, on influencing or rewarding employees of others. In addition, the proposed rule change would be applied equally to all regulated entities (*i.e.*, dealers and municipal advisors).

Based on the MSRB’s analysis, the potential benefits of the proposed rule change would outweigh the potential costs of the change. The proposed rule change benefits dealers by aligning the gift limit in MSRB Rule G–20 with FINRA Rule 3220 that accounts for past and future inflationary increases. This consistency supports the development of uniform compliance processes and systems across both MSRB-regulated entities and FINRA-member firms. Currently, the \$100 gift limit in MSRB

⁷⁹ 15 U.S.C. 78o–4(b)(2)(C).

⁸⁰ 15 U.S.C. 78o–4(b)(2)(L)(iv).

⁸¹ See Policy on the Use of Economic Analysis in MSRB Rulemaking, available at <https://www.msrb.org/Policy-Use-Economic-Analysis-MSRB-Rulemaking>. In evaluating whether there was any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Exchange Act, the MSRB was guided by its principles that required the MSRB to consider costs and benefits of a rule change, its impact on efficiency, capital formation and competition, and the main reasonable alternative regulatory approaches. For those rule changes which the MSRB files for immediate effectiveness under Section 19(b)(3)(A) of the Exchange Act (15 U.S.C. 78s(b)(3)(A)), including information facility rule filings, while not subject to the policy, the MSRB usually focuses its examination exclusively on the burden of competition on regulated entities, but may also include any additional economic analysis that the MSRB believes may inform the rulemaking process based on the facts and circumstances.

⁷⁶ 15 U.S.C. 78o–4(b)(2)(L)(iv).

Rule G–20 was established in 1978 by the MSRB and by FINRA in 1992 without accounting for the inflation rate. The proposed amendments ensure that the gift limit remains the same between corresponding MSRB and FINRA rules to reduce unnecessary compliance burdens for firms. If the MSRB and FINRA maintained differing gift limits it may needlessly complicate and confuse the gifting process. In addition, the proposed rule change would increase the gift limit from \$100 to \$300 which would benefit regulated entities that engage in gift giving as part of the process to develop relationships and goodwill while also maintaining the protections for investors and public interest. Additionally, to align with the FINRA Rule 3220 changes when necessary, the proposed rule change includes supplementary material regarding gifts incidental to business entertainment, donations due to federally declared major disasters, supervision and recordkeeping and gifts to associated persons or individual retail customers.

The MSRB acknowledges that regulated entities would likely incur minor costs because of the proposed rule change, relative to the baseline state (current state). Regulated entities would be expected to incur one-time, upfront costs related to revising policies and procedures and training. The MSRB expects the proposed rule change to cost regulated entities \$4,229 as a one-time, upfront cost to review and implement the changes along with any needed staff training.⁸² The MSRB does not expect

any material incremental ongoing costs for compliance-related tasks, including recordkeeping.

Effect on Competition, Efficiency and Capital Formation

The MSRB believes that the proposed rule change would neither impose a burden on competition nor hinder capital formation, as the proposed rule change is applicable to all regulated entities and the ongoing costs should be proportional to entity size, and the upfront costs are relatively minor for all regulated entities. The proposed amendments to MSRB Rule G–20 would improve the municipal securities market's operational efficiency and promote regulatory harmony with FINRA's gift rules. At present, the MSRB is unable to quantitatively evaluate the magnitude of the efficiency gains or losses but believes the benefits from mostly aligning MSRB Rule G–20 with FINRA Rule 3220 would outweigh the upfront costs of revising policies and procedures, as well as the ongoing compliance and recordkeeping costs to regulated entities. The MSRB recognizes that small dealers, municipal advisors and especially sole proprietors may not employ full-time compliance staff and that the overall cost of ensuring compliance with the requirements of the proposed rule change may be proportionally higher for these smaller firms. Still, the MSRB expects the upfront costs to be minor for all firms and the ongoing costs should be proportional to the size of each regulated entity.

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 on the proposed rule change.⁸³

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section

19(b)(3)(A) of the Exchange Act⁸⁴ and Rule 19b–4(f)(6)⁸⁵ 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 Exchange Act.

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 Exchange Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include File Number SR–MSRB–2026–02 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549.

All submissions should refer to File Number SR–MSRB–2026–02. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the MSRB. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to File Number SR–MSRB–2026–02 and should be submitted on or before May 28, 2026.

For the Commission, pursuant to delegated authority.⁸⁶

J. Matthew DeLesDernier,
Deputy Secretary.

[FR Doc. 2026–08993 Filed 5–6–26; 8:45 am]

BILLING CODE 8011–01–P

⁸² The MSRB estimates three hours for a compliance manager at \$393 per hour ($3 \times \$393 = \$1,179$) to revise the firm policies and procedures, and one hour for in-house compliance counsel to review and edit any changes as needed ($1 \times \$463 = \$463$). Staff also anticipates review by an outside legal counsel at \$630 per hour ($1 \times \$630 = \$630$), review and sign off by a director of compliance at \$610 per hour ($1 \times \$610 = \$610$), General Counsel at \$780 per hour ($0.5 \times \$780 = \$390$) and the chief compliance officer at \$693 per hour ($0.5 \times \$693 = \$347$). Lastly, staff anticipates one hour of training and education conducted by the director of compliance at \$610 per hour ($1 \times \$610 = \$610$). Therefore, staff estimates that the total upfront costs would be $\$4,229$ ($\$1,179 + \$463 + \$630 + \$610 + \$390 + \$347 + \$610 = \$4,229$).

The hourly-rate data is gathered from a variety of Commission filings compiled by the MSRB for usage in economic analysis. The Commission's economic analysis utilizes the Securities Industry and Financial Markets Association's "Management & Professional Earnings in the Securities Industry—2013 Report" for the hourly rates of various financial industry market professionals. To compensate for inflation, the data reflects the 2025 hourly rate level after adjusting for the annual cumulative wage inflation rate of 47.3% between 2013 and 2025. See The Federal Reserve Bank of St. Louis Employment Cost Index: Wages and Salaries: Private Industry Workers, available at <https://fred.stlouisfed.org/series/ECIWAG>. The MSRB estimates the number of hours for each task

based on MSRB's consultation with regulated entities' compliance officers.

⁸³ Comments received in response to FINRA's gift rule amendment can be found at <https://www.sec.gov/comments/sr-finja-2025-003/srfinra2025003.htm>.

⁸⁴ 15 U.S.C. 78s(b)(3)(A).

⁸⁵ 17 CFR 240.19b–4(f)(6).

⁸⁶ 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–105358; File No. 4–566]

Program for Allocation of Regulatory Responsibilities Pursuant to Rule 17d–2; Notice of Filing and Order Approving and Declaring Effective an Amendment to the Plan for the Allocation of Regulatory Responsibilities Among Cboe BZX Exchange, Inc., Cboe BYX Exchange, Inc., NYSE Texas, Inc., Cboe EDGA Exchange, Inc., Cboe EDGX Exchange, Inc., Financial Industry Regulatory Authority, Inc., MEMX LLC, MIAX PEARL, LLC, Nasdaq Texas LLC, Nasdaq PHLX LLC, The Nasdaq Stock Market LLC, NYSE National, Inc., New York Stock Exchange LLC, NYSE American LLC, NYSE Arca, Inc., Investors Exchange LLC, Long-Term Stock Exchange, Inc., 24X National Exchange LLC, Green Impact Exchange, LLC, MX2 LLC, and Texas Stock Exchange LLC Relating to the Surveillance, Investigation, and Enforcement of Insider Trading Rules

May 4, 2026.

Notice is hereby given that the Securities and Exchange Commission (“Commission”) has issued an Order, pursuant to Section 17(d) of the Securities Exchange Act of 1934 (“Act”),¹ approving and declaring effective an amendment to the plan for allocating regulatory responsibility (“Plan”) filed on April 23, 2026, pursuant to Rule 17d–2 of the Act,² by Cboe BZX Exchange, Inc. (“BZX”), Cboe BYX Exchange, Inc. (“BYX”), NYSE Texas, Inc. (“NYSE Texas”), Cboe EDGA Exchange, Inc. (“EDGA”), Cboe EDGX Exchange, Inc. (“EDGX”), Financial Industry Regulatory Authority, Inc. (“FINRA”), MEMX LLC (“MEMX”), MIAX PEARL, LLC (“MIAX PEARL”), Nasdaq Texas, LLC (“Nasdaq Texas”), Nasdaq PHLX LLC (“PHLX”), The Nasdaq Stock Market LLC (“Nasdaq”), NYSE National, Inc. (“NYSE National”), New York Stock Exchange LLC (“NYSE”), NYSE American LLC (“NYSE American”), NYSE Arca, Inc. (“NYSE Arca”), Investors Exchange LLC (“IEX”), Long-Term Stock Exchange, Inc. (“LTSE”), 24X National Exchange LLC (“24X”), Green Impact Exchange, LLC (“GIX”), MX2 LLC (“MX2”), and Texas Stock Exchange LLC (“TXSE”) (collectively, “Participating Organizations” or “Parties”).

I. Introduction

Section 19(g)(1) of the Act,³ among other things, requires every self-regulatory organization (“SRO”) registered as either a national securities exchange or national securities association to examine for, and enforce compliance by, its members and persons associated with its members with the Act, the rules and regulations thereunder, and the SRO’s own rules, unless the SRO is relieved of this responsibility pursuant to Section 17(d)⁴ or Section 19(g)(2)⁵ of the Act. Without this relief, the statutory obligation of each individual SRO could result in a pattern of multiple examinations of broker-dealers that maintain memberships in more than one SRO (“common members”). Such regulatory duplication would add unnecessary expenses for common members and their SROs.

Section 17(d)(1) of the Act⁶ was intended, in part, to eliminate unnecessary multiple examinations and regulatory duplication.⁷ With respect to a common member, Section 17(d)(1) authorizes the Commission, by rule or order, to relieve an SRO of the responsibility to receive regulatory reports, to examine for and enforce compliance with applicable statutes, rules, and regulations, or to perform other specified regulatory functions.

To implement Section 17(d)(1), the Commission adopted two rules: Rule 17d–1 and Rule 17d–2 under the Act.⁸ Rule 17d–1 authorizes the Commission to name a single SRO as the designated examining authority (“DEA”) to examine common members for compliance with the financial responsibility requirements imposed by the Act, or by Commission or SRO rules.⁹ When an SRO has been named as a common member’s DEA, all other SROs to which the common member belongs are relieved of the responsibility to examine the firm for compliance with the applicable financial responsibility rules. On its face, Rule 17d–1 deals only with an SRO’s obligations to enforce member compliance with financial responsibility requirements. Rule 17d–1 does not relieve an SRO from its obligation to examine a common

member for compliance with its own rules and provisions of the federal securities laws governing matters other than financial responsibility, including sales practices and trading activities and practices.

To address regulatory duplication in these and other areas, the Commission adopted Rule 17d–2 under the Act.¹⁰ Rule 17d–2 permits SROs to propose joint plans for the allocation of regulatory responsibilities with respect to their common members. Under paragraph (c) of Rule 17d–2, the Commission may declare such a plan effective if, after providing for notice and comment, it determines that the plan is necessary or appropriate in the public interest and for the protection of investors, to foster cooperation and coordination among the SROs, to remove impediments to, and foster the development of, a national market system and a national clearance and settlement system, and is in conformity with the factors set forth in Section 17(d) of the Act. Commission approval of a plan filed pursuant to Rule 17d–2 relieves an SRO of those regulatory responsibilities allocated by the plan to another SRO.

II. The Plan

On September 12, 2008, the Commission declared effective the Participating Organizations’ Plan for allocating regulatory responsibilities pursuant to Rule 17d–2.¹¹ The Plan is designed to eliminate regulatory duplication by allocating regulatory responsibility over Common FINRA Members¹² (collectively “Common Members”) for the surveillance, investigation, and enforcement of common insider trading rules (“Common Rules”).¹³ The Plan assigns

¹⁰ See Securities Exchange Act Release No. 12935 (October 28, 1976), 41 FR 49091 (November 8, 1976).

¹¹ See Securities Exchange Act Release No. 58536 (September 12, 2008), 73 FR 54646 (September 22, 2008). See also Securities Exchange Act Release Nos. 58806 (October 17, 2008), 73 FR 63216 (October 23, 2008); 61919 (April 15, 2010), 75 FR 21051 (April 22, 2010); 63103 (October 14, 2010), 75 FR 64755 (October 20, 2010); 63750 (January 21, 2011), 76 FR 4948 (January 27, 2011); 65991 (December 16, 2011), 76 FR 79714 (December 22, 2011); 78473 (August 3, 2016), 81 FR 52722 (August 9, 2016); 84392 (October 10, 2018), 83 FR 52243 (October 16, 2018); 86542 (August 1, 2019), 84 FR 38679 (August 7, 2019); 88948 (May 26, 2020), 85 FR 33239 (June 1, 2020); 89972 (September 23, 2020), 85 FR 61062 (September 29, 2020); 103365 (July 1, 2025), 90 FR 29912 (July 7, 2025); and 103913 (September 9, 2025), 90 FR 44267 (September 12, 2025).

¹² Common FINRA Members include members of FINRA and at least one of the Participating Organizations.

¹³ Common rules are defined as: (i) Federal securities laws and rules promulgated by the Commission pertaining to insider trading, and (ii)

¹ 15 U.S.C. 78q(d).

² 17 CFR 240.17d–2.

³ 15 U.S.C. 78s(g)(1).

⁴ 15 U.S.C. 78q(d).

⁵ 15 U.S.C. 78s(g)(2).

⁶ 15 U.S.C. 78q(d)(1).

⁷ See Securities Act Amendments of 1975, Report of the Senate Committee on Banking, Housing, and Urban Affairs to Accompany S. 249, S. Rep. No. 94–75, 94th Cong., 1st Session 32 (1975).

⁸ 17 CFR 240.17d–1 and 17 CFR 240.17d–2, respectively.

⁹ See Securities Exchange Act Release No. 12352 (April 20, 1976), 41 FR 18808 (May 7, 1976).

regulatory responsibility over Common FINRA Members to FINRA for surveillance, investigation, and enforcement of insider trading by broker-dealers, and their associated persons, with respect to Listed Stocks (as defined in the Plan), irrespective of the marketplace(s) maintained by the Participating Organizations on which the relevant trading may occur.

III. Proposed Amendment to the Plan

On April 23, 2026, the Parties submitted a proposed amendment to the Plan. The purpose of the proposed amendment is to: (i) add MX2 and TSXE as Participants to the Plan; (ii) to reflect the name change of Nasdaq BX, Inc. to Nasdaq Texas, LLC; (iii) to update the SRO Rules in Exhibit A; and (iv) to update Exhibit C to apply to matters instead of investigations and reviews. The text of the proposed amended 17d–2 plan is as follows (additions are *italicized*; deletions are [bracketed]):

* * * * *

Agreement for the Allocation of Regulatory Responsibility of Surveillance, Investigation and Enforcement for Insider Trading Pursuant to § 17(d) of the Securities Exchange Act of 1934, 15 U.S.C. 78q(d), and Rule 17d–2 Thereunder

This agreement (the “Agreement”) by and among Cboe BZX Exchange, Inc. (“BZX”), Cboe BYX Exchange, Inc. (“BYX”), NYSE Texas, Inc. (“NYSE Texas”), Cboe EDGA Exchange, Inc. (“EDGA”), Cboe EDGX Exchange, Inc. (“EDGX”), Financial Industry Regulatory Authority, Inc. (“FINRA”), MEMX LLC (“MEMX”), MIAx PEARL, LLC (“MIAx PEARL”),¹ Nasdaq [BX, Inc.] *Texas, LLC* (“[BX] *Nasdaq Texas*”), Nasdaq PHLX LLC (“PHLX”), The Nasdaq Stock Market LLC (“Nasdaq”), NYSE National, Inc. (“NYSE National”), New York Stock Exchange LLC (“NYSE”), NYSE American LLC (“NYSE American”), NYSE Arca, Inc. (“NYSE Arca”), Investors’ Exchange LLC (“IEX”), Long-Term Stock Exchange, Inc. (“LTSE”), 24X National Exchange LLC (“24X”) [and], Green Impact Exchange, LLC (“GIX”), *MX2 LLC* (“*MX2*”) and *Texas Stock Exchange LLC* (“*TXSE*”) (each a “Participating Organization” and together, the “Participating Organizations”), is made pursuant to § 17(d) of the Securities Exchange Act of 1934 (the “Act”), 15 U.S.C. 78q(d), and Securities and

Exchange Commission (“SEC”) Rule 17d–2, which allow for plans to allocate regulatory responsibility among self-regulatory organizations (“SROs”). Upon approval by the SEC, this Agreement shall amend and restate the agreement among the Participating Organizations approved by the SEC on [July 1, 2025] *September 9, 2025*.

Whereas, the Participating Organizations desire to: (a) foster cooperation and coordination among the SROs; (b) remove impediments to, and foster the development of, a national market system; (c) strive to protect the interest of investors; and (d) eliminate duplication in their regulatory surveillance, investigation and enforcement of insider trading;

Whereas, the Participating Organizations are interested in allocating to FINRA regulatory responsibility for Common FINRA Members (as defined below) for surveillance, investigation and enforcement of Insider Trading (as defined below) in NMS Stocks (as defined below) irrespective of the marketplace(s) maintained by the Participating Organizations on which the relevant trading may occur in violation of Common Insider Trading Rules (as defined below);

Whereas, the Participating Organizations will request regulatory allocation of these regulatory responsibilities by executing and filing with the SEC a plan for the above stated purposes (this Agreement, also known herein as the “Plan”) pursuant to the provisions of § 17(d) of the Act, and SEC Rule 17d–2 thereunder, as described below; and

Whereas, the Participating Organizations will also enter into a Regulatory Services Agreement (the “Insider Trading RSA”), of even date herewith, to provide for the investigation and enforcement of suspected Insider Trading against broker-dealers, and their associated persons, that are not Common FINRA Members in the case of Insider Trading in NMS Stocks.

Now, therefore, in consideration of the mutual covenants contained hereafter, and other valuable consideration to be mutually exchanged, the Participating Organizations hereby agree as follows:

1. Definitions. Unless otherwise defined in this Agreement, or the context otherwise requires, the terms used in this Agreement will have the same meaning they have under the Act, and the rules and regulations thereunder. As used in this Agreement, the following terms will have the following meanings:

a. “Rule” of an “exchange” or an “association” shall have the meaning defined in Section 3(a)(27) of the Act.

b. “Common FINRA Members” shall mean members of FINRA and at least one of the Participating Organizations.

c. “Common Insider Trading Rules” shall mean (i) the federal securities laws and rules thereunder promulgated by the SEC pertaining to insider trading, and (ii) the rules of the Participating Organizations that are related to insider trading, as provided on Exhibit A to this Agreement.

d. “Effective Date” shall have the meaning set forth in paragraph 27.

e. “Insider Trading” shall mean any conduct or action taken by a natural person or entity related in any way to the trading of securities by an insider or a related party based on or on the basis of material non-public information obtained during the performance of the insider’s duties at the corporation, or otherwise misappropriated, that could be deemed a violation of the Common Insider Trading Rules.

f. “Intellectual Property” will mean any: (1) processes, methodologies, procedures, or technology, whether or not patentable; (2) trademarks, copyrights, literary works or other works of authorship, service marks and trade secrets; or (3) software, systems, machine-readable texts and files and related documentation.

g. “Plan” shall mean this Agreement, which is submitted as a Plan for the allocation of regulatory responsibilities of surveillance, investigation and enforcement for insider trading pursuant to § 17(d) of the Act, 15 U.S.C. 78q(d), and SEC Rule 17d–2.

h. “NMS Stock(s)” shall have the meaning set forth in Rule 600(b)(47) of SEC Regulation NMS.

i. “Listing Market” shall mean an exchange that lists NMS Stocks.

2. Assumption of Regulatory Responsibilities. On the Effective Date of the Plan, FINRA will assume regulatory responsibilities for surveillance, investigation and enforcement of Insider Trading by broker-dealers, and their associated persons, for Common FINRA Members with respect to NMS Stocks, irrespective of the marketplace(s) maintained by the Participant Organizations on which the relevant trading may occur in violation of the Common Insider Trading Rules (“Regulatory Responsibilities”).

3. Certification of Insider Trading Rules.

a. Initial Certification. By signing this Agreement, the Participating Organizations, other than FINRA, hereby certify to FINRA that their respective lists of Common Insider

the rules of the Participating Organizations that are related to insider trading. See Exhibit A to the Plan.

¹ MIAx PEARL’s allocation of certain regulatory responsibilities to FINRA under this Agreement is limited to the activities of MIAx PEARL Equities, a facility of MIAx PEARL.

Trading Rules contained in Exhibit A hereto are correct, and FINRA hereby confirms that such rules are Common Insider Trading Rules as defined in this Agreement.

b. Yearly Certification. Each year following the commencement of operation of this Agreement, or more frequently if required by changes in the rules of the Participating Organizations, each Participating Organization shall submit a certified and updated list of Common Insider Trading Rules to FINRA for review, which shall (i) add Participating Organization rules not included in the then-current list of Common Insider Trading Rules that qualify as Common Insider Trading Rules as defined in this Agreement; (ii) delete Participating Organization rules included in the current list of Common Insider Trading Rules that no longer qualify as Common Insider Trading Rules as defined in this Agreement; and (iii) confirm that the remaining rules on the current list of Common Insider Trading Rules continue to be Participating Organization rules that qualify as Common Insider Trading Rules as defined in this Agreement. FINRA shall review each Participating Organization's annual certification and confirm whether FINRA agrees with the submitted certified and updated list of Common Insider Trading Rules by each of the Participating Organizations.

4. No Retention of Regulatory Responsibility. The Participating Organizations do not contemplate the retention of any responsibilities with respect to the regulatory activities being assumed by FINRA under the terms of this Agreement.

5. Fees. FINRA shall charge Participating Organizations for performing the Regulatory Responsibilities, as set forth in the Schedule of Fees, attached as Exhibit B.

6. Applicability of Certain Laws, Rules, Regulations or Orders. Notwithstanding any provision hereof, this Agreement shall be subject to any statute, or any rule or order of the SEC. To the extent such statute, rule, or order is inconsistent with one or more provisions of this Agreement, the statute, rule, or order shall supersede the provision(s) hereof to the extent necessary to be properly effectuated and the provision(s) hereof in that respect shall be null and void.

7. Exchange Committee; Reports.

a. Exchange Committee. The Participating Organizations shall form a committee (the "Exchange Committee"), which shall act on behalf of all of Participating Organizations in receiving copies of the reports described below and in reviewing issues that arise under

this Agreement. Each Participating Organization shall appoint a representative to the Exchange Committee. The Exchange Committee representatives shall report to their respective executive management bodies regarding status or issues under this Agreement. The Participating Organizations agree that the Exchange Committee will meet regularly up to four (4) times a year, with no more than one meeting per calendar quarter. At these meetings, the Exchange Committee will discuss the conduct of the Regulatory Responsibilities and identify issues or concerns with respect to this Agreement, including matters related to the calculation of the cost formula and accuracy of fees charged and provision of information related to the same. The SEC shall be permitted to attend the meetings as an observer.

b. Reports. FINRA shall provide the reports set forth in Exhibit C hereto and any additional reports related to this Agreement reasonably requested by a majority vote of all representatives to the Exchange Committee at each Exchange Committee meeting, or more often as the Participating Organizations deem appropriate, but no more often than once every quarterly billing period.

8. Customer Complaints. If a Participating Organization receives a copy of a customer complaint relating to Insider Trading or other activity or conduct that is within FINRA's Regulatory Responsibilities as set forth in this Agreement, the Participating Organization shall promptly forward to FINRA, as applicable, a copy of such customer complaint.

9. Parties to Make Personnel Available as Witnesses. Each Participating Organization shall make its personnel available to FINRA to serve as testimonial or non-testimonial witnesses as necessary to assist FINRA in fulfilling the Regulatory Responsibilities allocated under this Agreement. FINRA shall provide reasonable advance notice when practicable and shall work with a Participating Organization to accommodate reasonable scheduling conflicts within the context and demands as the entity with ultimate regulatory responsibility. The Participating Organization shall pay all reasonable travel and other expenses incurred by its employees to the extent that FINRA requires such employees to serve as witnesses, and provide information or other assistance pursuant to this Agreement.

10. Market Data; Sharing of Work-Papers, Data and Related Information.

a. Market Data. FINRA shall obtain raw market data necessary to the performance of regulation under this

Agreement from (a) the Consolidated Tape Association ("CTA") and (b) the NASDAQ Unlisted Trading Privileges Plan.

b. Sharing. A Participating Organization shall make available to FINRA information necessary to assist FINRA in fulfilling the Regulatory Responsibilities assumed under the terms of this Agreement. Such information shall include *any* information collected by a Participating Organization in the course of performing its regulatory obligations under the Act, including information relating to an on-going disciplinary investigation or action against a member, the amount of a fine imposed on a member, financial information, or information regarding proprietary trading systems gained in the course of examining a member ("Regulatory Information"). This Regulatory Information shall be used by FINRA solely for the purposes of fulfilling its Regulatory Responsibilities.

c. No Waiver of Privilege. The sharing of documents or information between the parties pursuant to this Agreement shall not be deemed a waiver as against third parties of regulatory or other privileges relating to the discovery of documents or information.

d. Intellectual Property.

(i) Existing Intellectual Property. FINRA is and will remain the owner of all right, title and interest in and to the proprietary Intellectual Property it employs in the provision of regulation hereunder (including the SONAR system), and any derivative works thereof. To the extent certain elements of FINRA's systems, or portions thereof, may be licensed or leased from third parties, all such third party elements shall remain the property of such third parties, as applicable. Likewise, any other Participating Organization is and will remain the owner of all right, title and interest in and to its own existing proprietary Intellectual Property.

(ii) Enhancements to Existing Intellectual Property or New Developments. In the event FINRA (a) makes any changes, modifications or enhancements to its Intellectual Property for any reason, or (b) creates any newly developed Intellectual Property for any reason, including as a result of requested enhancements or new development by the Exchange Committee (collectively, the "New IP"), the Participating Organizations acknowledge and agree that FINRA shall be deemed the owner of the New IP created by it (and any derivative works thereof), and shall retain all right, title and interest therein and thereto, and each other Participating Organization

hereby irrevocably assigns, transfers and conveys to FINRA without further consideration all of its right, title and interest in or to all such New IP (and any derivative works thereof).

(iii) Fees for New IP. FINRA will not charge the Participating Organizations any fees for any New IP created and used by FINRA; provided, however, that FINRA will be permitted to charge fees for software maintenance work performed on systems used in the discharge of its duties hereunder.

11. Special or Cause Examinations. Nothing in this Agreement shall restrict or in any way encumber the right of a party to conduct special or cause examinations of Common FINRA Members as any party, in its sole discretion, shall deem appropriate or necessary.

12. Dispute Resolution Under this Agreement.

a. Negotiation. The parties to this Agreement will attempt to resolve any disputes through good faith negotiation and discussion, escalating such discussion up through the appropriate management levels until reaching the executive management level. In the event a dispute cannot be settled through these means, the parties shall refer the dispute to binding arbitration.

b. Binding Arbitration. All claims, disputes, controversies, and other matters in question between the parties to this Agreement arising out of or relating to this Agreement or the breach thereof that cannot be resolved by the parties will be resolved through binding arbitration. Unless otherwise agreed by the parties, a dispute submitted to binding arbitration pursuant to this paragraph shall be resolved using the following procedures:

(i) The arbitration shall be conducted in the city of New York in accordance with the Commercial Arbitration Rules of the American Arbitration Association and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof; and

(ii) There shall be three arbitrators, and the chairperson of the arbitration panel shall be an attorney.

13. Limitation of Liability. As between the Participating Organizations, no Participating Organization, including its respective directors, governors, officers, employees and agents, will be liable to any other Participating Organization, or its directors, governors, officers, employees and agents, for any liability, loss or damage resulting from any delays, inaccuracies, errors or omissions with respect to its performing or failing to perform regulatory responsibilities, obligations, or functions, except (a) as otherwise

provided for under the Act, (b) in instances of a Participating Organization's gross negligence, willful misconduct or reckless disregard with respect to another Participating Organization, (c) in instances of a breach of confidentiality obligations owed to another Participating Organization, or (d) in the case of any Participating Organization paying fees hereunder, for any payments due. The Participating Organizations understand and agree that the Regulatory Responsibilities are being performed on a good faith and best effort basis and no warranties, express or implied, are made by any Participating Organization to any other Participating Organization with respect to any of the responsibilities to be performed hereunder. This paragraph is not intended to create liability of any Participating Organization to any third party.

14. SEC Approval.

a. The parties agree to file promptly this Agreement with the SEC for its review and approval. FINRA shall file this Agreement on behalf, and with the explicit consent, of all Participating Organizations.

b. If approved by the SEC, the Participating Organizations will notify their members of the general terms of this Agreement and of its impact on their members.

15. Subsequent Parties; Limited Relationship. This Agreement shall inure to the benefit of and shall be binding upon the Participating Organizations hereto and their respective legal representatives, successors, and assigns. Nothing in this Agreement, expressed or implied, is intended or shall: (a) confer on any person other than the Participating Organizations hereto, or their respective legal representatives, successors, and assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement, (b) constitute the Participating Organizations hereto partners or participants in a joint venture, or (c) appoint one Participating Organization the agent of the other.

16. Assignment. No Participating Organization may assign this Agreement without the prior written consent of all the other Participating Organizations, which consent shall not be unreasonably withheld, conditioned or delayed; provided, however, that any Participating Organization may assign this Agreement to a corporation controlling, controlled by or under common control with the Participating Organization without the prior written consent of any other party.

17. Severability. Any term or provision of this Agreement that is

invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction.

18. Termination.

a. Any Participating Organization may cancel its participation in this Agreement at any time, provided that it has given 180 days written notice to the other Participating Organizations (or in the case of a change of control in ownership of a Participating Organization, such other notice time period as that Participating Organization may choose), and provided that such termination has been approved by the SEC. The cancellation of its participation in this Agreement by any Participating Organization shall not terminate this Agreement as to the remaining Participating Organizations.

b. The Regulatory Responsibilities assumed under this Agreement by FINRA may be terminated by FINRA against any Participating Organization as follows. The Participating Organization will have thirty (30) days from receipt to satisfy the invoice. If the Participating Organization fails to satisfy the invoice within thirty (30) days of receipt ("Default"), FINRA will notify the Participating Organization of the Default. The Participating Organization will have thirty (30) days from receipt of the Default notice to satisfy the invoice.

c. FINRA will have the right to terminate the Regulatory Responsibilities assumed under this Agreement if a Participating Organization has Defaulted in its obligation to pay the invoice on more than three (3) occasions in any rolling twenty-four (24) month period.

19. Intermarket Surveillance Group ("ISG"). In order to participate in this Agreement, all Participating Organizations to this Agreement must be members of the ISG.

20. General. The Participating Organizations agree to perform all acts and execute all supplementary instruments or documents that may be reasonably necessary or desirable to carry out the provisions of this Agreement.

21. Liaison and Notices. All questions regarding the implementation of this Agreement shall be directed to the persons identified below, as applicable. All notices and other communications required or permitted to be given under this Agreement shall be in writing and

shall be deemed to have been duly given upon (i) actual receipt by the notified party or (ii) constructive receipt (as of the date marked on the return receipt) if sent by certified or registered mail, return receipt requested, to the following addresses:

For Cboe BZX Exchange, Inc.: Greg Hoogasian, Chief Regulatory Officer, Cboe BZX Exchange, Inc., 433 W Van Buren Street, Chicago, IL 60607, Telephone: (312) 786-7844, Facsimil[i]e: (312) 786-7982, Email: ghoogasian@cboe.com.

For Cboe BYX Exchange, Inc.: Greg Hoogasian, Chief Regulatory Officer, Cboe BYX Exchange, Inc., 433 W Van Buren Street, Chicago, IL 60607, Telephone: (312) 786-7844, Facsimil[i]e: (312) 786-7982, Email: ghoogasian@cboe.com.

For NYSE Texas, Inc.: Tony Frouge, Chief Regulatory Officer, NYSE Group, Inc., 11 Wall Street, New York, NY 10005, Telephone: (212) 656-[8297]2133, [Facsimile: (212) 656-2027], Email: Tony.Frouge@theice.nyse.com.

For Cboe EDGA Exchange, Inc.: Greg Hoogasian, Chief Regulatory Officer, Cboe EDGA Exchange, Inc., 433 W Van Buren Street, Chicago, IL 60607, Telephone: (312) 786-7844, Facsimil[i]e: (312) 786-7982, Email: ghoogasian@cboe.com.

For Cboe EDGX Exchange, Inc.: Greg Hoogasian, Chief Regulatory Officer, Cboe EDGX Exchange, Inc., 433 W Van Buren Street, Chicago, IL 60607, Telephone: (312) 786-7844, Facsimil[i]e: (312) 786-7982, Email: ghoogasian@cboe.com.

For Financial Industry Regulatory Authority, Inc.: Sam Draddy, Senior Vice President, Surveillance and Market Intelligence, FINRA, 1700 K Street NW, Washington, DC 20006, Telephone: (240) 386-5042, Facsimile: (301) 407-4635, Email: Sam.Draddy@finra.org.

For MEMX LLC: Adam Schwartz, Chief Regulatory Officer, MEMX LLC, 111 Town Square Place, Suite 520, Jersey City, NJ 07310, Telephone: (571) 751-2715, Facsimil[i]e: (201) 331-7904, Email: aschwartz@memx.com.

For MIAx PEARL, LLC: Edward Deitzel, Chief Regulatory Officer, Miami International Securities Exchange, LLC, 7 Roszel Road, Suite 1A, Princeton, NJ 08540, Telephone: (609) 897-1466, Facsimile: (609) 897-1466, Email: edeitzel@miaxglobal.com.

For Nasdaq [BX, Inc.] Texas, LLC: David Strandberg, Vice President, The Nasdaq Stock Market LLC, 805 King Farm Boulevard, Rockville, MD 20850, Telephone: (202) 367-6672, Email: David.Strandberg@nasdaq.com.

For Nasdaq PHLX LLC: Joseph P. Cusick, Chief Regulatory Officer,

Nasdaq PHLX LLC, FMC Tower, Level 8, 2929 Walnut Street, Philadelphia, PA 19104, Telephone: (215) 496-1576, Facsimile: (215) 496-5104, Email: joseph.cusick@nasdaq.com.

For The Nasdaq Stock Market LLC: David Strandberg, Vice President, The Nasdaq Stock Market LLC, 805 King Farm Boulevard, Rockville, MD 20850, Telephone: (202) 367-6672, Email: David.Strandberg@nasdaq.com.

For NYSE National, Inc.: Tony Frouge, Chief Regulatory Officer, NYSE National, Inc., 11 Wall Street New York, NY 10005 Telephone: (212) 656-[8927]2133, [Facsimile: (212) 656-2027], Email: Tony.Frouge@theice.nyse.com.

For New York Stock Exchange LLC: Tony Frouge, Chief Regulatory Officer, NYSE, 11 Wall Street, New York, NY 10005, Telephone: (212) 656-[8927]2133, [Facsimile: (212) 656-2027], Email: Tony.Frouge@theice.nyse.com.

For NYSE American LLC: Tony Frouge, Chief Regulatory Officer, NYSE American, 11 Wall Street, New York, NY 10005, Telephone: (212) 656-[8927]2133, [Facsimile: (212) 656-2027], Email: Tony.Frouge@theice.nyse.com.

For NYSE Arca, Inc.: Tony Frouge, Chief Regulatory Officer, NYSE Arca, 11 Wall Street, New York, NY 10005, Telephone: (212) 656-[8927]2133, [Facsimile: (212) 656-2027], Email: Tony.Frouge@theice.nyse.com.

For Investors' Exchange LLC: Claudia Crowley, Chief Regulatory Officer, IEX, 3 World Trade Center, 175 Greenwich Street, 58th Floor, New York, NY 10007, Telephone: (646) 343-2041, Facsimile: (646) 365-6862, Email: Claudia.crowley@iextrading.com.

For Long-Term Stock Exchange, Inc.: Jill Ostergaard, Chief Regulatory Officer, LTSE, 100 Greenwich St, Suite 11A, New York, NY 10006, Telephone: (202) 580-5752, Email: Jill@longtermstockexchange.com.

For 24X National Exchange LLC: Jeremy Sanchez, Chief Regulatory Officer, 24X National Exchange LLC, 1 Landmark Square, Stamford, Connecticut 06902, Telephone: (516) 749-5795, Email: Jeremy.sanchez@24exchange.com.

For Green Impact Exchange, LLC: James G. Buckley, Chief Regulatory Officer, GLX, 250 Park Avenue, Suite 7107, New York, NY 10017, Telephone: (332) 295-0232, Email: jbuckley@tradegix.com.

For MX2 LLC: Adam Schwartz, Chief Regulatory Officer, MX2 LLC, 111 Town Square Place, Suite 520, Jersey City, NJ 07310, Telephone: (571) 751-2715, Facsimile: (201) 331-7904, Email: aschwartz@memx.com.

For Texas Stock Exchange LLC: Jeffrey Brown, Chief Legal Officer, General

Counsel and Corporate Secretary, Texas Stock Exchange LLC, 4550 Travis Street, Suite 650, Dallas, TX 75205, Telephone: (214) 612-0261, Email: jeff.brown@txse.com.

22. Confidentiality. The parties agree that documents or information shared shall be held in confidence, and used only for the purposes of carrying out their respective regulatory obligations under this Agreement. No party shall assert regulatory or other privileges as against the other with respect to Regulatory Information that is required to be shared pursuant to this Agreement, as defined by paragraph 10, above.

23. Regulatory Responsibility. Pursuant to Section 17(d)(1)(A) of the Act, and Rule 17d-2 thereunder, the Participating Organizations jointly and severally request the SEC, upon its approval of this Agreement, to relieve the Participating Organizations, jointly and severally, of any and all responsibilities with respect to the matters allocated to FINRA pursuant to this Agreement for purposes of §§ 17(d) and 19(g) of the Act.

24. Governing Law. This Agreement shall be deemed to have been made in the State of New York, and shall be construed and enforced in accordance with the law of the State of New York, without reference to principles of conflicts of laws thereof. Each of the parties hereby consents to submit to the jurisdiction of the courts of the State of New York in connection with any action or proceeding relating to this Agreement.

25. Survival of Provisions. Provisions intended by their terms or context to survive and continue notwithstanding delivery of the regulatory services by FINRA, the payment of the Fees by the Participating Organizations, and any expiration of this Agreement shall survive and continue.

26. Amendment.
a. This Agreement may be amended to add a new Participating Organization, provided that such Participating Organization does not assume regulatory responsibility, solely by an amendment executed by FINRA and such new Participating Organization. All other Participating Organizations expressly consent to allow FINRA to add new Participating Organizations to this Agreement as provided above. FINRA will promptly notify all Participating Organizations of any such amendments to add a new Participating Organization.

b. All other amendments must be approved by each Participating Organization. All amendments, including adding a new Participating Organization, must be filed with and

approved by the SEC before they become effective.

27. Effective Date. The Effective Date of this Agreement will be the date the SEC declares this Agreement to be effective pursuant to authority conferred by § 17(d) of the Act, and SEC Rule 17d-2 thereunder.

28. Counterparts. This Agreement may be executed in any number of counterparts, including facsimile, each of which will be deemed an original, but all of which taken together shall constitute one single agreement between the parties.

In witness whereof, the parties hereto have each caused this Agreement for the Allocation of Regulatory Responsibility of Surveillance, Investigation and Enforcement for Insider Trading to be signed and delivered by its duly authorized representative.

Exhibit A: Common Insider Trading Rules

1. Securities Exchange Act of 1934 Section 10(b), and rules and regulations promulgated there under in connection with insider trading, including SEC Rule 10b-5 (as it pertains to insider trading), which states that:

Rule 10b-5—Employment of Manipulative and Deceptive Devices

It shall be unlawful for any person, directly or indirectly, by the use of any means or instrumentality of interstate commerce, or of the mails or of any facility of any national securities exchange,

a. To employ any device, scheme, or artifice to defraud,

b. To make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, or

c. To engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person, in connection with the purchase or sale of any security.

2. Securities Exchange Act of 1934 Section 17(a), and rules and regulations promulgated there under in connection with insider trading, including SEC Rule 17a-3 (as it pertains to insider trading).

3. Securities Exchange Act of 1934 Rule 14e-3—Transactions in securities on the basis of material, nonpublic information in the context of tender offers.

4. Securities Exchange Act of 1934 Section 15(g) in connection with insider trading and protection of material, nonpublic information.

5. The following SRO Rules as they pertain to violations of insider trading:

FINRA Rule 2010 (Standards of Commercial Honor and Principles of Trade)

FINRA Rule 2020 (Use of Manipulative, Deceptive or Other Fraudulent Devices)

FINRA Rule 3110 (Supervision)

FINRA Rule 4511 (General Requirements)

FINRA Rule 4512 (Customer Account Information)

MEMX Rule 3.1 (Business Conduct of Members)

MEMX Rule 3.2 (Violations Prohibited)

MEMX Rule 3.3 (Use of Fraudulent Devices)

MEMX Rule 4.1 (Requirements)

MEMX Rule 5.1 (Written Procedures)

MEMX Rule 5.3 (Records)

MEMX Rule 5.5 (Prevention of Misuse of Material, Nonpublic Information)

MEMX Rule 12.4 (Manipulative Transactions)

MIAX PEARL Equities Rule 2100 (Business Conduct of Members)

MIAX PEARL Equities Rule 2101 (Violations Prohibited)

MIAX PEARL Equities Rule 2102 (Use of Fraudulent Devices)

MIAX PEARL Equities Rule 2200 (General Requirements)

MIAX PEARL Equities Rule 2201 (Customer Account Information)

MIAX PEARL Equities Rule 2300 (Supervision)

MIAX PEARL Equities Rule 2303 (Prevention of Misuse of Material, Non-Public Information)

MIAX PEARL Equities Rule 2703 (Manipulative Transactions)

NYSE Rule 440 (Books and Records)
NYSE Rule 98(c)(2)–(3) (Operation of a DMM Unit)

NYSE Rule 2010 (Standards of Commercial Honor and Principles of Trade)

NYSE Rule 2020 (Use of Manipulative, Deceptive or Other Fraudulent Devices)

NYSE Rule 3110 (Supervision)

NYSE American General and Floor Rule 3(j) (General Prohibitions and Duty to Report)

NYSE American Rule 2.24E (ETP Books and Records)

NYSE American Rule 6.3E (Prevention of the Misuse of Material, Nonpublic Information)

NYSE American Rule 2010 (Equities. Standards of Commercial Honor and Principles of Trade)

NYSE American Rule 2020 (Equities. Use of Manipulative, Deceptive or Other Fraudulent Devices)

NYSE American Rule 3110 (Equities. Supervision)

Nasdaq Rule General 9, Section 1(a) (Standards of Commercial Honor and Principles of Trade)

Nasdaq Rule General 9, Section 1(g) (Use of Manipulative, Deceptive or Other Fraudulent Devices)

Nasdaq Rule General 9, Section 20 (Supervision)

Nasdaq Rule General 9, Section 43 (General Requirements)

Nasdaq Rule General 9, Section 45 (Customer Account Information)

NYSE Texas Article 8, Rule 3 (Fraudulent Acts)

NYSE Texas Article 9, Rule 2 (Just & Equitable Trade Principles)

NYSE Texas Article 9, Rule 12 (Manipulative Operations)

NYSE Texas Article 11, Rule 2

(Maintenance of Books and Records)
NYSE Texas Rule 11.30 (Prevention of the Misuse of Material, Nonpublic Information)

NYSE Texas Rule 11.3110 (Supervision)

PHLX Rule General 9, Section 1(c)(1) Conduct Inconsistent with Just and Equitable Principles of Trade

PHLX Rule General 9, Section 20 (Supervision)

PHLX Rule General 9, Section 21 (Supervisory Procedures Relating to ITSFEA and to Prevention of Misuse or Material Nonpublic Information)

PHLX Rule General 9, Section 1(b) (Manipulative Operations)

NYSE Arca Rule 2.28 (Books and Records)

NYSE Arca Rule 5.1–E(a)(2)(iv)(D) (General Provisions and Unlisted Trading Privileges)

NYSE Arca Rule 11.1(b) (Adherence to Law and Good Business Practice)

NYSE Arca Rule 11.2(b) (Prohibited Acts (J&E))

NYSE Arca Rule 11.3 (Prevention of the Misuse of Material, Nonpublic Information)

NYSE Arca Rule 11.18 (Supervision)

NYSE Arca Rule 9.1–E(c) (Office Supervision)

NYSE Arca Rule 9.2–E(b) (Account Supervision)

NYSE Arca Rule 9.2–E(c) (Customer Records)

NYSE Arca Rule 9.2010–E (Standards of Commercial Honor and Principles of Trade)

NYSE Arca Rule 9.2020–E (Use of Manipulative, Deceptive or Other Fraudulent Devices)

NYSE National Rule 5.1(a)(2)(D)(iv) (Unlisted Trading Privileges)

NYSE National Rule 11.3.1 (Business Conduct of ETP Holders)

NYSE National Rule 11.3.2 (Violations Prohibited)

NYSE National Rule 11.3.3 (Use of Fraudulent Devices)

NYSE National Rule 11.4.1 (Requirements)

NYSE National Rule 11.5.1 (Written Procedures)
 NYSE National Rule 11.5.3 (Records)
 NYSE National Rule 11.5.5 (Prevention of the Misuse of Material, Nonpublic Information)
 NYSE National Rule 11.12.4 (Manipulative Transactions)
Nasdaq Texas [BX] Rule General 9, Section 1(a) (Standards of Commercial Honor and Principles of Trade)
Nasdaq Texas [BX] Rule General 9, Section 1(h) (Use of Manipulative, Deceptive or Other Fraudulent Devices)
Nasdaq Texas [BX] Rule General 9, Section 20 (Supervision)
Nasdaq Texas [BX] Rule General 9, Section 30(a) (Books and Records)
 BZX Rule 3.1 (Business Conduct of Members)
 BZX Rule 3.2 (Violations Prohibited)
 BZX Rule 3.3 (Use of Fraudulent Devices)
 BZX Rule 4.1 (Requirements)
 BZX Rule 5.1 (Written Procedures)
 BZX Rule 5.3 (Records)
 BZX Rule 5.5 (Prevention of the Misuse of Material, Non-Public Information)
 BZX Rule 12.4 (Manipulative Transactions)
 BYX Rule 3.1 (Business Conduct of Members)
 BYX Rule 3.2 (Violations Prohibited)
 BYX Rule 3.3 (Use of Fraudulent Devices)
 BYX Rule 4.1 (Requirements)
 BYX Rule 5.1 (Written Procedures)
 BYX Rule 5.3 (Records)
 BYX Rule 5.5 (Prevention of the Misuse of Material, Non-Public Information)
 BYX Rule 12.4 (Manipulative Transactions)
 EDGA Rule 3.1 (Business Conduct of Members)
 EDGA Rule 3.2 (Violations Prohibited)
 EDGA Rule 3.3 (Use of Fraudulent Devices)
 EDGA Rule 4.1 (Requirements)
 EDGA Rule 5.1 (Written Procedures)
 EDGA Rule 5.3 (Records)
 EDGA Rule 5.5 (Prevention of the Misuse of Material, Nonpublic Information)
 EDGX Rule 12.4 (Manipulative Transactions)
 EDGX Rule 3.1 (Business Conduct of Members)
 EDGX Rule 3.2 (Violations Prohibited)
 EDGX Rule 3.3 (Use of Fraudulent Devices)
 EDGX Rule 4.1 (Requirements)
 EDGX Rule 5.1 (Written Procedures)
 EDGX Rule 5.3 (Records)
 EDGX Rule 5.5 (Prevention of the Misuse of Material, Nonpublic Information)
 EDGX Rule 12.4 (Manipulative Transactions)

IEX Rule 3.110 (Business Conduct of Members)
 IEX Rule 3.120 (Violations Prohibited)
 IEX Rule 3.130 (Use of Fraudulent Devices)
 IEX Rule 4.511 (General Requirements)
 IEX Rule 4.512 (Customer Account Information)
 IEX Rule 5.110 (Supervision)
 IEX Rule 5.150 (Prevention of the Misuse of Material, Non-Public Information)
 IEX Rule 10.140 (Manipulative Transactions)
 LTSE Rule 3.110 (Business Conduct of Members)
 LTSE Rule 3.120 (Violations Prohibited)
 LTSE Rule 3.130 (Use of Fraudulent Devices)
 LTSE Rule 4.511 (General Requirements)
 LTSE Rule 4.512 (Customer Account Information)
 LTSE Rule 5.110 (Supervision)
 LTSE Rule 5.150 (Prevention of the Misuse of Material, Non-Public Information)
 LTSE Rule 10.140 (Manipulative Transactions)
 24X Rule 3.1 (Business Conduct of Members)
 24X Rule 3.2 (Violations Prohibited)
 24X Rule 3.3 (Use of Fraudulent Devices)
 24X Rule 4.1 (Requirements)
 24X Rule 5.1 (Written Procedures)
 24X Rule 5.3 (Records)
 24X Rule 5.5 (Prevention of Misuse of Material, Nonpublic Information)
 24X Rule 12.4 (Manipulative Transactions)
 GIX Rule 3.110 (Business Conduct of Members)
 GIX Rule 3.120 (Violations Prohibited)
 GIX Rule 3.130 (Use of Fraudulent Devices)
 GIX Rule 4.511 (General Requirements)
 GIX Rule 4.512 (Customer Account Information)
 GIX Rule 5.110 (Supervision)
 GIX Rule 5.150 (Prevention of the Misuse of Material, Nonpublic Information)
 GIX Rule 10.140 (Manipulative Transactions)
MX2 Rule 3.1 (Business Conduct of Members)
MX2 Rule 3.2 (Violations Prohibited)
MX2 Rule 3.3 (Use of Fraudulent Devices)
MX2 Rule 4.1 (Requirements)
MX2 Rule 5.1 (Written Procedures)
MX2 Rule 5.3 (Records)
MX2 Rule 5.5 (Prevention of Misuse of Material, Nonpublic Information)
MX2 Rule 12.4 (Manipulative Transactions)
TXSE Rule 3.001 (Business Conduct of Members)

TXSE Rule 3.002 (Violations Prohibited)
TXSE Rule 3.003 (Use of Fraudulent Devices)
TXSE Rule 4.001 (Requirements)
TXSE Rule 5.001 (Written Procedures)
TXSE Rule 5.003 (Records)
TXSE Rule 5.005 (Prevention of Misuse of Material, Nonpublic Information)
TXSE Rule 12.004 (Manipulative Transactions)

Exhibit B: Fee Schedule

1. Fees. FINRA shall charge each Participating Organization a Quarterly Fee in arrears for the performance of FINRA's Regulatory Responsibilities under the Plan (each, a "Quarterly Fee," and together, the "Fees").

a. Quarterly Fees.

(1) Quarterly Fees for each Participating Organization will be charged by FINRA according to the Participating Organization's "Percentage of Publicly Reported Trades" occurring over three-month billing periods. The "Percentage of Publicly Reported Trades" shall equal a Participating Organization's total number of reported NMS Stock trades during the relevant period as specified in paragraph 1b. (the "Numerator"), divided by the total number of all NMS Stock trades for the same period as specified in paragraph 1b. (the "Denominator"). For purposes of clarification, ADF and Trade Reporting Facility ("TRF") activity will be included in the Denominator. Additionally, with regard to TRFs, TRF trade volume will be charged to FINRA. Consequently, for purposes of calculating the Quarterly Fees, the volume for each Participant Organization's TRF will be calculated separately (that is, TRF volume will be broken out from the Participating Organization's overall Percentage of Publicly Reported Trades) and the fees for such will be billed to FINRA in accordance with paragraph 1a.(2), rather than to the applicable Participating Organization.

(2) The Quarterly Fees shall be determined by FINRA in the following manner for each Participating Organization:

(a) Less than 1.0%: If the Participating Organization's Percentage of Publicly Reported Trades for the relevant three-month billing period is less than 1.0%, the Quarterly Fee shall be \$6,250, per quarter ("Static Fee");

(b) Less than 2.0% but No Less than 1.0%: If the Participating Organization's Percentage of Publicly Reported Trades for the relevant three-month billing period is less than 2.0% but no less than 1.0%, the Quarterly Fee shall be \$18,750, per quarter ("Static Fee");

(c) 2.0% or Greater: If the Participating Organization's Percentage of Publicly Reported Trades for the relevant three-month billing period is 2.0% or greater, the Quarterly Fee shall be the amount equal to the Participating Organization's Percentage of Publicly Reported Trades multiplied by FINRA's total charge ("Total Charge") for its performance of Regulatory Responsibilities for the relevant three-month billing period.

(3) Increases in Static Fees. FINRA will re-evaluate the Quarterly Fees on an annual basis during the annual budget process outlined in paragraph 1.c. below. During each annual re-evaluation, FINRA will have the discretion to increase the Static Fees by a percentage no greater than the percentage increase in the Final Budget over the preceding year's Final Budget. Any changes to the Static Fees shall not require an amendment to this Agreement, but rather shall be memorialized through the budget process.

(4) Increases in Total Charges. Any change in the Total Charges (whether a Final Budget increase or any mid year change) shall not require an amendment to this Agreement, but rather shall be memorialized through the budget process.

b. Source of Data. For purposes of calculation of the Percentage of Publicly Reported Trades for each Participating Organization, FINRA will use trades reported to the two SIPs (a) the Consolidated Tape Association ("CTA"), and (b) the Unlisted Trading Privileges Plan. In each case, FINRA will use the total trades as may be adjusted by the Participating Organization. Adjustments will include any separation or breakup of the number of trades as a result of reporting of bunched or bundled trades by a Participating Organization but will not include any adjustments resulting from single-priced opening, reopening or closing auction trades. Each Participating Organization that reports bunched or bundled trades will report to FINRA any adjustments to its total number of NMS Stock trades on the 15th of the month following the end of the quarter.

c. Annual Budget Forecast. FINRA will notify the Participating Organizations of the forecasted costs of its insider trading program for the following calendar year by close of business on October 15 of the then-current year (the "Forecasted Budget"). FINRA shall use best efforts to provide as accurate a forecast as possible. FINRA shall then provide a final submission of the costs following approval of such

costs by its Board of Governors (the "Final Budget"). Subject to paragraph 1d. below, in the event of a difference between the Forecasted Budget and the Final Budget, the Final Budget will govern.

d. Increases in Fees over Five Percent.

(1) In the event that any proposed increase to Fees by FINRA for a given calendar year (which increase may arise either during the annual budgetary forecasting process or through any mid-year increase) will result in a cumulative increase in such calendar year's Fees of more than five percent (5%) above the preceding calendar year's Final Budget (a "Major Increase"), then senior management of any Participating Organization (a) that is a Listing Market or (b) for which the Percentage of Publicly Reported Trades is then currently twenty percent (20%) or greater, shall have the right to call a meeting with the senior management of FINRA in order to discuss any disagreement over such proposed Major Increase. By way of example, if FINRA provides a Final Budget for 2011 that represents an 4% increase above the Final Budget for 2010, the terms of this paragraph 1.d.(1) shall not apply; if, however, in April of 2011, FINRA notifies the Exchange Committee of an increase in Fees that represents an additional 3% increase above the Final Budget for 2010, then the increase shall be deemed a Major Increase, and the terms of this paragraph 1.d.(1) shall become applicable (*i.e.*, 4% and 3% represents a cumulative increase of 7% above the 2010 Final Budget).

(2) In the event that senior management members of the involved parties are unable to reach an agreement regarding the proposed Major Increase, then the matter shall be referred back to the Exchange Committee for final resolution. Prior to the matter being referred back to the Exchange Committee, nothing shall prohibit the parties from conferring with the SEC. Resolution shall be reached through a vote of no fewer than all Participating Organizations seated on the Exchange Committee, and a simple majority shall be required in order to reject the proposed Major Increase.

e. Time Tracking. FINRA shall track the time spent by staff on insider trading responsibilities under this Agreement; however, time tracking will not be used to allocate costs.

2. Invoicing and Payment. FINRA shall invoice each Participating Organization for the Quarterly Fee associated with the regulatory activities performed pursuant to this Agreement during the previous three-month billing period within forty five (45) days of the

end of such previous 3-month billing period. A Participating Organization shall have thirty (30) days from date of invoice to make payment to FINRA on such invoice. The invoice will reflect the Participating Organization's Percentage of Publicly Reported Trades for that billing period.

3. Disputed Invoices; Interest. In the event that a Participating Organization disputes an invoice or a portion of an invoice, the Participating Organization shall notify FINRA in writing of the disputed item(s) within fifteen (15) days of receipt of the invoice. In its notification to FINRA of the disputed invoice, the Participating Organization shall identify the disputed item(s) and provide a brief explanation of why the Participating Organization disputes the charges. FINRA may charge a Participating Organization interest on any undisputed invoice or the undisputed portions of a disputed invoice that a Participating Organization fails to pay within thirty (30) days of its receipt of such invoice. Such interest shall be assessed monthly. Interest will mean one and one half percent per month, or the maximum allowable under applicable law, whichever is less.

4. Taxes. In the event any governmental authority deems the regulatory activities allocated to FINRA to be taxable activities similar to the provision of services in a commercial context, the other Participating Organizations agree that they shall bear full responsibility, on a joint and several basis, for the payment of any such taxes levied on FINRA, or, if such taxes are paid by FINRA directly to the governmental authority, the other Participating Organizations agree that they shall reimburse FINRA for the amount of any such taxes paid.

5. Audit Right; Record Keeping.

a. Audit Right.

(i) Once every rolling twelve (12) month period, FINRA shall permit no more than one audit (to be performed by one or more Participating Organizations) of the Fees charged by FINRA to the Participating Organizations hereunder and a detailed cost analysis supporting such Fees (the "Audit"). The Participating Organization or Organizations that conduct this Audit will select a nationally-recognized independent auditing firm (or may use its regular independent auditor, providing it is a nationally-recognized auditing firm) ("Auditing Firm") to act on its, or their behalf, and will provide reasonable notice to other Participating Organizations of the Audit. FINRA will permit the Auditing Firm reasonable access during FINRA's normal business hours, with reasonable advance notice,

to such financial records and supporting documentation as are necessary to permit review of the accuracy of the calculation of the Fees charged to the Participating Organizations. The Participating Organization, or Organizations, as applicable, other than FINRA, shall be responsible for the costs of performing any such audit.

(ii) If, through an Audit, the Exchange Committee determines that FINRA has inaccurately calculated the Fees for any Participating Organization, the Exchange Committee will promptly notify FINRA in writing of the amount of such difference in the Fees, and, if applicable, FINRA shall issue a reimbursement of the overage amount to the relevant Participating Organization(s), less any amount owed by the Participating Organization under any outstanding, undisputed invoice(s). If such an Audit reveals that any Participating Organization paid less than what was required pursuant to the Agreement, then that Participating Organization shall promptly pay FINRA the difference between what the Participating Organization owed pursuant to the Agreement and what that Participating Organization originally paid FINRA. If FINRA disputes the results of an Audit regarding the accuracy of the Fees, it will submit the dispute for resolution pursuant to the dispute resolution procedures in paragraph 12 of the Agreement.

(iii) In the event that through the review of any supporting documentation provided during the Audit, any one or more Participating Organizations desire to discuss with FINRA the supporting documentation and any questions arising therefrom with regard to the manner in which regulation was conducted, the Participating Organization(s) shall call a meeting with FINRA. FINRA shall in turn notify the Exchange Committee of this meeting in advance, and all Participating Organizations shall be welcome to attend (the “Fee Analysis Meeting”). The parties to this Agreement acknowledge and agree that while FINRA commits to discuss the supporting documentation at the Fee Analysis Meeting, FINRA shall not be subject, by virtue of the above Audit rights or any discussions during the Fee Analysis Meeting or otherwise, to any limitation whatsoever, other than the Increase in Fee provisions set forth in paragraph 1.d. of this Exhibit, on its discretion as to the manner and means by which it conducts its regulatory efforts in its role as the SRO primarily liable for regulatory decisions under this Agreement. To that end, no disagreement among the Participating Organizations as to the manner or means by which FINRA conducts its regulatory efforts hereunder shall be subject to the dispute resolution procedures hereunder, and no Participating Organization shall have

the right to compel FINRA to alter the manner or means by which it conducts its regulatory efforts. Further, a Participating Organization shall not have the right to compel a rebate or reassessment of fees for services rendered, on the basis that the Participating Organization would have conducted regulatory efforts in a different manner than FINRA in its professional judgment chose to conduct its regulatory efforts.

b. Record Keeping. In anticipation of any audit that may be performed by the Exchange Committee under paragraph 5.a. above, FINRA shall keep accurate financial records and documentation relating to the Fees charged by it under this Agreement.

2008	Surveillance alerts	Investigations
1st Quarter		
2nd Quarter		
3rd Quarter		
4th Quarter		
2008 Total		

2. Aging of Open Matters: Would reflect the aging for all currently open matters for the quarterly period being

reported. A separate table would be presented for the trading activity of the

NMS Stocks listed on each Participating Organization’s exchange.
Example:

	Surveillance alerts	Investigations
0–6 months		
6–9 months		
9–12 months		
12+ months		
Total		

3. Timeliness of Completed Matters: Would reflect the total age of those matters that were completed or closed

during the quarterly period being reported. FINRA will provide total referrals to the SEC.

Example:

	Surveillance alerts	Investigations
0–6 months		

	Surveillance alerts	Investigations
6–9 months		
9–12 months		
12 months		
Total		

4. Disposition of Closed Matters:
Would reflect the disposition of those matters that were completed or closed

during the quarterly period being reported. A separate table would be presented for the trading activity of the

NMS Stocks listed on each Participating Organization's exchange.
Example:

	Surveillance YTD	Investigations YTD
No Further Review		
Letter of Caution/Admonition Fine		
Referred to Legal/Enforcement		
Referred to SEC/SRO		
Merged		
Other		
Total		

5. Pending Reviews. In addition to the above reports, the Chief Regulatory Officer (CRO) (or his or her designee) of any Participating Organization that is also a Listing Market may inquire about pending reviews involving stocks listed on that Participating Organization's market. FINRA will respond to such inquiries from a CRO; provided, however, that (a) the CRO must hold any information provided by FINRA in confidence and (b) FINRA will not be

compelled to provide information in contradiction of any mandate, directive or order from the SEC, US Attorney's Office, the Office of any State Attorney General or court of competent jurisdiction.]

FINRA shall provide the following information in reports to the Exchange Committee, which information covers activity occurring under this Agreement. Example of the details in the report:

1. Summary Statistics. Total number of SEC referrals by the quarterly period

being reported and by year to date of the year being reported. The total number of matters opened and completed during quarterly period being reported. The total number of surveillance system alerts generated, the number of alerts opened into a new matter and added to existing matters during the quarterly period being reported. The total number of exhibit requests during the quarterly period being reported.

Summary

SEC referrals		Matters		Alerts			Exhibit requests ¹
1Q 2025	YTD 2025	Opened ²	Completed	Generated	Opened into new matter	Added to existing matter	

¹ The exhibit request count includes requests made to Insider Trading Detection—Consolidated Equities and Insider Trading Detection—Options.

² Note: Not all matters are opened from a MarketSpace alert.

2. Open Matters by Age Group. Total number of open matters and the number of open matters in each age group

during the quarterly period being reported reflected in a bar chart.

Open Matters by Age Group

# Open Matters					
0–3 Months	3–5 Months	5–6 Months	6–9 Months	9–12 Months	12+ Months

3. Completed Matters by Age Group. Total number of completed matters and

the number of open matters in each age group reflected in a bar chart.

Completed Matters by Age Group

# Completed Matters					
0–3 Months	3–5 Months	5–6 Months	6–9 Months	9–12 Months	12+ Months

4. *Matter Dispositions. Would reflect the disposition of those matters that were completed or closed reported in a bar chart during the quarterly period being reported.*

1Q 2025

Referred to SEC	
No Further Action	
Referred to External Other	
Market Investigations Referral	
Referred to FINRA Internal	

5. *Completed Alerts. Would reflect the total number of alerts that were completed or closed during the quarterly period being reported in a bar chart with color coding for the disposition of (i) Closed/No Action; (ii) Opened New Matter; (iii) Adding to Existing Matter.*

1Q 2025

Total # Completed Alerts	
Closed/No Action	
Opened New Matter	
Added Existing Matter	

6. *Pending Reviews. In addition to the above reports, the Chief Regulatory Officer (CRO) (or his or her designee) of any Participating Organization that is also a Listing Market may inquire about pending reviews involving stocks listed on that Participating Organization's market. FINRA will respond to such inquiries from a CRO; provided, however, that (a) the CRO must hold any information provided by FINRA in confidence and (b) FINRA will not be compelled to provide information in contradiction of any mandate, directive or order from the SEC, US Attorney's Office, the Office of any State Attorney General or court of competent jurisdiction.*

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<http://www.sec.gov/rules/other.shtml>); or
- Send an email to rule-comments@sec.gov. Please include File Number 4-566 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 4-566. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<http://www.sec.gov/rules/other.shtml>). Copies of the plan will be available for inspection and copying at the principal offices of the Participating Organizations. 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 4-566 and should be submitted on or before May 28, 2026.

V. Discussion

The Commission finds that the Plan, as proposed to be amended, is consistent with the factors set forth in Section 17(d) of the Act¹⁴ and Rule 17d-2 thereunder¹⁵ in that it is necessary or appropriate in the public interest and for the protection of investors, fosters cooperation and coordination among SROs, and removes impediments to and fosters the development of the national market system. The Commission continues to believe that the Plan, as amended, should reduce unnecessary regulatory duplication by allocating regulatory responsibility for the surveillance, investigation, and enforcement of Common Rules to FINRA. Accordingly, the proposed amendment to the Plan promotes efficiency by consolidating these regulatory functions in a single SRO.

Under paragraph (c) of Rule 17d-2, the Commission may, after appropriate notice and comment, declare a plan, or any part of a plan, effective. In this instance, the Commission believes that appropriate notice and comment can take place after the proposed amendment is effective. The purpose of the amendment is to: (i) add MX2 and TSXE as Participants to the Plan; (ii) reflect the name change of Nasdaq BX, Inc. to Nasdaq Texas, LLC; (iii) update the SRO Rules in Exhibit A; and (iv) update Exhibit C to apply to matters instead of investigations and reviews.¹⁶

¹⁴ 15 U.S.C. 78q(d).

¹⁵ 17 CFR 240.17d-2.

¹⁶ The Commission notes that the most recent prior amendment to the Plan, which, among other things, added GIX as a Party to the Plan, was published for comment and the Commission did

The Commission believes that the current amendment to the Plan does not raise any new regulatory issues that the Commission has not previously considered, and therefore believes that the amended Plan should become effective without any undue delay.

VI. Conclusion

This order gives effect to the amended Plan submitted to the Commission that is contained in File No. 4-566.

It is therefore ordered, pursuant to Section 17(d) of the Act,¹⁷ that the Plan, as amended, filed with the Commission pursuant to Rule 17d-2 on April 23, 2026, is hereby approved and declared effective.

It is further ordered that the Participating Organizations are relieved of those regulatory responsibilities allocated to FINRA under the amended Plan to the extent of such allocation.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁸

J. Matthew DeLesDernier,

Deputy Secretary.

[FR Doc. 2026-08994 Filed 5-6-26; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104909A]

Order Making Fiscal Year 2026 Annual Adjustments to Transaction Fee Rates; Correction

May 5, 2026.

AGENCY: Securities and Exchange Commission.

ACTION: Notice; correction.

SUMMARY: The Securities and Exchange Commission published a document in the **Federal Register** on March 4, 2026, concerning Order Making Fiscal Year 2026 Annual Adjustments to Transaction Fee Rates. The document contained a typographical error.

FOR FURTHER INFORMATION CONTACT:

Naomi P. Lewis, Office of the Secretary, 100 F Street NE, Washington, DC 20549, (202) 551-5400.

Correction

In the **Federal Register** of March 4, 2026, FR Doc. 2026-04233, on page 10645, third column, 20th line, in item 5 of Appendix A, Section B., correct

not receive any comments thereon. *See supra* note 11.

¹⁷ 15 U.S.C. 78q(d).

¹⁸ 17 CFR 200.30-3(a)(34).

per million.

J. Matthew DeLesDernier,
Deputy Secretary.

[FR Doc. 2026-09078 Filed 5-6-26; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105363; File No. SR-NASDAQ-2026-042]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Extend the Designated Date for Removal of the Exchange's Dedicated GPS Antenna Service Under General 8, Section 1(d)

May 4, 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 April 28, 2026, The Nasdaq Stock Market LLC ("Nasdaq" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the 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 extend further the previously designated date of April 30, 2026 by which service for existing customers with a dedicated GPS antenna under General 8, Section 1(d) (Co-Location Services) will terminate and all dedicated GPS antennas must be removed, as described further 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 offers a Global Positioning System ("GPS") antenna service, which allows customers that co-locate their servers and equipment within the Exchange's original data center ("NY 11") in Carteret, NJ to synchronize their time recording systems to the U.S. Government's GPS network time (the "Service"). GPS network time is the atomic time scale implemented by the atomic clocks in the GPS ground control stations and GPS satellites. Each GPS satellite contains multiple atomic clocks that contribute precise time data to the GPS signals. GPS receivers decode these signals, synchronizing the receivers to the atomic clocks. A GPS antenna serves as a time signal receiver and feeds a primary clock device the GPS network time using precise time data. Firms can use the precise time data provided by the GPS antenna to time-stamp transactional information. Time synchronization services are well established in the U.S. and utilized in many areas of the U.S. economy and infrastructure. The Service is not novel to the securities markets, or to the Exchange.

Historically, the Exchange has offered connectivity to a GPS antenna via two options: over shared infrastructure or a dedicated antenna.³

Fees for such GPS antenna services are as follows. The installation fee for the shared connection is \$900, and the monthly fee for that service is \$600.⁴ The installation fee for existing clients of the dedicated GPS antenna is \$1,500

and the monthly fee for that service is \$600.⁵

The Exchange previously submitted a filing to terminate the dedicated GPS antenna option and associated fee and designate April 1, 2026, as the date by which the dedicated GPS antenna service would be terminated and all dedicated GPS antennas would be required to be removed.⁶ Pursuant to that proposal, the Service for existing customers with a dedicated GPS antenna was due to terminate as of April 1, 2026, and all dedicated GPS antennas would have been required to be removed by such date.⁷ In a subsequent filing, the Exchange extended the designated termination date to April 30, 2026, to facilitate a more coordinated and orderly transition for customers migrating to the shared GPS service.⁸ Customers that want to continue to use the Service can request the shared GPS antenna service.

For the reasons discussed below, the Exchange now proposes to designate a longer period of time for termination of the dedicated GPS antenna service and associated fee. Specifically, the Exchange anticipates retiring the dedicated GPS antenna service by the end of May 2026, and proposes to announce the new retirement date in an email to customers' Customer Portal Accounts at least 10 business days in advance of retiring the service. As proposed, the Exchange would continue to assess and charge existing customers of the dedicated GPS antenna service the established recurring monthly fee of

⁵ See SR-NASDAQ-2025-086, *supra* note 3. Firms may choose to purchase multiple time synchronization Services for resiliency or otherwise. The Exchange offers the Service as a convenience to firms to provide them with the ability to synchronize their own primary clock devices to GPS time via a shared GPS timing signal and time-stamp transactional information. Firms do not receive an advantage by purchasing the service. *See id.*

⁶ See SR-NASDAQ-2025-086 *supra* note 3.

⁷ See SR-NASDAQ-2025-086 *supra* note 3. As further discussed in that filing, the decision to remove the dedicated GPS antenna service option is consistent with the Exchange's project to equalize certain connections across its entire data center campus, including both its existing NY11 facility and the NY11-4 expansion area (the "Equalization Project") and maintain adequate controls of all cables that run throughout the data center. *See* Securities and Exchange Act Release No. 34-101078 (Sep. 18, 2024), 89 FR 77937 (Sep. 24, 2024) (SR-NASDAQ-2024-054) ("Co-Location Expansion Proposal"). In accordance with the Equalization Project's goal of ensuring that customers do not bypass the integrity of the equalized connections maintained throughout the data center, the Exchange is no longer allowing customers to order dedicated GPS antenna service as of September 30, 2025. *See* SR-NASDAQ-2025-086 *supra* note 3.

⁸ See Securities Exchange Act Release No. 34-105103, 91 FR 16253 (April 1, 2026), SR-NASDAQ-2026-019 (March 27, 2019).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ The shared infrastructure provides GPS services through Nasdaq-installed shared cables and hardware located within the data center, whereas the dedicated antenna requires the firm to supply their own privately owned antenna hardware. The dedicated GPS antenna service was made available only in the Exchange's original data center hall, NY11. As discussed in this proposal, on September 30, 2025, the Exchange filed to terminate the dedicated GPS antenna service and associated fees. *See* Securities Exchange Act Release No. 104203 (Nov. 18, 2025), 90 FR 52776 (Nov. 21, 2025) (SR-NASDAQ-2025-086). By contrast, the shared GPS antenna service is available in the NY11, as well as the Exchange's extension area (NY11-4) and its future extension area (NY11-5).

⁴ See Rule General 8, Section 1(d).

\$600.00⁹ for that service until the retirement date announced in such Equity Trader Alert,¹⁰ prorating such fees as appropriate. The Exchange would not charge customers the established installation fee for such service during the proposed extension period because as of September 30, 2025, the Exchange no longer permits new orders for the dedicated GPS antenna service.¹¹ Continuing with the service until the announced retirement date is voluntary, and customers are free to terminate the dedicated GPS antenna service at any time before the announced retirement date.

As background, the Exchange previously extended the designated termination date from April 1, 2026 to April 30, 2026, due to delays in receipt of the necessary infrastructure to support the newly robust shared GPS network, which caused the completion date for the new shared GPS antenna offering to move from March 1, 2026, to March 27, 2026. The Exchange has now encountered unanticipated delays in migrating existing customers off of the dedicated GPS antenna service. As a result, the Exchange anticipates that it will retire the dedicated GPS antenna service by the end of May 2026, and proposes to announce the specific retirement date in an email to customers' Customer Portal Accounts at least 10 business days in advance of retiring the service.

The Exchange believes that further extending the designated termination date for the dedicated GPS antenna service and providing at least 10 business days advance notice via emails to Customer Portal Accounts would allow the Exchange sufficient time to complete the migration of existing customers to the new shared GPS network, thus supporting a more coordinated and orderly transition from one GPS service to another.

Currently, approximately 49% of the Exchange's co-location customers subscribe to the Service, most of which have opted for the shared GPS antenna option. The Service is an optional product available to any firm that

chooses to subscribe. Firms may cancel their subscription at any time. The Service simply provides time synchronization that may be utilized by firms to adjust their own time systems and time-stamp transactional information. The GPS antenna service is offered on a completely voluntary basis. No customer is required to purchase the GPS antenna. Potential subscribers may subscribe to the Service only if they voluntarily choose to do so. It is a business decision of each firm whether to subscribe to the Service or not. Customers do not receive an advantage by purchasing the Service from Nasdaq; the Exchange is merely providing access to GPS signals.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,¹² in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,¹³ in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange's proposed change to its connectivity service offering is reasonable in several respects. As a threshold matter, the Exchange is subject to significant competitive forces in the market for equity securities transaction services that constrain its pricing determinations in that market. The fact that this market is competitive has long been recognized by the courts. In *NetCoalition v. Securities and Exchange Commission*, the D.C. Circuit stated as follows: "[n]o one disputes that competition for order flow is 'fierce.' . . . As the SEC explained, '[i]n the U.S. national market system, buyers and sellers of securities, and the broker-dealers that act as their order-routing agents, have a wide range of choices of where to route orders for execution'; [and] 'no exchange can afford to take its market share percentages for granted' because 'no exchange possesses a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers'" ¹⁴

The Commission and the courts have repeatedly expressed their preference for competition over regulatory intervention in determining prices, products, and services in the securities

markets. In Regulation NMS, while adopting a series of steps to improve the current market model, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system "has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies."¹⁵

As discussed above, approximately 49% of the Exchange's co-location customers subscribe to the Service and most of them have opted to subscribe and migrate to the shared antenna.

The Exchange believes that it is reasonable to further extend the time designated for terminating the dedicated GPS service (and removing all dedicated GPS antennas) beyond the currently scheduled date of April 30, 2026,¹⁶ and to announce the specific retirement date in an email to customers' Customer Portal Accounts at least 10 business days in advance of retiring the service, to facilitate the orderly transition for customers that have opted to migrate to the Exchange's new, robust shared GPS service. As discussed above, the Exchange has encountered unanticipated delays in migrating existing customers off of the dedicated GPS antenna service, such that the Exchange now anticipates retiring the service by the end of May 2026.

As noted above, approximately 49% of the Exchange's co-location customers subscribe to the Service, and most of them have opted for the shared antenna GPS service. Were the Exchange to terminate the dedicated GPS antenna service as currently scheduled on April 30, 2026, those dedicated GPS colocation customers who have elected to migrate to the new robust shared GPS service may not have sufficient time to complete the migration process. Thus, the Exchange believes that further extending the designated termination date for the dedicated GPS service and announcing the specific retirement date in an email to Customer Portal Accounts at least 10 business days in advance of retiring the service, as proposed, would allow for a more coordinated and orderly transition for clients who have elected to migrate from one GPS service to the other. Continuing with the service until the announced retirement date, however, is voluntary, and customers are free to terminate their dedicated GPS antenna service at any time before the announced retirement date.

⁹ As discussed above, fees for the dedicated GPS service consist of an installation fee of \$1,500 and an ongoing monthly fee of \$600.00. See SR-NASDAQ-2025-086, *supra* note 3.

¹⁰ The Exchange is proposing to charge only the ongoing monthly fee of \$600.00 until the retirement date, prorating such fees as appropriate. As discussed in this proposal, the Exchange is not proposing to charge such customers the established installation fee during the proposed extension period.

¹¹ The Exchange is not proposing to assess the installation fee of \$1,500 for that period because, as of September 30, 2025, new orders for dedicated GPS antenna service are not permitted. See SR-NASDAQ-2025-086 *supra* note 3.

¹² 15 U.S.C. 78f(b).

¹³ 15 U.S.C. 78f(b)(4) and (5).

¹⁴ *NetCoalition v. SEC*, 615 F.3d 525, 539 (D.C. Cir. 2010) (quoting Securities Exchange Act Release No. 59039 (December 2, 2008), 73 FR 74770, 74782-83 (December 9, 2008) (SR-NYSEArca-2006-21)).

¹⁵ Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005) ("Regulation NMS Adopting Release").

¹⁶ See SR-NASDAQ-2026-019, *supra* note 8.

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 customers or other exchanges to compete. The Exchange operates in a highly competitive market in which exchanges and other vendors offer co-location services as a means to facilitate the trading and other market activities of those market participants who believe that co-location enhances the efficiency of their operations. Extending the designated time for terminating the dedicated GPS antenna services and for removal of all dedicated GPS antennas, as proposed, will not cause any burden on inter-market competition. Additionally, there is no burden to intra-market competition because the dedicated GPS antenna service is ultimately being terminated for all customers. The Exchange is merely proposing to further extend the designated time for the termination of the dedicated GPS service and removal of all dedicated GPS antennas and to provide at least 10 business days advance notice of the specific retirement date via emails to Customer Portal Accounts, which would provide all customers with the same timeline for terminating or converting to the shared GPS antenna service on a non-discriminatory basis. Continuing with the service until the announced retirement date, however, is voluntary, and customers are free to terminate their dedicated GPS antenna service at any time before the announced retirement date. Use of any co-location service is completely voluntary, and each market participant can determine whether to use co-location services based on the requirements of its business operations.

The purpose of this proposal is to further extend the designated date for termination of the GPS dedicated antenna service (and removal of all dedicated GPS antennas) beyond April 30, 2026, as previously scheduled, and to inform the Commission and market participants of that change. The Exchange anticipates retiring the dedicated GPS antenna service by the end of May 2026, and proposes to announce the specific retirement date in an email to Customer Portal Accounts at least 10 business days in advance of retiring the service. The removal of the Exchange's dedicated GPS antenna service under Rule General 8, Section 1(d) was proposed in a previous rule

filing that was submitted to the SEC,¹⁷ and the Exchange is not proposing in this filing any changes to that filing other than to further modify the designated date for the termination of the dedicated GPS antenna service and associated fee and the removal of all dedicated GPS antennas. The Exchange is further extending that termination date and implementing a notice-based approach in light of unanticipated delays in migrating existing customers off of the dedicated GPS antenna service, and in order to provide customers who have opted for the shared GPS antenna service with sufficient time to complete the migration before termination of their dedicated GPS antenna service takes effect. As discussed above, continuation of that service until the announced retirement date is voluntary, and customers are free to terminate their dedicated GPS antenna service at any time before the announced retirement date.

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)(ii) of the Act.¹⁸

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: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) 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-2026-042 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-2026-042. 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-2026-042 and should be submitted on or before May 28, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁹

J. Matthew DeLesDernier,
Deputy Secretary.

[FR Doc. 2026-08998 Filed 5-6-26; 8:45 am]

BILLING CODE 8011-01-P

SMALL BUSINESS ADMINISTRATION

[Disaster Declaration #21579 and #21580; OKLAHOMA Disaster Number OK-20036]

Administrative Declaration of a Disaster for the State of Oklahoma

AGENCY: U.S. Small Business Administration.

ACTION: Notice.

SUMMARY: This is notice of an Administrative declaration of a disaster for the state of Oklahoma dated May 1, 2026.

Incident: Severe Weather, Tornadoes, and Straight-line Winds.

DATES: Issued on May 1, 2026.

Incident Period: April 23, 2026.

Physical Loan Application Deadline Date: June 30, 2026.

¹⁷ See SR-NASDAQ-2025-086, *supra* note 3.

¹⁸ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁹ 17 CFR 200.30-3(a)(12).

Economic Injury (EIDL) Loan Application Deadline Date: February 1, 2027.

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: Garfield.

Contiguous Counties:

Oklahoma: Alfalfa, Grant, Kay, Kingfisher, Logan, Major, Noble.

The Interest Rates are:

	Percent
<i>For Physical Damage:</i>	
Homeowners with Credit Available Elsewhere	5.750
Homeowners without Credit Available Elsewhere	2.875
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
<i>For Economic Injury:</i>	
Business and Small Agricultural Cooperatives without Credit Available Elsewhere	4.000
Private Non-Profit Organizations without Credit Available Elsewhere	3.625

The number assigned to this disaster for physical damage is 21579C and for economic injury is 215800.

The state which received an SBA Administrative declaration is Oklahoma.

(Catalog of Federal Domestic Assistance Number 59008)

(Authority: 13 CFR 123.3(b).)

James Stallings,

Associate Administrator, Office of Disaster Recovery & Resilience.

[FR Doc. 2026-08987 Filed 5-6-26; 8:45 am]

BILLING CODE 8026-09-P

SOCIAL SECURITY ADMINISTRATION

[Docket No. SSA-2025-0750]

Privacy Act of 1974; Matching Program

AGENCY: Social Security Administration (SSA).

ACTION: Notice of a new matching program.

SUMMARY: In accordance with the provisions of the Privacy Act, as amended, this notice announces a new matching program with the Centers for Medicare & Medicaid Services (CMS). Under this matching program, the CMS will disclose to the Social Security Administration (SSA) certain individuals' admission and discharge information for care received in a nursing care facility. Nursing care facility, for purposes of this agreement, means certain facilities referenced in CMS' Long Term Care-Minimum Data Set (LTC/MDS), System Number 09-70-0528, as defined below. SSA will use this information to administer the Supplemental Security Income (SSI) program efficiently and to identify Special Veterans' Benefits (SVB) beneficiaries who are no longer residing outside of the United States.

DATES: The deadline to submit comments on the proposed matching program is June 8, 2026.

The matching program will be applicable on June 20, 2025, or once a minimum of 30 days after publication of this notice has elapsed, whichever is later. The matching program will be in effect for a period of 18 months.

ADDRESSES: You may submit comments by any one of three methods—internet, fax, or mail. Do not submit the same comments multiple times or by more than one method. Regardless of which method you choose, please state that your comments refer to Docket No. SSA-2025-0750 so that we may associate your comments with the correct regulation. *Caution:* You should be careful to include in your comments only information that you wish to make publicly available. We strongly urge you not to include in your comments any personal information, such as Social Security numbers or medical information.

1. *Internet:* We strongly recommend that you submit your comments via the

internet. Please visit the Federal eRulemaking portal at <https://www.regulations.gov>. Use the Search function to find docket number SSA-2025-0750 and then submit your comments. The system will issue you a tracking number to confirm your submission. You will not be able to view your comment immediately because we must post each submission manually. It may take up to a week for your comments to be viewable.

2. *Fax:* Fax comments to (833) 410-1631.

3. *Mail:* Matthew Ramsey, Head, Privacy and Disclosure Policy, Law & Policy, Social Security Administration, 6401 Security Boulevard, Baltimore, MD 21235-6401, or emailing Matthew.Ramsey@ssa.gov. Comments are also available for public viewing on the Federal eRulemaking portal at <https://www.regulations.gov> or in person, during regular business hours, by arranging with the contact person identified below.

FOR FURTHER INFORMATION CONTACT: Interested parties may submit general questions about the matching program to Andrea Huseeth, Division Director, Privacy and Disclosure Policy, Law & Policy, Social Security Administration, 6401 Security Boulevard, Baltimore, MD 21235-6401, at telephone: (410) 608-9675, or send an email to Andrea.Huseeth@ssa.gov.

SUPPLEMENTARY INFORMATION: None.

Matthew Ramsey,
Executive Director, Privacy and Disclosure Policy, Law & Policy.

PARTICIPATING AGENCIES:

SSA and CMS.

AUTHORITY FOR CONDUCTING THE MATCHING PROGRAM:

This matching agreement between CMS and SSA is executed pursuant to the Privacy Act of 1974, (5 U.S.C. 552a), as amended by the Computer Matching and Privacy Protection Act of 1988 (Pub. L. 100-503), and the regulations promulgated thereunder.

Sections 1611(e)(1) and 1631(f) of the Social Security Act (Act) (42 U.S.C. 1382(e)(1) and 1383(f)), and 20 Code of Federal Regulations (CFR) 416.211. Section 1611(e)(1)(B) of the Act (42 U.S.C. 1382(e)(1)(B)) limits the amount of SSI benefits that eligible individuals or their eligible spouse may receive when that individual is, throughout any month, in a medical treatment facility receiving payments (with respect to such individual or spouse), under a State plan approved under Title XIX of the Act, or the amount of benefits an eligible child under the age of 18 may

receive who is receiving payments under any health insurance policy issued by a private provider.

Sections 801 and 806(a) and (b) of the Act (42 U.S.C. 1001 and 1006(a) and (b)) contain the legal authorities for the SVB portion of the matching program.

Section 1631(f) of the Act (42 U.S.C. 1383(f)) requires CMS to provide SSA with “such information as the Commissioner of SSA needs for purposes of determining eligibility for or amount of benefits, or verifying other information with respect thereto.”

Additional legal authority for CMS’ disclosures under this agreement is 45 CFR 164.512(a) (“Standard: Uses and disclosures required by law,” also referred to as the Health Insurance Portability and Accountability Act of 1996 Privacy Rule). The legal authority for SSA to reimburse CMS under this interagency transaction is the Economy Act, 31 U.S.C. 1535.

PURPOSE(S):

This agreement sets forth the terms and conditions under which CMS will disclose to SSA certain individuals’ admission and discharge information for care received in a nursing care facility. Nursing care facility, for purposes of this agreement, means certain facilities referenced in CMS’ LTC/MDS, System Number 09–70–0528, as defined below. SSA will use this information to administer the SSI program efficiently and to identify SVB beneficiaries who are no longer residing outside of the United States.

CATEGORIES OF INDIVIDUALS:

The individuals whose information is involved in this matching program are aged, blind, or disabled individuals who are applicants or recipients (and their deemors) of Title XVI benefits.

CATEGORIES OF RECORDS:

SSA will provide CMS with a monthly finder file, which will be extracted from SSA’s SSI and SVB’s records. The finder file will consist of data elements related to an individual’s SSI/SVB eligibility. CMS will match the SSA finder file against data maintained pursuant to the LTC/MDS systems of records.

SYSTEM(S) OF RECORDS:

SSA will provide CMS with a monthly finder file, which will be extracted from SSA’s SSI and SVB’s records, 60–0103, last fully published on January 11, 2006 (71 FR 1830); and amended on December 10, 2007 (72 FR 69723), July 3, 2018 (83 FR 31250–31251), November 1, 2018 (83 FR 54969), January 5, 2024 (89 FR 825),

February 27, 2024 (89 FR 14554), and November 25, 2025 (90 FR 53414).

CMS will match the SSA finder file against data maintained pursuant to the LTC/MDS (System Number 09–70–0528) SOR, last fully published on March 19, 2007 (72 FR 12801), amended on April 23, 2013 (78 FR 23938), May 29, 2013 (78 FR 32257), and February 14, 2018 (83 FR 6591); and submit its response file to SSA.

[FR Doc. 2026–09075 Filed 5–6–26; 8:45 am]

BILLING CODE 4191–02–P

DEPARTMENT OF STATE

Delegation of Authority 614–1

ACTION: Notice.

SUMMARY: The Assistant Secretary of State for Consular Affairs (Assistant Secretary) has re-delegated certain authorities that the Secretary of State delegated to her, and this notice contains that re-delegation.

DATES: The re-delegation of authority was effective on February 10, 2026.

SUPPLEMENTARY INFORMATION: On January 28, 2026, the Secretary of State delegated to the Assistant Secretary the authority from the President to determine that travel by a foreign national would serve a U.S. national interest, and authorized re-delegation. See Delegation of Authority 614, 91 FR 6283. On February 10, 2026, the Assistant Secretary signed the following document, which the Department has designated Delegation of Authority 614–1:

Redelegation of Authority Under Presidential Proclamation 10998 “Restricting and Limiting the Entry of Foreign Nationals To Protect the United States” and Related INA 212(f) Presidential Proclamations

By virtue of the authority vested in the Assistant Secretary for Consular Affairs in Delegation of Authority No. 614, dated January 28, 2026, I hereby re-delegate to the Principal Deputy Assistant Secretary for Consular Affairs (CA PDAS), to be exercised on a case-by-case basis, the authority set forth under sections 6(d) through 6(f) of PP 10998, sections 4(c) and 4(d) of PP 10949 as continued and supplemented by PP 10998, and relevant authority in subsequent Proclamations to determine that travel by a foreign national would serve a United States national interest:

The Secretary, the Deputy Secretary, the Deputy Secretary for Management and Resources, the Under Secretary for Management, and the Assistant Secretary for Consular Affairs may

exercise any function or authority redelegated by this redelegation.

This redelegation of authority does not supersede or otherwise affect any delegation of authority currently in effect, and will be published in the **Federal Register**.

Signed on February 10, 2026, by Mora Namdar, Assistant Secretary, Bureau of Consular Affairs.

Stuart R. Wilson,

*Deputy Assistant Secretary for Visa Service,
Bureau of Consular Affairs, U.S. Department of State.*

[FR Doc. 2026–09098 Filed 5–6–26; 8:45 am]

BILLING CODE 4710–06–P

SURFACE TRANSPORTATION BOARD

[Docket No. MCF 21144]

TBL Group, Inc.—Acquisition of Control—Chicago Classic Coach, LLC

AGENCY: Surface Transportation Board.

ACTION: Notice tentatively approving and authorizing finance transaction.

SUMMARY: TBL Group, Inc. (TBL Group), a noncarrier holding company that controls multiple interstate motor passenger carriers, has filed an application to acquire the assets of Chicago Classic Coach, LLC (Classic), a federally regulated motor passenger carrier. The Board is tentatively approving and authorizing the transaction. If no opposing comments are timely filed, this notice will be the final Board action.

DATES: Comments must be filed by June 22, 2026. If any comments are filed, TBL Group may file a reply by July 6, 2026. If no opposing comments are filed by June 22, 2026, this notice shall be effective on June 23, 2026.

ADDRESSES: Comments, referring to Docket No. MCF 21144, may be filed with the Board either via e-filing on the Board’s website or in writing addressed to: Surface Transportation Board, 395 E Street SW, Washington, DC 20423–0001. In addition, send one copy of comments to TBL Group’s representative: Andrew K. Light, Scopelitis, Garvin, Light, Hanson & Feary, P.C., 10 W Market Street, Suite 1400, Indianapolis, IN 46204.

FOR FURTHER INFORMATION CONTACT: John Rackson at (202) 929–2676. If you require an accommodation under the Americans with Disabilities Act, please call (202) 245–0245.

SUPPLEMENTARY INFORMATION: On April 7, 2026, TBL Group filed an application under 49 U.S.C. 14303 and 49 CFR part 1182 for Board authority to acquire

control of the primary assets of, or the member interest in, Classic. (Appl. 1.) According to TBL Group, either a newly created TBL Group subsidiary, TBL Newco, will acquire substantially all of Classic's motor carrier assets and become an interstate motor carrier, or TBL Group will acquire the membership interest of Classic directly. (*Id.* at 1, 8, 10.) The application explains that in either case, the services currently provided by Classic will continue to be provided. (*Id.* at 10.)

The application states that TBL Group is a Texas corporation, headquartered at 15734 Aldine Westfield Road, Houston, TX 77032. (*Id.* at 2.) TBL Group asserts that it is not a federally regulated carrier. (*Id.*) However, the application states that TBL Group controls six interstate passenger motor carriers (Affiliated Carriers): GBJ Inc. (GBJ), Echo Tours & Charters, LP (Echo Tours), Echo East Coast Transportation LLC (Echo East), Echo Windy City, LLC (Echo Windy), Reston Limousine & Travel Service, Inc. (Reston), and Echo Nevada, LLC (Echo Nevada).¹ (*Id.* at 3–5.) TBL Group states that GBJ is a Texas corporation doing business as Echo AFC Transportation, AFC Transportation, and Echo AFC Medical Transport, that primarily provides charter and contract shuttle services for companies, non-profits, schools, and tour operators in the metropolitan area of Houston, Tex., but also provides interstate charter passenger transportation service. (*Id.* at 3.) Echo Tours is described as a Texas limited partnership doing business as Echo Transportation, that primarily provides charter and contract shuttle services for companies, non-profits, schools, and tour operators in the metropolitan area of Dallas, Tex., but also provides interstate charter passenger transportation. (*Id.* at 3–4.) Echo East is described in the application as a Texas limited liability company that primarily provides interstate and intrastate contract and charter services in the metropolitan area of Jacksonville, Fla. (*Id.* at 4.) TBL Group describes Echo Windy as a Texas limited liability company doing business as Echo Windy City Transportation, that primarily provides intrastate limousine and charter passenger service in the metropolitan area of Chicago, Ill., but can also provide interstate limousine and charter passenger service. (*Id.* at 4–5.) Reston is described as a Virginia corporation that provides interstate and

intrastate limousine, shuttle, and charter passenger services in the metropolitan area of Washington, DC (*Id.* at 5.) TBL Group describes Echo Nevada as a Nevada limited liability company, doing business as Presidential Transportation, that provides limousine, shuttle, and charter passenger service in the metropolitan area of Las Vegas, Nev. (*Id.*)

In 2025, the Board approved an application by TBL Group to acquire control of BTM Coaches, Inc., and that approval became effective on November 8, 2025. *TBL Grp., Inc.—Acquis. of Control—BTM Coaches, Inc.*, MCF 21138, slip op. at 1 (STB served Sept. 17, 2025). However, according to TBL Group, the transaction contemplated by that application has not yet closed and may not close in the future. (Appl. 9.)

The application describes Classic as an Illinois limited liability company headquartered in Mt. Prospect, Ill. (*Id.* at 7.) According to the application, Classic provides traditional charter motor coach services such as group travel to events, airports, and other facilities; school and team travel; tour travel; and shuttle services for events and meetings. (*Id.*) Classic's geographic service area is primarily the Chicago metropolitan area, encompassing the city of Chicago, its surrounding suburbs, and extending into parts of northeast Illinois, northwest Indiana, and southeast Wisconsin. (*Id.*) The application states that Classic utilizes approximately 22 motor coaches and employs approximately 29 drivers. (*Id.*) TBL Group also provides details about Classic's USDOT number, FMCSA docket number, and safety rating. (*Id.*, Ex. A.) According to the application, the sole member of Classic is RSC Classic LLC (RSC), a Nevada limited liability company.² (*Id.*) The application states that the persons and/or entities having control of Classic do not have any ownership interest in any other passenger motor carrier holding interstate motor carrier authority. (*Id.* at 8.)

Under 49 U.S.C. 14303(b), the Board must approve and authorize a transaction that it finds consistent with

the public interest, taking into consideration at least (1) the effect of the proposed transaction on the adequacy of transportation to the public, (2) the total fixed charges resulting from the proposed transaction, and (3) the interest of affected carrier employees. TBL Group has submitted the information required by 49 CFR 1182.2, including information demonstrating that the proposed transaction is consistent with the public interest under 49 U.S.C. 14303(b), *see* 49 CFR 1182.2(a)(7), and a jurisdictional statement under 49 U.S.C. 14303(g) that the aggregate gross operating revenues of the involved carriers exceeded \$2 million during a consecutive 12-month period ending not more than 6 months before the date of the agreement of the parties, *see* 49 CFR 1182.2(a)(5).

TBL Group does not expect the proposed transaction to have any detrimental impact on the adequacy of transportation services available for the public in Classic's service area. (Appl. 10.) TBL Group anticipates that services available to the public will increase as additional capacity is made available and operating efficiencies are realized. (*Id.*) TBL Group states that after the transaction, the services currently provided by Classic will continue to be provided to the public for the foreseeable future, either by TBL Newco in the event of an asset acquisition, or by Classic in the event the membership interest in Classic is acquired directly by TBL Group. (*Id.* at 10.) TBL Group asserts that its passenger carrier management capacity and experience in the market segments that Classic serves will lead to improved operating efficiencies, increased equipment utilization rates, and cost savings derived from economies of scale. (*Id.*) TBL Group further states that the addition of Classic's operations to those of the applicant's organization will enhance the viability of TBL Group and the Affiliated Carriers. (*Id.* at 10–11.) TBL Group therefore asserts that the proposed transaction will help ensure the ongoing availability of adequate passenger transportation service to the public. (*Id.* at 11.)

TBL Group concedes that the proposed transaction will increase fixed charges in the form of interest expense, explaining that funds will be borrowed to finance the transaction. (*Id.*) However, TBL Group states that the increase in fixed charges will not affect the provision of transportation to the public. (*Id.*) Additionally, the transaction is not expected to have substantial negative impacts on employees or labor conditions because TBL Group intends to continue Classic's

¹ Additional information about these motor carriers, including principal place of business, U.S. Department of Transportation (USDOT) numbers, motor carrier numbers, USDOT safety fitness ratings, fleet composition, and driver count, can be found in the application. (*See* Appl., Ex. A.)

² The application states that the membership interest in RSC is held by the Robert N. Iwamoto Jr. Revocable Trust, David Goya, Trustee (33.33334% membership interest); ISR Management Inc., a Nevada corporation, 100% owned by the RSI Irrevocable Separate Property Trust, Robert Scott Iwamoto, Trustee (33.33333% membership interest); and IQC Management LLC, a Nevada limited liability company controlled by Chad Q. Iwamoto (33.33333% membership interest). (*Id.*) Thus, according to the application, the ultimate equity control of Classic is held by members the Iwamoto family, all of whom are residents of the United States of America. (*Id.* at 7–8.)

current operations. (*Id.*) Although TBL Group acknowledges that staffing redundancies may result in limited downsizing of back office or managerial level personnel, the application states that, under either acquisition scenario, substantially all of Classic's current employees will be offered employment without any negative changes to compensation levels or benefits. (*Id.*)

TBL Group states that there is strong demand for passenger surface transportation in Classic's service area, with many service options available to passengers. (*Id.* at 12–13.) According to the application, Classic competes directly with many other charter bus service providers in the area, and with an ever-increasing number of national and regional charter bus brokerage companies. (*Id.* at 13.) The application further states that passenger motor carriers in the Chicago area also compete, at least to some degree, with Chicago's Metra rail system and Amtrak's intercity rail service in the area, as well as with low-cost scheduled airlines. TBL Group asserts that, with the exception of Echo Windy, Classic's service area is geographically dispersed from the service areas of the Affiliated Carriers, with no overlap in customer bases. (*Id.*) TBL Group states that although the geographic service area of Echo Windy is essentially the same as the Classic's service area, Echo Windy offers transportation services for individuals and smaller groups utilizing limousines, premium cars, and premium mini-buses and vans for relatively short distances, while Classic primarily offers only full-size motor coaches, typically transporting larger groups over relatively longer distances. (*Id.*)

Based on TBL Group's representations, the Board finds that the transaction proposed in the application is consistent with the public interest. The application will be tentatively approved and authorized. If any opposing comments are timely filed, these findings will be deemed vacated, and, unless a final decision can be made on the record as developed, a procedural schedule will be adopted to reconsider the application. See 49 CFR 1182.6. If no opposing comments are filed by the expiration of the comment period, this notice will take effect automatically and will be the final Board action in this proceeding.

This action is categorically excluded from environmental review under 49 CFR 1105.6(c).

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

It is ordered:

1. The proposed transaction is approved and authorized, subject to the filing of opposing comments.

2. If opposing comments are timely filed, the findings made in this notice will be deemed vacated.

3. This notice will be effective on June 23, 2026, unless opposing comments are filed by June 22, 2026. If any comments are filed, TBL Group may file a reply by July 6, 2026.

4. A copy of this notice will be served on: (1) the U.S. Department of Transportation, Federal Motor Carrier Safety Administration, 1200 New Jersey Avenue SE, Washington, DC 20590; (2) the U.S. Department of Justice, Antitrust Division, 10th Street & Pennsylvania Avenue NW, Washington, DC 20530; and (3) the U.S. Department of Transportation, Office of the General Counsel, 1200 New Jersey Avenue SE, Washington, DC 20590.

5. This notice will be published in the **Federal Register**.

Decided: April 29, 2026.

By the Board, Board Members Fuchs, Hedlund, and Schultz.

Tammy Lowery,

Clearance Clerk.

[FR Doc. 2026–08986 Filed 5–6–26; 8:45 am]

BILLING CODE 4915–01–P

DEPARTMENT OF TRANSPORTATION

Federal Motor Carrier Safety Administration

[Docket No. FMCSA–2015–0115; FMCSA–2015–0119; FMCSA–2015–0321; FMCSA–2017–0181; FMCSA–2017–0251; FMCSA–2017–0254; FMCSA–2019–0030; FMCSA–2019–0036; FMCSA–2020–0046; FMCSA–2021–0026; FMCSA–2022–0042; FMCSA–2023–0039; FMCSA–2023–0256; FMCSA–2024–0019]

Qualification of Drivers; Exemption Applications; Epilepsy and Seizure Disorders

AGENCY: Federal Motor Carrier Safety Administration (FMCSA), Department of Transportation (DOT).

ACTION: Notice of renewal of exemptions; request for comments.

SUMMARY: FMCSA announces its decision to renew exemptions for 20 individuals from the requirement in the Federal Motor Carrier Safety Regulations (FMCSRs) that interstate commercial motor vehicle (CMV) drivers have “no established medical history or clinical diagnosis of epilepsy or any other condition which is likely to cause loss of consciousness or any loss of ability to control a CMV.” The exemptions enable these individuals

who have had one or more seizures and are taking anti-seizure medication to continue to operate CMVs in interstate commerce.

DATES: Each group of renewed exemptions were applicable on the dates stated in the discussions below and will expire on the dates provided below. Comments must be received on or before June 8, 2026.

ADDRESSES: You may submit comments identified by Docket No. FMCSA–2015–0115, FMCSA–2015–0119, FMCSA–2015–0321, FMCSA–2017–0181, FMCSA–2017–0251, FMCSA–2017–0254, FMCSA–2019–0030, FMCSA–2019–0036, FMCSA–2020–0046, FMCSA–2021–0026, FMCSA–2022–0042, FMCSA–2023–0039, FMCSA–2023–0256, or FMCSA–2024–0019, as appropriate, using any of the following methods:

- **Federal eRulemaking Portal:** Go to www.regulations.gov, insert the docket number (FMCSA–2015–0115, FMCSA–2015–0119, FMCSA–2015–0321, FMCSA–2017–0181, FMCSA–2017–0251, FMCSA–2017–0254, FMCSA–2019–0030, FMCSA–2019–0036, FMCSA–2020–0046, FMCSA–2021–0026, FMCSA–2022–0042, FMCSA–2023–0039, FMCSA–2023–0256, or FMCSA–2024–0019, as appropriate) in the keyword box and click “Search.” Next, sort the results by “Posted (Newer-Older),” choose the first notice listed, and click on the “Comment” button. Follow the online instructions for submitting comments.

- **Mail:** Dockets Operations, U.S. Department of Transportation, 1200 New Jersey Avenue SE, W58–213, Washington, DC 20590–0001.

- **Hand Delivery of Courier:** Dockets Operations, U.S. Department of Transportation, 1200 New Jersey Avenue SE, W58–213, Washington, DC 20590–0001, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

- **Fax:** (202) 493–2251.

To avoid duplication, please use only one of these four methods. See the “Public Participation” portion of the **SUPPLEMENTARY INFORMATION** section for instructions on submitting comments.

FOR FURTHER INFORMATION CONTACT: Ms. Christine A. Hydock, Chief, Medical Programs Division, FMCSA, DOT, 1200 New Jersey Avenue SE, Washington, DC 20590–0001; (202) 366–4001; fmcamedical@dot.gov. Office hours are from 8:30 a.m. to 5 p.m. ET Monday through Friday, except Federal holidays. If you have questions regarding viewing or submitting material to the docket, contact Dockets Operations, (202) 366–9826.

SUPPLEMENTARY INFORMATION:**I. Public Participation****A. Submitting Comments**

If you submit a comment, please include the docket number for this notice (FMCSA–2015–0115, FMCSA–2015–0119, FMCSA–2015–0321, FMCSA–2017–0181, FMCSA–2017–0251, FMCSA–2017–0254, FMCSA–2019–0030, FMCSA–2019–0036, FMCSA–2020–0046, FMCSA–2021–0026, FMCSA–2022–0042, FMCSA–2023–0039, FMCSA–2023–0256, or FMCSA–2024–0019), indicate the specific section of this document to which each comment applies, and provide a reason for each suggestion or recommendation. You may submit your comments and material online or by fax, mail, or hand delivery, but please use only one of these means. FMCSA recommends that you include your name and a mailing address, an email address, or a phone number in the body of your document so that FMCSA can contact you if there are questions regarding your submission.

To submit your comment online, go to www.regulations.gov, insert the docket number (FMCSA–2015–0115, FMCSA–2015–0119, FMCSA–2015–0321, FMCSA–2017–0181, FMCSA–2017–0251, FMCSA–2017–0254, FMCSA–2019–0030, FMCSA–2019–0036, FMCSA–2020–0046, FMCSA–2021–0026, FMCSA–2022–0042, FMCSA–2023–0039, FMCSA–2023–0256, or FMCSA–2024–0019) in the keyword box and click “Search.” Next, sort the results by “Posted (Newer-Older),” choose the first notice listed, click the “Comment” button, and type your comment into the text box on the following screen. Choose whether you are submitting your comment as an individual or on behalf of a third party and then submit.

If you submit your comments by mail or hand delivery, submit them in an unbound format, no larger than 8½ by 11 inches, suitable for copying and electronic filing. FMCSA will consider all comments and material received during the comment period.

B. Confidential Business Information (CBI)

CBI is commercial or financial information that is both customarily and actually treated as private by its owner. Under the Freedom of Information Act (5 U.S.C. 552), CBI is exempt from public disclosure. If your comments responsive to the notice contain commercial or financial information that is customarily treated as private, that you actually treat as private, and

that is relevant or responsive to the notice, it is important that you clearly designate the submitted comments as CBI. Please mark each page of your submission that constitutes CBI as “PROPIN” to indicate it contains proprietary information. FMCSA will treat such marked submissions as confidential under the Freedom of Information Act, and they will not be placed in the public docket of the notice. Submissions containing CBI should be sent to Brian Dahlin, Chief, Regulatory Evaluation Division, Office of Policy, FMCSA, 1200 New Jersey Avenue SE, Washington, DC 20590–0001 or via email at brian.g.dahlin@dot.gov. At this time, you need not send a duplicate hardcopy of your electronic CBI submissions to FMCSA headquarters. Any comments FMCSA receives not specifically designated as CBI will be placed in the public docket for this notice.

C. Viewing Comments

To view comments, go to www.regulations.gov. Insert the docket number (FMCSA–2015–0115, FMCSA–2015–0119, FMCSA–2015–0321, FMCSA–2017–0181, FMCSA–2017–0251, FMCSA–2017–0254, FMCSA–2019–0030, FMCSA–2019–0036, FMCSA–2020–0046, FMCSA–2021–0026, FMCSA–2022–0042, FMCSA–2023–0039, FMCSA–2023–0256, or FMCSA–2024–0019) in the keyword box and click “Search.” Next, sort the results by “Posted (Newer-Older),” choose the first notice listed, and click “Browse Comments.” If you do not have access to the internet, you may view the docket online by visiting Dockets Operations in room W58–213 of the DOT West Building, 1200 New Jersey Avenue SE, Washington, DC 20590–0001, between 9 a.m. and 5 p.m. ET Monday through Friday, except Federal holidays. To be sure someone is there to help you, please call (202) 366–9317 or (202) 366–9826 before visiting Dockets Operations.

D. Privacy Act

In accordance with 49 U.S.C. 31315(b)(6), DOT solicits comments from the public on the exemption request. DOT posts these comments, including any personal information the commenter provides, to www.regulations.gov, as described in the system of records notice DOT/ALL–14 FDMS (Federal Docket Management System), which can be reviewed under the “Department Wide System of Records Notices” link at <https://www.transportation.gov/individuals/privacy/privacy-act-system-records-notices>. The comments are posted

without edit and are searchable by the name of the submitter.

II. Legal Basis

FMCSA has authority under 49 U.S.C. 31136(e) and 31315(b) to grant exemptions from the FMCSRs. FMCSA must publish a notice of each exemption request in the **Federal Register** (49 CFR 381.315(a)). The Agency must provide the public an opportunity to inspect the information relevant to the application, including the applicant’s safety analysis. The Agency must provide an opportunity for public comment on the request.

The Agency reviews the application, safety analyses, and public comments submitted and determines whether granting the exemption would likely achieve a level of safety equivalent to, or greater than, the level that would be achieved absent such exemption, pursuant to the standard set forth in 49 U.S.C. 31315(b)(1). The Agency must publish its decision in the **Federal Register** (49 CFR 381.315(b)). If granted, the notice will identify the regulatory provision from which the applicant will be exempt, the effective period, and all terms and conditions of the exemption (49 CFR 381.315(c)(1)). If the exemption is denied, the notice will explain the reason for the denial (49 CFR 381.315(c)(2)). The exemption may be renewed (49 CFR 381.300(b)).

III. Background

The physical qualification standard for drivers regarding seizures and loss of consciousness provides that a person is physically qualified to drive a CMV if that person has “no established medical history or clinical diagnosis of epilepsy or any other condition which is likely to cause the loss of consciousness or any loss of ability to control” a CMV (49 CFR 391.41(b)(8)). To assist in applying this standard, FMCSA publishes guidance for medical examiners (MEs) in the form of medical advisory criteria in Appendix A to 49 CFR part 391.¹ In 2007, FMCSA published recommendations from a Medical Expert Panel (MEP) that FMCSA tasked to review the existing seizure disorder guidelines for MEs.² The MEP performed a comprehensive, systematic literature review, including evidence available at the time. The MEP issued

¹ Appendix A to Part 391, Title 49, available at <https://www.ecfr.gov/current/title-49/part-391/appendix-Appendix+A+to+Part+391>.

² “Expert Panel Recommendations, Seizure Disorders and Commercial Motor Vehicle Driver Safety,” Medical Expert Panel (Oct. 15, 2007), available at <https://www.fmcsa.dot.gov/sites/fmcsa.dot.gov/files/2020-04/Seizure-Disorders-MEP-Recommendations-v2-prot%2010152007.pdf>.

recommended criteria to evaluate whether an individual with a history of epilepsy, a single unprovoked seizure, or a provoked seizure should be allowed to drive a CMV.

On January 15, 2013, FMCSA began granting exemptions, on a case-by-case basis, to individual drivers from the physical qualification standard regarding seizures and loss of consciousness in 49 CFR 391.41(b)(8) (78 FR 3069). The Agency considers the medical advisory criteria, the 2007 MEP recommendations, any public comments received, and each individual's medical information and driving record in deciding whether to grant the exemption.

The 20 individuals listed in this notice have requested renewal of their exemptions from the epilepsy and seizure disorders prohibition in 49 CFR 391.41(b)(8), in accordance with FMCSA procedures. Accordingly, FMCSA has evaluated these applications for renewal on their merits and decided to extend each exemption for a renewable 2-year period.

IV. Request for Comments

Interested parties or organizations possessing information that would show that any, or all, of these drivers are not currently achieving the statutory level of safety should immediately notify FMCSA. The Agency will evaluate any adverse evidence submitted and, if the person has failed to comply with the terms and conditions of the exemption, or if safety is being compromised or if continuation of the exemption would not be consistent with the goals and objectives of Title 49, chapter 313 or section 31136, FMCSA will take immediate steps to revoke the exemption of a driver.

V. Basis for Renewing Exemptions

In accordance with 49 U.S.C. 31136(e) and 31315(b), each of the 20 applicants have satisfied the renewal conditions for obtaining an exemption from the epilepsy and seizure disorders prohibition. The 20 drivers in this notice remain in good standing with the Agency, have maintained their medical monitoring and have not exhibited any medical issues that would compromise their ability to safely operate a CMV during the previous 2-year exemption period. In addition, the Agency has reviewed each applicant's certified driving record from their State Driver's Licensing Agency (SDLA). The information obtained from each applicant's driving record provides the Agency with details regarding any moving violations or reported crash data, which demonstrates whether the

driver has a safe driving history and is an indicator of future driving performance. If the driving record revealed a crash, FMCSA requested and reviewed the related police reports and other relevant documents, such as the citation and conviction information. These factors provide an adequate basis for predicting each driver's ability to continue to safely operate a CMV in interstate commerce. Accordingly, FMCSA concludes that extending the exemption for each renewal applicant for a period of 2 years is likely to achieve a level of safety equivalent to, or greater than, the level of safety that would be achieved without the exemption.

In accordance with 49 U.S.C. 31136(e) and 31315(b), the following groups of drivers received renewed exemptions in the month of May and are discussed below.

As of May 6, 2026, and in accordance with 49 U.S.C. 31136(e) and 31315(b), the following seven individuals have satisfied the renewal conditions for obtaining an exemption from the epilepsy and seizure disorders prohibition in the FMCSRs for interstate CMV drivers.

Michael Curtis (DE)
Callon Hegman (IL)
Darren King (PA)
Armando Macias-Tovar (FL)
Joseph Mendoza (IN)
Robert Spencer (FL)
Jaycee Vanhouten (CO)

The drivers were included in docket numbers FMCSA–2017–0251, FMCSA–2021–0026, FMCSA–2022–0042, FMCSA–2023–0039, or FMCSA–2023–0256. Their exemptions were applicable as of May 6, 2026, and will expire on May 6, 2028.

As of May 15, 2026, and in accordance with 49 U.S.C. 31136(e) and 31315(b), the following nine individuals have satisfied the renewal conditions for obtaining an exemption from the epilepsy and seizure disorders prohibition in the FMCSRs for interstate CMV drivers.

Barry Dull (OH)
Robert J. Forney (WI)
Matthew Heinen (MN)
Logan Hertzler (PA)
Preston Kanagy (TN)
Kenneth Lewis (NC)
Kevin Market (OH)
Thomas Vivirito (PA)
Richard J. Wenner (MN)

The drivers were included in docket numbers FMCSA–2015–0115, FMCSA–2015–0119, FMCSA–2015–0321, FMCSA–2017–0181, FMCSA–2017–0254, FMCSA–2019–0030, FMCSA–2019–0036, or FMCSA–2020–0046.

Their exemptions were applicable as of May 15, 2026, and will expire on May 15, 2028.

As of May 22, 2026, and in accordance with 49 U.S.C. 31136(e) and 31315(b), the following four individuals have satisfied the renewal conditions for obtaining an exemption from the epilepsy and seizure disorders prohibition in the FMCSRs for interstate CMV drivers.

Chad Redenius (FL)
Gregory Reninger (IL)
Nicholas Steele (TN)
April Wacaster (AL)

The drivers were included in docket number FMCSA–2024–0019. Their exemptions were applicable as of May 22, 2026, and will expire on May 22, 2028.

VI. Terms and Conditions

The exemptions are extended subject to the following conditions: each driver must (1) remain seizure-free, maintain a stable treatment, and report to FMCSA within 24 hours if they experience a seizure during the 2-year exemption period; (2) submit to FMCSA annual reports from their treating physicians attesting to the stability of treatment and that the driver has remained seizure-free; (3) undergo an annual medical examination by a certified medical examiner, as defined by 49 CFR 390.5T; (4) provide a copy of the annual medical certification to the employer for retention in the driver's qualification file, or keep a copy in their driver's qualification file if they are self-employed; (5) report to FMCSA the date, time, and location of any crashes, as defined in 49 CFR 390.5T, within 7 days of the crash; (6) report to FMCSA any citations and convictions for disqualifying offenses under 49 CFR parts 383 and 391 within 7 days of the citation and conviction; and (7) submit to FMCSA annual certified driving records from their SDLA. The driver must also have a copy of the exemption when driving, for presentation to a duly authorized Federal, State, or local law enforcement official. In addition, the driver must meet all the applicable commercial driver's license testing requirements.

VII. Preemption

During the period the exemption is in effect, no State shall enforce any law or regulation that conflicts with this exemption with respect to a person operating under the exemption.

VIII. Conclusion

Based on its evaluation of the 20 exemption renewal applications, FMCSA renews the exemptions of the

aforementioned drivers from the epilepsy and seizure disorders prohibition in 49 CFR 391.41(b)(8). In accordance with 49 U.S.C. 31315(b), and FMCSA's policy of issuing medical exemptions for a 2-year period to correspond with the medical certificate, each exemption will be valid for 2 years from the effective date unless revoked earlier by FMCSA. The exemption will be revoked if the following occurs: (1) the person fails to comply with the terms and conditions of the exemption, as set forth above; (2) the exemption has resulted in a lower level of safety than was maintained prior to being granted; or (3) continuation of the exemption would not be consistent with the goals and objectives of Title 49, chapter 313 or section 31136.

Larry W. Minor,

Associate Administrator for Policy.

[FR Doc. 2026-08988 Filed 5-6-26; 8:45 am]

BILLING CODE 4910-EX-P

DEPARTMENT OF TRANSPORTATION

Federal Motor Carrier Safety Administration

[Docket No. FMCSA-2026-0760]

Agency Information Collection Activities; Renewal of an Approved Information Collection: 391.41 CMV Driver Medication Form

AGENCY: Federal Motor Carrier Safety Administration (FMCSA), Department of Transportation (DOT).

ACTION: Notice and request for comments.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, FMCSA announces its plan to submit the Information Collection Request (ICR) described below to the Office of Management and Budget (OMB) for review and approval and invites public comment. FMCSA requests approval to renew an ICR titled, "391.41 CMV Driver Medication Form." This Information Collection (IC) is voluntary and may be utilized by medical examiners (ME) responsible for issuing Medical Examiner's Certificates (MECs) to commercial motor vehicle (CMV) drivers. MEs that choose to use this IC do so to communicate with treating healthcare professionals who are responsible for prescribing certain medications, so that the ME fully understands the reasons the medications have been prescribed. The information obtained by the ME when utilizing this IC assists the ME in determining if the driver is medically

qualified and ensures that there are no disqualifying medical conditions or underlying medical conditions and prescribed medications that could adversely affect their safe driving ability or cause incapacitation constituting a risk to the public.

DATES: Comments on this notice must be received on or before July 6, 2026.

ADDRESSES: You may submit comments identified by Docket Number FMCSA-2026-0760 using any of the following methods:

- **Federal eRulemaking Portal:** <https://www.regulations.gov>. Follow the online instructions for submitting comments.

- **Mail:** Dockets Operations; U.S. Department of Transportation, 1200 New Jersey Avenue SE, W58-213, Washington, DC 20590-0001.

- **Hand Delivery or Courier:** Dockets Operations, U.S. Department of Transportation, 1200 New Jersey Avenue SE, W58-213, Washington, DC, 20590-0001 between 9 a.m. and 5 p.m. ET, Monday through Friday, except Federal holidays. To be sure someone is there to help you, please call (202) 366-9317 or (202) 366-9826 before visiting Dockets Operations.

- **Fax:** (202) 493-2251.

To avoid duplication, please use only one of these four methods. See the "Public Participation and Request for Comments" portion of the **SUPPLEMENTARY INFORMATION** section for instructions on submitting comments.

FOR FURTHER INFORMATION CONTACT: Ms. Christine A. Hydock, Medical Programs Division, DOT, FMCSA, 1200 New Jersey Avenue SE, Washington, DC 20590-0001; (202) 366-4001; christine.hydock@dot.gov.

SUPPLEMENTARY INFORMATION:

Instructions

All submissions must include the Agency name and docket number. For detailed instructions on submitting comments, see the Public Participation heading below. Note that all comments received will be posted without change to <https://www.regulations.gov>, including any personal information provided. Please see the Privacy Act heading below.

Public Participation and Request for Comments

If you submit a comment, please include the docket number for this notice (FMCSA-2026-0760), indicate the specific section of this document to which your comment applies, and provide a reason for each suggestion or recommendation. You may submit your comments and material online or by fax,

mail, or hand delivery, but please use only one of these means. FMCSA recommends that you include your name and a mailing address, an email address, or a phone number in the body of your document so FMCSA can contact you if there are questions regarding your submission.

To submit your comment online, go to <https://www.regulations.gov/docket/FMCSA-2026-0760/document>, click on this notice, click "Comment," and type your comment into the text box on the following screen.

If you submit your comments by mail or hand delivery, submit them in an unbound format, no larger than 8½ by 11 inches, suitable for copying and electronic filing.

FMCSA will consider all comments and material received during the comment period.

Privacy Act

In accordance with 5 United States Code (U.S.C.) 553(c), DOT solicits comments from the public to better inform its regulatory process. DOT posts these comments, including any personal information the commenter provides, to www.regulations.gov as described in the system of records notice DOT/ALL 14 (Federal Docket Management System (FDMS)), which can be reviewed at <https://www.transportation.gov/individuals/privacy/privacy-act-system-records-notices>. The comments are posted without edits and are searchable by the name of the submitter.

Background

FMCSA's primary mission is to reduce crashes, injuries, and fatalities involving large trucks and buses. The Secretary of Transportation has delegated to FMCSA its responsibility under 49 U.S.C. 31136 and 31502 to prescribe regulations that ensure CMVs are operated safely. As part of this mission, the Agency's Medical Programs Division works to ensure that CMV drivers engaged in interstate commerce are physically qualified and able to safely perform their work.

The public interest in, and right to have, safe highways requires the assurance that drivers of CMVs can safely perform the increased physical and mental demands of their duties. FMCSA's physical qualification standards provide this assurance by requiring drivers to be examined and medically certified as physically and mentally qualified to drive.

The purpose of this voluntary IC is to assist the ME in determining if the driver is medically qualified under 49 Code of Federal Regulations (CFR) 391.41 and to ensure that there are no

disqualifying medical conditions that could adversely affect their safe driving ability or cause incapacitation constituting a risk to the public. Under 49 CFR 391.41(b)(12), a person is physically qualified to drive a CMV if that person does not use any drug or substance identified in 21 CFR 1308.11 Schedule I, an amphetamine, a narcotic, or other habit-forming drug; and does not use any non-Schedule I drug or substance that is identified in the other Schedules in 21 CFR part 1308 except when the use is prescribed by a *licensed medical practitioner*, as defined in 49 CFR 382.107, who is familiar with the driver's medical history and has advised the driver that the substance will not adversely affect the driver's ability to safely operate a CMV.

The use of this IC is at the discretion of the ME and facilitates communication with treating healthcare professionals who are responsible for prescribing certain medications so that the ME fully understands the reasons the medications have been prescribed. This information assists the ME in determining whether the underlying medical condition and the prescribed medication will impact the driver's safe operation of a CMV. Therefore, there is no required collection frequency.

The "391.41 CMV Driver Medication Form, MCSA-5895," may be downloaded from the FMCSA website. Prescribing healthcare providers are also able to either fax or scan and email the report to the certified ME. Consistent with OMB's commitment to minimizing respondents' recordkeeping and paperwork burdens and the increased use of secure electronic modes of communication, the Agency believes that approximately 50 percent of the "391.41 CMV Driver Medication Forms, MCSA-5895," are transmitted electronically.

The information collected from the "391.41 CMV Driver Medication Form, MCSA-5895," is used by the certified ME that requested the completion of the form. The "391.41 CMV Driver Medication Form, MCSA-5895," is attached to the "Medical Examination Report Form, MCSA-5875," which becomes part of the CMV driver's record maintained by the certified ME. The information is not available to the public. The Federal Motor Carrier Safety Regulations covering driver physical qualification records are found at 49 CFR 391.43, which specify that a medical examination must be performed on CMV drivers subject to part 391 who operate in interstate commerce. The results of the examination must be recorded in accordance with the requirements set forth in that section.

MEs are required to maintain records of the CMV driver medical examinations they conduct.

Title: 391.41 CMV Driver Medication Form.

OMB Control Number: 2126-0064.

Type of Request: Renewal of a currently approved ICR.

Respondents: Prescribing healthcare professionals.

Estimated Number of Respondents:

Up to 1,470,185 (total number of prescribing healthcare providers in the U.S.).

Estimated Time per Response: 8 minutes.

Expiration Date: September 30, 2026.

Frequency of Response: Other (use of this IC is optional so there is no required collection frequency).

Estimated Total Annual Burden: 311,375 hours.

Public Comments Invited: You are asked to comment on any aspect of this information collection, including: (1) whether the proposed collection is necessary for the performance of FMCSA's functions; (2) the accuracy of the estimated burden; (3) ways for FMCSA to enhance the quality, usefulness, and clarity of the collected information; and (4) ways that the burden could be minimized without reducing the quality of the collected information. The Agency will summarize or include your comments in the request for OMB's clearance of this ICR.

Issued under the authority of 49 CFR 1.87.

David M. Sutula,

Acting Associate Administrator, Office of Research and Registration.

[FR Doc. 2026-08992 Filed 5-6-26; 8:45 am]

BILLING CODE 4910-EX-P

DEPARTMENT OF TRANSPORTATION

Federal Motor Carrier Safety Administration

[Docket No. FMCSA-2018-0058; FMCSA-2021-0026; FMCSA-2023-0256]

Qualification of Drivers; Exemption Applications; Epilepsy and Seizure Disorders

AGENCY: Federal Motor Carrier Safety Administration (FMCSA), Department of Transportation (DOT).

ACTION: Notice of renewal of exemptions; request for comments.

SUMMARY: FMCSA announces its decision to renew exemptions for seven individuals from the requirement in the Federal Motor Carrier Safety Regulations (FMCSRs) that interstate

commercial motor vehicle (CMV) drivers have "no established medical history or clinical diagnosis of epilepsy or any other condition which is likely to cause loss of consciousness or any loss of ability to control a CMV." The exemptions enable these individuals who have had one or more seizures and are taking anti-seizure medication to continue to operate CMVs in interstate commerce.

DATES: The exemptions were applicable on April 15, 2026. The exemptions expire on April 15, 2028. Comments must be received on or before June 8, 2026.

ADDRESSES: You may submit comments identified by Docket No. FMCSA-2018-0058, FMCSA-2021-0026, or FMCSA-2023-0256, as appropriate, using any of the following methods:

- *Federal eRulemaking Portal:* Go to www.regulations.gov, insert the docket number (FMCSA-2018-0058, FMCSA-2021-0026, or FMCSA-2023-0256, as appropriate) in the keyword box and click "Search." Next, sort the results by "Posted (Newer-Older)," choose the first notice listed, and click on the "Comment" button. Follow the online instructions for submitting comments.

- *Mail:* Dockets Operations, U.S. Department of Transportation, 1200 New Jersey Avenue SE, W58-213, Washington, DC 20590-0001.

- *Hand Delivery of Courier:* Dockets Operations, U.S. Department of Transportation, 1200 New Jersey Avenue SE, W58-213, Washington, DC 20590-0001, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

- *Fax:* (202) 493-2251.

To avoid duplication, please use only one of these four methods. See the "Public Participation" portion of the **SUPPLEMENTARY INFORMATION** section for instructions on submitting comments.

FOR FURTHER INFORMATION CONTACT: Ms. Christine A. Hydock, Chief, Medical Programs Division, FMCSA, DOT, 1200 New Jersey Avenue SE, Washington, DC 20590-0001; (202) 366-4001; fmcsamedical@dot.gov. Office hours are from 8:30 a.m. to 5 p.m. ET Monday through Friday, except Federal holidays. If you have questions regarding viewing or submitting material to the docket, contact Dockets Operations, (202) 366-9826.

SUPPLEMENTARY INFORMATION:

I. Public Participation

A. Submitting Comments

If you submit a comment, please include the docket number for this notice (FMCSA-2018-0058, FMCSA-

2021–0026, or FMCSA–2023–0256), indicate the specific section of this document to which each comment applies, and provide a reason for each suggestion or recommendation. You may submit your comments and material online or by fax, mail, or hand delivery, but please use only one of these means. FMCSA recommends that you include your name and a mailing address, an email address, or a phone number in the body of your document so that FMCSA can contact you if there are questions regarding your submission.

To submit your comment online, go to www.regulations.gov, insert the docket number (FMCSA–2018–0058, FMCSA–2021–0026, or FMCSA–2023–0256) in the keyword box and click “Search.” Next, sort the results by “Posted (Newer-Older),” choose the first notice listed, click the “Comment” button, and type your comment into the text box on the following screen. Choose whether you are submitting your comment as an individual or on behalf of a third party and then submit.

If you submit your comments by mail or hand delivery, submit them in an unbound format, no larger than 8½ by 11 inches, suitable for copying and electronic filing. FMCSA will consider all comments and material received during the comment period.

B. Confidential Business Information (CBI)

CBI is commercial or financial information that is both customarily and actually treated as private by its owner. Under the Freedom of Information Act (5 U.S.C. 552), CBI is exempt from public disclosure. If your comments responsive to the notice contain commercial or financial information that is customarily treated as private, that you actually treat as private, and that is relevant or responsive to the notice, it is important that you clearly designate the submitted comments as CBI. Please mark each page of your submission that constitutes CBI as “PROPIN” to indicate it contains proprietary information. FMCSA will treat such marked submissions as confidential under the Freedom of Information Act, and they will not be placed in the public docket of the notice. Submissions containing CBI should be sent to Brian Dahlin, Chief, Regulatory Evaluation Division, Office of Policy, FMCSA, 1200 New Jersey Avenue SE, Washington, DC 20590–0001 or via email at brian.g.dahlin@dot.gov. At this time, you need not send a duplicate hardcopy of your electronic CBI submissions to FMCSA headquarters. Any comments FMCSA

receives not specifically designated as CBI will be placed in the public docket for this notice.

C. Viewing Comments

To view comments, go to www.regulations.gov. Insert the docket number (FMCSA–2018–0058, FMCSA–2021–0026, or FMCSA–2023–0256) in the keyword box and click “Search.” Next, sort the results by “Posted (Newer-Older),” choose the first notice listed, and click “Browse Comments.” If you do not have access to the internet, you may view the docket online by visiting Dockets Operations in room W58–213 of the DOT West Building, 1200 New Jersey Avenue SE, Washington, DC 20590–0001, between 9 a.m. and 5 p.m. ET Monday through Friday, except Federal holidays. To be sure someone is there to help you, please call (202) 366–9317 or (202) 366–9826 before visiting Dockets Operations.

D. Privacy Act

In accordance with 49 U.S.C. 31315(b)(6), DOT solicits comments from the public on the exemption request. DOT posts these comments, including any personal information the commenter provides, to www.regulations.gov, as described in the system of records notice DOT/ALL–14 FDMS (Federal Docket Management System), which can be reviewed under the “Department Wide System of Records Notices” link at <https://www.transportation.gov/individuals/privacy/privacy-act-system-records-notices>. The comments are posted without edit and are searchable by the name of the submitter.

II. Legal Basis

FMCSA has authority under 49 U.S.C. 31136(e) and 31315(b) to grant exemptions from the FMCSRs. FMCSA must publish a notice of each exemption request in the **Federal Register** (49 CFR 381.315(a)). The Agency must provide the public an opportunity to inspect the information relevant to the application, including the applicant’s safety analysis. The Agency must provide an opportunity for public comment on the request.

The Agency reviews the application, safety analyses, and public comments submitted and determines whether granting the exemption would likely achieve a level of safety equivalent to, or greater than, the level that would be achieved absent such exemption, pursuant to the standard set forth in 49 U.S.C. 31315(b)(1). The Agency must publish its decision in the **Federal Register** (49 CFR 381.315(b)). If granted, the notice will identify the regulatory

provision from which the applicant will be exempt, the effective period, and all terms and conditions of the exemption (49 CFR 381.315(c)(1)). If the exemption is denied, the notice will explain the reason for the denial (49 CFR 381.315(c)(2)). The exemption may be renewed (49 CFR 381.300(b)).

III. Background

The physical qualification standard for drivers regarding seizures and loss of consciousness provides that a person is physically qualified to drive a CMV if that person has “no established medical history or clinical diagnosis of epilepsy or any other condition which is likely to cause the loss of consciousness or any loss of ability to control” a CMV (49 CFR 391.41(b)(8)). To assist in applying this standard, FMCSA publishes guidance for medical examiners (MEs) in the form of medical advisory criteria in Appendix A to 49 CFR part 391.¹ In 2007, FMCSA published recommendations from a Medical Expert Panel (MEP) that FMCSA tasked to review the existing seizure disorder guidelines for MEs.² The MEP performed a comprehensive, systematic literature review, including evidence available at the time. The MEP issued recommended criteria to evaluate whether an individual with a history of epilepsy, a single unprovoked seizure, or a provoked seizure should be allowed to drive a CMV.

On January 15, 2013, FMCSA began granting exemptions, on a case-by-case basis, to individual drivers from the physical qualification standard regarding seizures and loss of consciousness in 49 CFR 391.41(b)(8) (78 FR 3069). The Agency considers the medical advisory criteria, the 2007 MEP recommendations, any public comments received, and each individual’s medical information and driving record in deciding whether to grant the exemption.

The seven individuals listed in this notice have requested renewal of their exemptions from the epilepsy and seizure disorders prohibition in 49 CFR 391.41(b)(8), in accordance with FMCSA procedures. Accordingly, FMCSA has evaluated these applications for renewal on their merits and decided to extend each exemption for a renewable 2-year period.

¹ Appendix A to Part 391, Title 49, available at [https://www.ecfr.gov/current/title-49/part-391/appendix-Appendix A to Part 391](https://www.ecfr.gov/current/title-49/part-391/appendix-Appendix+A+to+Part+391).

² “Expert Panel Recommendations, Seizure Disorders and Commercial Motor Vehicle Driver Safety,” Medical Expert Panel (Oct. 15, 2007), available at <https://www.fmcsa.dot.gov/sites/fmcsa.dot.gov/files/2020-04/Seizure-Disorders-MEP-Recommendations-v2-prot%2010152007.pdf>.

IV. Request for Comments

Interested parties or organizations possessing information that would show that any, or all, of these drivers are not currently achieving the statutory level of safety should immediately notify FMCSA. The Agency will evaluate any adverse evidence submitted and, if the person has failed to comply with the terms and conditions of the exemption, or if safety is being compromised or if continuation of the exemption would not be consistent with the goals and objectives of Title 49, chapter 313 or section 31136, FMCSA will take immediate steps to revoke the exemption of a driver.

V. Basis for Renewing Exemptions

In accordance with 49 U.S.C. 31136(e) and 31315(b), each of the seven applicants have satisfied the renewal conditions for obtaining an exemption from the epilepsy and seizure disorders prohibition. The seven drivers in this notice remain in good standing with the Agency, have maintained their medical monitoring and have not exhibited any medical issues that would compromise their ability to safely operate a CMV during the previous 2-year exemption period. In addition, the Agency has reviewed each applicant's certified driving record from their State Driver's Licensing Agency (SDLA). The information obtained from each applicant's driving record provides the Agency with details regarding any moving violations or reported crash data, which demonstrates whether the driver has a safe driving history and is an indicator of future driving performance. If the driving record revealed a crash, FMCSA requested and reviewed the related police reports and other relevant documents, such as the citation and conviction information. These factors provide an adequate basis for predicting each driver's ability to continue to safely operate a CMV in interstate commerce. Accordingly, FMCSA concludes that extending the exemption for each renewal applicant for a period of 2 years is likely to achieve a level of safety equivalent to, or greater than, the level of safety that would be achieved without the exemption.

As of April 15, 2026, and in accordance with 49 U.S.C. 31136(e) and 31315(b), the following seven individuals have satisfied the renewal conditions for obtaining an exemption from the epilepsy and seizure disorders prohibition in the FMCSRs for interstate CMV drivers.

Robert Drake (MI)
Jacoby Hitchcock (IA)

Lance Johnson (TN)
Anthony Martin (VA)
Kevin Podman (IL)
Bradley Scruggs (CA)
Mark Shirkey (IN)

The drivers were included in docket numbers FMCSA–2018–0058, FMCSA–2021–0026, or FMCSA–2023–0256. Their exemptions were applicable as of April 15, 2026, and will expire on April 15, 2028.

VI. Terms and Conditions

The exemptions are extended subject to the following conditions: each driver must (1) remain seizure-free, maintain a stable treatment, and report to FMCSA within 24 hours if they experience a seizure during the 2-year exemption period; (2) submit to FMCSA annual reports from their treating physicians attesting to the stability of treatment and that the driver has remained seizure-free; (3) undergo an annual medical examination by a certified medical examiner, as defined by 49 CFR 390.5T; (4) provide a copy of the annual medical certification to the employer for retention in the driver's qualification file, or keep a copy in their driver's qualification file if they are self-employed; (5) report to FMCSA the date, time, and location of any crashes, as defined in 49 CFR 390.5T, within 7 days of the crash; (6) report to FMCSA any citations and convictions for disqualifying offenses under 49 CFR parts 383 and 391 within 7 days of the citation and conviction; and (7) submit to FMCSA annual certified driving records from their SDLA. The driver must also have a copy of the exemption when driving, for presentation to a duly authorized Federal, State, or local law enforcement official. In addition, the driver must meet all the applicable commercial driver's license testing requirements.

VII. Preemption

During the period the exemption is in effect, no State shall enforce any law or regulation that conflicts with this exemption with respect to a person operating under the exemption.

VIII. Conclusion

Based on its evaluation of the seven exemption renewal applications, FMCSA renews the exemptions of the aforementioned drivers from the epilepsy and seizure disorders prohibition in 49 CFR 391.41(b)(8). In accordance with 49 U.S.C. 31315(b), and FMCSA's policy of issuing medical exemptions for a 2-year period to correspond with the medical certificate, each exemption will be valid for 2 years from the effective date unless revoked

earlier by FMCSA. The exemption will be revoked if the following occurs: (1) the person fails to comply with the terms and conditions of the exemption, as set forth above; (2) the exemption has resulted in a lower level of safety than was maintained prior to being granted; or (3) continuation of the exemption would not be consistent with the goals and objectives of Title 49, chapter 313 or section 31136.

Larry W. Minor,

Associate Administrator for Policy.

[FR Doc. 2026–08990 Filed 5–6–26; 8:45 am]

BILLING CODE 4910–EX–P

DEPARTMENT OF TRANSPORTATION

Maritime Administration

[Docket Number MARAD–2026–0729]

Request for Information: Development of a Commercially Viable System-Centric Small Modular Reactor Concept for Deployment in the Marine Transportation System

AGENCY: Maritime Administration (MARAD), Department of Transportation (DOT).

ACTION: Notice and request for comments.

SUMMARY: MARAD is seeking information from the public to support the development of a U.S.-built scalable, repeatable, commercially viable, system-centric, small modular reactor (SMR) and their deployment within the marine transportation system. This Request for Information (RFI) for a single vessel or technology demonstration seeks public feedback on proficient system architecture, including liability frameworks, insurance pathways, port acceptance, workforce development, and standards integration for vessel deployment.

DATES: Written comments including all supporting information and documents, are requested on or before August 5, 2026.

ADDRESSES: Interested persons are encouraged to submit comments, identified by “SMR RFI” by any of the following methods:

- *Federal eRulemaking Portal:* www.regulations.gov. Search using the DOT Docket Number MARAD–2026–0729 and follow the instructions for submitting comments.

- *Mail/Hand-Delivery/Courier:* Docket Management Facility; U.S. Department of Transportation, 1200 New Jersey Avenue SE, Room W12–140, Washington, DC 20590. If you would like to know that your comments

reached the facility, please enclose a stamped, self-addressed postcard or envelope. The Docket Management Facility is open 9:00 a.m. to 5:00 p.m., Monday through Friday, except on Federal holidays.

Note: We recommend that you include your name and mailing address, an email address, or a telephone number in the body of your document so that we can contact you if we have questions regarding your submission. If you submit your inputs by mail or hand-delivery, they must be submitted in an unbound format, no larger than 8½ by 11 inches, single-sided, suitable for copying and electronic filing. All submissions received should include the agency name and docket number. All comments received will be posted without change to the docket at www.regulations.gov, including any personal information provided.

Confidential Business Information: 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 to this RFI contain commercial or financial information that is customarily treated as private and that you actually treat as private, it is important that you clearly designate the submitted comments as CBI and submit the information directly to the person identified in the section titled **FOR FURTHER INFORMATION CONTACT** below and take the following steps: (1) Mark each page of the submission containing CBI as “Confidential”; (2) send, along with the original submission, a second copy of with the CBI removed or redacted; and (3) explain why the information you are submitting is CBI. Unless you are notified otherwise, MARAD will treat such marked submissions as confidential under the FOIA, and they will not be placed in the public docket of this RFI. Any comment submissions received that are not specifically designated as CBI will be placed in the public docket.

Privacy Act: Anyone can 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.). For information on DOT’s compliance with the Privacy Act, please visit <https://www.transportation.gov/privacy>.

Electronic Access and Filing: As required by 5 U.S.C. 553(b)(4), this document, and all comments may be viewed online through the Federal eRulemaking portal at

www.regulations.gov. An electronic copy of this document may also be downloaded by accessing the Office of the Federal Register’s home page at: www.federalregister.gov.

FOR FURTHER INFORMATION CONTACT: Sydney Plante, Office of the Maritime Administrator, via electronic mail at maradpressoffice@dot.gov or call 202–366–4105. For those who use a telecommunications device (TDD) please call the Federal Information Relay Service (FIRS) at 1–800–877–8339 to contact the above individual during business hours. The FIRS is available twenty-four hours a day, seven days a week, to leave a message or question. You will receive a reply during normal business hours. If you have questions about viewing the Docket, call Docket Operations, telephone: (800) 647–5527.

SUPPLEMENTARY INFORMATION: Historical maritime transitions—from sail to steam, wood to iron, and conventional propulsion to new energy systems—have occurred throughout our nation’s history. Durable adoption of SMR propulsion technology, a modern-day maritime transition, has great potential not only as a result of engineering breakthroughs, but also when the U.S. Government helps reduce systemic uncertainty, align regulatory structures, and enable market conditions that allow private capital and operators to scale new technologies.

MARAD views the potential introduction of SMR propulsion through a system-transition lens. MARAD’s role, in coordination with interagency partners, is intended to support alignment, transparency, and integration across existing authorities rather than to direct technology selection or development activities. Federal participation typically supports risk stabilization, standards coordination, infrastructure integration, diplomatic engagement, and strategic signaling to reduce uncertainty and enable commercially led deployment. As such, the purpose of this RFI is to investigate if recent advancements in SMR technology and novel concept development are usable, scalable, and can be made commercially viable.

Implementation of these roles will occur in coordination with the Department of Energy; the Nuclear Regulatory Commission; the Department of Homeland Security, including the U.S. Coast Guard; the Department of War; and other relevant agencies, as appropriate, consistent with applicable financial and budgetary frameworks and statutory authorities.

Consistent with longstanding United States maritime practice, any future

actions informed through this RFI would be pursued in alignment with applicable international standards, protocols, and development processes, including engagement through the International Maritime Organization and relevant International Convention for the Safety of Life at Sea (a/k/a “SOLAS”) frameworks.

While this RFI focuses on SMR concepts as the current reference architecture for maritime nuclear propulsion, responses may address alternative configurations that meet comparable safety, scalability, and commercial integration objectives consistent with the system-first principles outlined herein. Consistent with this approach, the purpose of this RFI is to inform people how government actions can enable a coherent approach to the production of maritime nuclear technologies that industry can scale commercially.

Global competitors are advancing the integration of nuclear propulsion into the broader maritime industry, including shipyards, ports, insurance regimes, and logistics networks, which places the U.S. at a strategic disadvantage in the absence of domestic SMR development.

Request for Information

This RFI seeks industry insight into building a coherent U.S. system capable of long-term commercial adoption, while providing global leadership. Specifically, the purpose of this RFI is to investigate if advancements in SMR technology and novel concept development are usable, scalable, and can be made commercially viable. This includes integration of SMR-propelled vessels into international regulatory regimes. Responses should emphasize system architecture, scalability, safety, and commercial viability. Submissions should not exceed 30 pages, excluding appendices. MARAD is requesting information on the following issues:

1. Initial Topics

- Identify pathways-technical, regulatory, or other-toward repeatable deployment rather than one-off demonstrations;
- Address requirements needed to develop commercially viable maritime nuclear technology, including those requirements which may need alignment between ports, insurance, workforce, and other regulatory regimes;
- Assess system integration across shipbuilding, operations, and logistics networks;
- Support development of commercially viable propulsion choices driven by lifecycle economics;

- Inform governance structures enabling scalable replication of SMR-powered vessels; and
- What lessons can be learned from the development and construction of nuclear-powered vessels that could inform us how a commercial nuclear-powered vessel could be economically viable.

2. Notional Development Roadmap

The following progressive framework is provided solely to support industry and stakeholder discussion:

- Early regulatory alignment, liability architecture, and maturation of U.S. SMR concepts.
- Port-based deployments and operational demonstrations to foster stakeholder support.
- Integration into strategic sealift new construction platforms currently under development or other government owned new construction as prototype platforms to validate operational capability and to provide actual operating information/data to further commercial risk analysis and enhance public perception of the technology.

3. System-First Principles

MARAD seeks information and insight into the following specific areas:

- Liability architecture and insurability before hull construction;
- Port access and standards alignment prior to deployment;
- Workforce pathways developed ahead of vessel launch;
- Replication and commercial scheduling viability as primary success metrics; and
- Integration into existing maritime logistics systems.

4. Technical Scope

Reactor Technology and Integration. Safe and secure SMR architectures emphasizing modularity and maintainability, including proposed solutions for the back end of the fuel cycle.

Integration of SMR-Powered Vessels into Shipyard Operations. Concepts demonstrating modular production and integration with U.S. shipyard capacity. The emphasis on U.S. construction, both ships and SMRs, is critical.

Legal and Regulatory Pathways. Approaches enabling predictable licensing timelines and standardized approval pathways for SMR-related technologies. This includes determining whether existing civilian nuclear frameworks with other countries may allow for cooperation to develop clear documentation, inspection, and classification regimes.

Liability, Insurance, and Financial Architecture. Frameworks enabling

routine financing and underwriting of nuclear-powered commercial vessels.

Ports, Standards, and International Acceptance. Inspection regimes, vessel classification rules, and strategies for shaping international norms.

Workforce and Operational Model. Seafarer Certification Including standards for U.S. Coast Guard merchant mariner credentialing and competence requirements for endorsements for vessels with nuclear powered propulsion.

Commercial Integration and Market Pull. Trade lanes and cargo flows demonstrating economically repeatable deployment.

5. Strategic Themes

MARAD is particularly interested in concepts that treat nuclear propulsion as commercial infrastructure rather than a technology demonstration, and that demonstrate clear pathways to scalable, repeatable maritime operations.

6. Specific Information Requests and Questions for Industry and the Public

- Please provide any input on the core technology and innovative features of the SMR concept and how such concept would differ from existing solutions?
 - What key advantages would a particular concept of a modular reactor design offer in terms of safety, efficiency, and environmental impact compared to current technologies?
 - Please describe how a SMR concept is or can become sufficiently scalable and adaptable for various maritime applications, including potential integration with existing infrastructures?
 - How does a SMR concept enable repeatable deployment across multiple vessels or classes?
 - What liability or insurance structures are required before commercial financing becomes viable?
 - What port and vessel legal or regulatory barriers must be resolved prior to deployment?
 - How can workforce pipelines be established to prepare our Nation to develop a sufficient number of trained workers to build and crew SMR-powered vessels?
 - What system-level risks could prevent replication even if a single vessel succeeds?
 - How does a SMR concept integrate into existing logistics networks and cargo markets?
 - Please identify any other critical factors, risks, or ecosystem dependencies crucial for MARAD and other agencies to consider in supporting the development and deployment of

commercially viable SMR-powered vessels in our marine transportation system.

- Please provide recommendations for law and regulations or sub-regulatory guidance that could be revised, rescinded, or promulgated to support, incentivize, or ensure legal and regulatory consistency for the SMR maritime nuclear propulsion concept from Department of Energy; the Nuclear Regulatory Commission; the Department of Homeland Security, including the U.S. Coast Guard; the Department of War; and other relevant agencies, as appropriate, consistent with applicable financial and budgetary frameworks and statutory authorities.

Docket Appendix

MARAD encourages all interested parties to review the appendix posted on the docket:

The Appendix titled “Illustrative Maritime SMR Concept Development Context” provides a conceptual framework to help respondents better understand the relationship between key components in the maritime SMR concept, guiding their submissions in addressing relevant challenges and opportunities.

Follow-on Steps and Stakeholder Engagement

Following this RFI, MARAD intends to host a series of engagement activities open to the public, which may include technical exchanges, listening sessions, public workshops, or public meetings. These engagements are intended to clarify broad challenges, support international dialogue, and ensure transparent participation prior to the response deadline.

By Order of the Maritime Administrator.

T. Mitchell Hudson, Jr.,

Secretary, Maritime Administration.

[FR Doc. 2026–09070 Filed 5–6–26; 8:45 am]

BILLING CODE 4910–81–P

DEPARTMENT OF VETERANS AFFAIRS

[OMB Control No. 2900–NEW]

Agency Information Collection Activity Under OMB Review: Establishing Property Suitability for VA Specially Adapted Housing

AGENCY: Veterans Benefits Administration, Department of Veterans Affairs.

ACTION: Notice.

SUMMARY: In compliance with the Paperwork Reduction Act (PRA) of

1995, this notice announces that the: Veterans Benefits Administration, Department of Veterans Affairs, 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 collection and its expected cost and burden, and it includes the actual data collection instrument.

DATES: Comments and recommendations for the proposed information collection should be sent by June 8, 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. 202503–2900–014.”

FOR FURTHER INFORMATION CONTACT: VA PRA information: Dorothy Glasgow, 202–461–1084, VAPRA@va.gov.

SUPPLEMENTARY INFORMATION:

Title: Establishing Property Suitability for VA Specially Adapted Housing.
OMB Control Number: 2900–NEW
<https://www.reginfo.gov/public/do/PRASearch>.

Type of Review: New Collection (Request for a new OMB Control Number).

Abstract: The Report of Loan Guaranty Existing Housing Unit Inspection of SAH Property Suitability (VA Form 26–1858a–ARE), Report of Loan Guaranty SHA Property Suitability (VA Form 26–1858b), Report of Loan Guaranty SAH Vacant Lot Inspection (VA Form 26–1858c–ARE), Report of Loan Guaranty Final SAH/SHA Field Review (VA Form 26–1858d) are used to assess the suitability and condition of properties under the VA’s Specially Adapted Housing (SAH) program. The information collected in this process assists Veterans who are entitled to adapted housing grants itemized under 38 U.S.C. Chapter 21 § 2101 (a) who may use their benefit to “acquire a suitable housing unit” that will provide a barrier-free living space based on “the nature of the Veteran’s disability”. Per 38 U.S.C. Chapter 21 § 2101 (a)3, determinations must be made regarding the feasibility and suitability of a proposed property. Information must be gathered to make such determinations. 38 CFR 36.4404 (b) requires that the VA establish if it is medically feasible for the Veteran to reside outside an institutional setting, that the proposed housing unit is suitable for the Veteran’s

needs and that the cost of the proposed housing unit bears a proper relation to the Veteran’s present and anticipated income and expenses. The information being sought is both required and necessary to make an accurate analysis that may support these conclusions.

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: 90 FR 53066, on November 24, 2025. VA received public comments during the 60-day notice period. These comments were reviewed and considered in the preparation of this 30-day submission.

Affected Public: Individuals or Households.

Estimated Annual Burden: 2,695 Hours.

Estimated Average Burden per Respondent: 15 minutes (to complete forms)/45 minutes (to take photos and measurements).

Frequency of Response: Annually.
Estimated Number of Respondents: 6,628.

Authority: 44 U.S.C. 3501 *et seq.*

Shunda Willis,

Alternate, VA PRA Clearance Officer, Office of Enterprise and Integration/Data Governance Analytics, Department of Veterans Affairs.

[FR Doc. 2026–09050 Filed 5–6–26; 8:45 am]

BILLING CODE 8320–01–P

DEPARTMENT OF VETERANS AFFAIRS

[OMB Control No. 2900–0745]

Agency Information Collection Activity Under OMB Review: Request for Certificate of Veteran Status

AGENCY: Veterans Benefits Administration, Department of Veterans Affairs.

ACTION: Notice.

SUMMARY: In compliance with the Paperwork Reduction Act (PRA) of 1995, this notice announces that the Veterans Benefits Administration, Department of Veterans Affairs, 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 collection and its expected cost and burden and it includes the actual data collection instrument.

DATES: Comments and recommendations for the proposed

information collection should be sent by June 8, 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–XXXX.”

FOR FURTHER INFORMATION CONTACT: Dorothy Glasgow, 202–461–1084, VAPRA@va.gov.

SUPPLEMENTARY INFORMATION:

Title: Request for Certificate of Veteran Status.

OMB Control Number: 2900–0745
<https://www.reginfo.gov/public/do/PRASearch>.

Type of Review: Reinstatement with change of a previously approved collection.

Abstract: The Request for Certification of Veteran Status information collection is used to determine an applicant’s eligibility for a possible reduced downpayment when obtaining a loan insured by FHA under the provisions of Section 203(b)(2) or 220(d)(a) of the National Housing Act as amended. The information collection is being submitted as a “Reinstatement with change” due to a reduction in respondents from 25 to 10 to reflect fewer submissions under this information collection during the reporting period. This decrease results in a corresponding reduction in burden.

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 insert citation date 91 FR 9929, February 27, 2026.

Affected Public: Individuals or Households.

Estimated Annual Burden: 2 hours.

Estimated Average Burden Per Respondent: 10 minutes.

Frequency of Response: Two-Times per loan.

Estimated Number of Respondents: 10.

Authority: 44 U.S.C. 3501 *et seq.*

Shunda Willis,

Alternate, VA PRA Clearance Officer, Office of Information Technology/Data Governance Analytics, Department of Veterans Affairs.

[FR Doc. 2026–09044 Filed 5–6–26; 8:45 am]

BILLING CODE 8320–01–P

DEPARTMENT OF VETERANS AFFAIRS

[OMB Control No. 2900–0875]

Agency Information Collection Activity Under OMB Review: VA-Guaranteed Home Loan Cash-Out Refinance Loan Comparison Disclosure

AGENCY: Veterans Benefits Administration, Department of Veterans Affairs.

ACTION: Notice.

SUMMARY: In compliance with the Paperwork Reduction Act (PRA) of 1995, this notice announces that the Veterans Benefits Administration, Department of Veterans Affairs, 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 collection and its expected cost and burden and it includes the actual data collection instrument.

DATES: Comments and recommendations for the proposed information collection should be sent by June 8, 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–XXXX.”

FOR FURTHER INFORMATION CONTACT:

Dorothy Glasgow, 202–461–1084, VAPRA@va.gov.

SUPPLEMENTARY INFORMATION:

Title: VA-Guaranteed Home Loan Cash-Out Refinance Loan Comparison Disclosure.

OMB Control Number: 2900–0875
<https://www.reginfo.gov/public/do/PRASearch>.

Type of Review: Reinstatement with change of a previously approved collection.

Abstract: All-VA guaranteed cash-out refinancing loans must comply with 38 U.S.C. 3709 and 38 CFR 36.4306. All refinancing loan applications taken on or after the effective date that do not meet the following requirements may be subject to indemnification or the removal of the guaranty. Failure to provide initial disclosures to the Veteran within 3 business days from the initial application date and at closing may result in indemnification of the loan up to 5 years. There are three categories of refinance loans; Interest Rate Reduction Refinancing Loans (IRRRL), TYPE I Cash-Out Refinance, and TYPE II Cash-Out Refinance. For

this renewal, the burden decreased due to the removal of the training information collections and a decrease in the VA Cash-Out Refinancing Loan volume, which reduced the number of participating respondents from 480,000 to 146,000 and, in turn, lowered the total annual burden hours.

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 9336, February 12, 2026.

Affected Public: Individuals or Households.

Estimated Annual Burden: 12,167 hours.

Estimated Average Burden per Respondent: 5 minutes.

Frequency of Response: Two-Times per loan.

Estimated Number of Respondents: 146,000.

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. 2026–09049 Filed 5–6–26; 8:45 am]

BILLING CODE 8320–01–P



FEDERAL REGISTER

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Part II

Securities and Exchange Commission

17 CFR Parts 200, 210, 229, et al.
Semiannual Reporting; Proposed Rule

**SECURITIES AND EXCHANGE
COMMISSION****17 CFR Parts 200, 210, 229, 230, 232,
239, 240, 249, and 260****[Release Nos. 33–11414; 34–105368; 39–
2563; IC–36140; File No. S7–2026–15]****RIN 3235–AN58****Semiannual Reporting****AGENCY:** Securities and Exchange
Commission.**ACTION:** Proposed rule.

SUMMARY: The Securities and Exchange Commission (“Commission”) is proposing amendments to allow companies to file semiannual reports on new Form 10–S in lieu of quarterly reports on Form 10–Q to meet their interim reporting obligations under the Securities Exchange Act of 1934 (“Exchange Act”). The Commission is also proposing changes to the financial statement requirements of Regulation S–X to facilitate semiannual reporting and to simplify rules regarding the age of financial statements.

DATES: Comments should be received on or before July 6, 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/rules/submitcomments.htm>).
- Send an email to rule-comment@sec.gov. Please include File Number S7–2026–15 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 S7–2026–15. 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 of submission. The Commission will post all comments on the Commission’s website <https://www.sec.gov/comments/s7-2026-15/semiannual-reporting#no-back>. 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/2026/05/s7-2026-15>.

FOR FURTHER INFORMATION CONTACT:

Mark Saltzburg, Senior Special Counsel, Office of Rulemaking, Division of Corporation Finance, at (202) 551–3430, or Ryan Milne, Associate Chief Accountant, Office of Chief Accountant, Division of Corporation Finance, at (202) 551–3400, U.S. Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549.

SUPPLEMENTARY INFORMATION: The Commission is proposing to amend or add the following rules and forms:

Commission Reference	Name	17 CFR Citation
Securities Act of 1933 ¹	Rule 138	§ 230.138
	Rule 139	§ 230.139
	Rule 139b	§ 230.139b
	Rule 144	§ 230.144
	Rule 158	§ 230.158
	Rule 175	§ 230.175
	Rule 405	§ 230.405
	Rule 485	§ 230.485
	Form S-1	§ 239.11
	Form S-3	§ 239.13
	Form S-11	§ 239.18
	Form S-4	§ 239.25
	Form F-1	§ 239.31
	Form F-3	§ 239.33
	Form F-4	§ 239.34
	Form F-10	§ 239.40
Securities Exchange Act of 1934 ²	Rule 3a55-1	§ 240.3a55-1
	Rule 3b-6	§ 240.3b-6
	Rule 10b5-1	§ 240.10b5-1
	Rule 12b-2	§ 240.12b-2
	Rule 12b-25	§ 240.12b-25
	Rule 13a-10	§ 240.13a-10
	Rule 13a-13	§ 240.13a-13
	Rule 13a-14	§ 240.13a-14
	Rule 13a-16	§ 240.13a-16
	Rule 13d-1	§ 240.13d-1
	Rule 14a-5	§ 240.14a-5
	Rule 14a-8	§ 240.14a-8
	Schedule 14A	§ 240.14a-101
	Rule 15c2-11	§ 240.15c2-11
	Rule 15d-10	§ 240.15d-10
	Rule 15d-13	§ 240.15d-13
	Rule 15d-14	§ 240.15d-14
	Form 10	§ 249.210
	Form 6-K	§ 249.306

¹ 15 U.S.C. 77a *et seq.*² 15 U.S.C. 78a *et seq.*³ 15 U.S.C. 77aaa *et seq.*

Commission Reference	Name	17 CFR Citation
	Form 8-K	§ 249.308
	Form 10-S	§ 249.308b
	Form 10-K	§ 249.310
	Form 12b-25	§ 249.322
Regulation S-K (17 CFR 229.10 through 229.1610)	Item 10	§ 229.10
	Item 101	§ 229.101
	Item 103	§ 229.103
	Item 201	§ 229.201
	Item 302	§ 229.302
	Item 303	§ 229.303
	Item 308	§ 229.308
	Item 402	§ 229.402
	Item 407	§ 229.407
	Item 408	§ 229.408
	Item 601	§ 229.601
	Item 701	§ 229.701
	Item 1100	§ 229.1100
Regulation S-X (17 CFR 210.1-01 through 210.15-01)	Rule 3-01	§ 210.3-01
	Rule 3-12	§ 210.3-12
	Rule 8-03	§ 210.8-03
	Rule 8-08	§ 210.8-08
	Rule 10-01	§ 210.10-01
	Rule 11-02	§ 210.11-02
	Rule 15-01	§ 210.15-01
Regulation M-A (17 CFR 229.1000 through 229.1016)	Item 1010	§ 229.1010
Regulation S-T (17 CFR 232.10 through 232.501)	Rule 11	§ 232.11
	Rule 303	§ 232.303
	Rule 405	§ 232.405
	Rule 406	§ 232.406
Trust Indenture Act of 1939 ³	Rule 0-11	§ 260.0-11
OMB Control Numbers Assigned Pursuant to the Paperwork Reduction Act (17 CFR 200.800)	Rule 800	§ 200.800

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Statutory Authority

I. Introduction

We are proposing amendments to provide all companies subject to reporting obligations under Exchange Act Section 13(a) or 15(d) (“Exchange Act reporting companies”) ⁴ that file

⁴ For purposes of this release, with respect to the terms “Exchange Act reporting company” or “Exchange Act reporting companies” (or, where the context is clear, abbreviated terms “reporting company” and “reporting companies”): (A) unless otherwise noted, we use these terms interchangeably with the terms “registrant” or “registrants” in the context of registrants with a reporting obligation under Exchange Act Section 13(a) or 15(d) but, in the context of companies that are “in registration” (*i.e.*, have filed a registration statement that has not yet become effective), we use the term “registrant” to include these companies as well, and (B) we generally limit the use of these

quarterly reports the option of filing interim reports on a semiannual basis. Currently, Exchange Act reporting companies must file quarterly reports on Form 10-Q pursuant to 17 CFR 240.13a-13 ("Exchange Act Rule 13a-13") or 17 CFR 240.15d-13 ("Exchange Act Rule 15d-13"), with certain exceptions.⁵ Pursuant to these rules, Exchange Act reporting companies file with the Commission three quarterly reports on Form 10-Q each fiscal year, with the fourth fiscal quarter subsumed within the reporting company's annual report on Form 10-K. The proposed amendments to Exchange Act Rules 13a-13 and 15d-13, if adopted, would allow Exchange Act reporting companies electing to do so to file semiannual reports on new Form 10-S in lieu of quarterly reports on Form 10-Q. Our proposal would provide an Exchange Act reporting company with the flexibility to determine the frequency of interim reporting that best suits its particular circumstances, such as its ability to bear the costs of preparing the quarterly reports, the stage of its business development, and the expectations of its investors, without undermining fundamental investor protections. Providing such regulatory flexibility could reduce the regulatory burden of being a reporting company, which could potentially influence a company's decision to become or remain a reporting company and encourage more companies to go or remain public. These proposed amendments would not substantively affect investment companies except for business development companies and face-amount certificate companies.⁶

terms in this release to those companies that are subject to a requirement to file Form 10-Q quarterly reports, unless the context clearly indicates all Exchange Act reporting companies are referred to. See *infra* note 5 for discussion of Exchange Act reporting companies that are excluded from Form 10-Q reporting requirements.

⁵ Exchange Act Rules 13a-13 and 15d-13 exempt investment companies that are required to file reports pursuant to 17 CFR 270.30a-1 (which includes open-end management investment companies, closed-end management investment companies other than business development companies, and unit investment trusts), foreign private issuers, and asset-backed issuers (as defined in Item 1101 of Regulation AB) from the quarterly reporting obligations imposed by these rules.

⁶ See 17 CFR 240.13a-13(b)(3) and 17 CFR 270.30a-1 (together exempting registered investment companies that file Investment Company Act annual reports from the requirement to file a quarterly Form 10-Q). Business development companies currently file Form 10-Q quarterly reports and Form 10-K annual reports. See 17 CFR 240.13a-1 (requiring Exchange Act Section 12 registrants to file annual reports); 15 U.S.C. 80a-2(a)(48) (defining business development company); 15 U.S.C. 80a-53 (making the election to be subject to certain provisions of the Investment Company Act conditional on registration under

We are also proposing amendments to the financial statement requirements of 17 CFR part 210 ("Regulation S-X")—including to 17 CFR 210.3-01 ("Rule 3-01"), 17 CFR 210.3-12 ("Rule 3-12"), and 17 CFR 210.8-08 ("Rule 8-08")—to facilitate semiannual reporting and to simplify rules regarding the age of financial statements in registration statements and other Commission filings.

II. Background

Companies subject to Exchange Act Sections 13(a) and 15(d) must file periodic and other reports as prescribed in Commission rules. Exchange Act reporting companies have been required to file annual reports on Form 10-K since 1935⁷ as well as current reports on Form 8-K for certain material events since 1936.⁸ In 1946, the Commission required certain reporting companies to file quarterly reports on Form 8-K to disclose, among other things, the dollar amount of gross sales (less discounts, returns, and allowances) and operating revenue.⁹ In 1953, the Commission ended this quarterly reporting requirement,¹⁰ and, in 1955, it adopted

Exchange Act Section 12). Face-amount certificate companies are a type of registered investment company that is not required to file reports pursuant to 17 CFR 270.30a-1 and thus is required to file periodic reports pursuant to Exchange Act Section 13. See *Investment Company Reporting Modernization*, Investment Company Act Release No. 32314 (Oct. 13, 2016) [81 FR 81870 (Nov. 18, 2016)], at n.757.

⁷ *Rule Adopting Form 10-K*, Release No. 34-445 (Dec. 20, 1935) [not published in the **Federal Register**]. An annual report requirement for Section 12 registrants remains in place today pursuant to 17 CFR 240.13a-1. See also 17 CFR 240.15d-1 (annual report requirement for Securities Act registrants).

⁸ *Rule Adopting Form 8-K*, Release No. 34-925 (Nov. 11, 1936) [not published in the **Federal Register**].

⁹ See, e.g., *Current Reports to be Filed and Requirements of Quarterly Reports by Certain Companies*, 11 FR 3393 (Apr. 2, 1946) and *Current Reports and Instructions for Use Thereof*, 11 FR 3394 (Apr. 2, 1946) (together requiring quarterly reports pursuant to Item 11 of Form 8-K to be filed not more than 45 days after the close of a quarter by certain issuers, including those that file annual reports on Form 10-K, but exempting insurance companies, investment companies, common-carriers, and public utility companies). See also *Adoption of New and Revised Forms*, Release No. 34-4340 (Nov. 2, 1949), 1949 SEC LEXIS 71 (adopting new quarterly report form, Form 9-K, to replace Item 11 of Form 8-K but not making any substantial change in the quarterly reporting requirements).

¹⁰ See *Rescission of Form 9-K and Rules X-13A-13 and X-15D-13*, Release No. 34-4949 (Oct. 9, 1953), 1953 SEC LEXIS 30 (rescinding the quarterly reporting requirements and Form 9-K); *Notice of Proposed Adoption of Form 9-K and Rules X-13A-13 and X-15D-13*, Release No. 34-5129 (Jan. 27, 1955) [20 FR 771 (Feb. 4, 1955)] ("In October 1952, the Commission proposed revised rules calling for quarterly statements of profit and loss and earned surplus. These rules were not adopted and about a year later the requirement of quarterly reports of sales and revenues was discontinued.").

rules requiring semiannual interim reports pursuant to Rules X-13A-13 and X-15D-13.¹¹ These rules required one semiannual report to be filed each fiscal year by Exchange Act reporting companies on a new Form 9-K.¹² Semiannual reports on Form 9-K, which were due 45 days after the end of the reporting period, did not require the narrative disclosures mandated by Form 10-Q and provided only limited disclosures typically associated with an income statement.¹³

After 15 years of this semiannual reporting system, the Commission rescinded semiannual reports on Form 9-K in 1970 and instead required quarterly reporting pursuant to amended Rules 13a-13 and 15d-13.¹⁴ The rules required Exchange Act reporting companies to file three quarterly reports on Form 10-Q each fiscal year.¹⁵ When it proposed the quarterly report on Form 10-Q, the Commission explained that the new report would "provide detailed information as a back-up to information released pursuant to timely disclosure policies" and would provide "uniform standards" for all Exchange Act reporting companies.¹⁶ The Commission's move towards a quarterly reporting requirement was also consistent with the recommendation of the 1969 Wheat Report, which

¹¹ *Adoption of Form 9-K and Rules X-13A-13 and X-15D-13*, Release No. 33-3553 (June 23, 1955) [20 FR 4816 (July 7, 1955)].

¹² Certain issuers were excepted from these requirements. The rules provided exemptions from required semiannual reporting for: (1) banks and bank holding companies, (2) investment companies, (3) certain insurance companies, (4) certain public utilities and common carriers filing reports with certain Federal agencies, (5) certain single-crop agricultural commodity producers, (6) certain promotional or development stage companies, and (7) foreign issuers other than private issuers domiciled in a North American country or Cuba.

¹³ Specifically, semiannual Form 9-K required items including: (i) gross sales (less discounts, returns, and allowances), (ii) operating revenues, (iii) extraordinary items and special items, (iv) net income before tax, (v) provision for tax, (vi) net income, and (vii) earned surplus. Semiannual Form 9-K did not require a detailed balance sheet, statement of stockholders' equity, or statement of cash flows.

¹⁴ *Adoption of Form 10-Q. Rescission of Form 9-K and Amendment of Rules 13a-13 and 15d-13*, Release No. 34-9004 (Oct. 28, 1970) [35 FR 17537 (Nov. 14, 1970)].

¹⁵ Certain exemptions were provided for: (1) certain investment companies, (2) certain real estate companies, (3) certain foreign private issuers, (4) certain life insurance companies, (5) certain public utilities, common carriers, and pipeline carriers filing reports with certain Federal agencies, and (6) certain promotional or development stage companies.

¹⁶ *Proposal to Adopt Form 10-Q Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and to Rescind Forms 8-K and 9-K Under That Act*, Release No. 34-8683 (Sept. 15, 1969) [34 FR 14239, 14239 (Sept. 10, 1969)].

concluded “that a regular, quarterly report would be more useful than the present, irregular 8–K report.”¹⁷ Although the Commission has amended Form 10–Q and requirements in connection with quarterly reporting over time,¹⁸ the Commission has not changed this cadence of quarterly interim reporting since it was adopted in 1970.

Form 10–Q today requires more detailed information than the rescinded semiannual report on Form 9–K. Form 10–Q requires financial statements (inclusive of footnote disclosures) for the covered quarterly period that are prepared in accordance with United States (“U.S.”) generally accepted accounting principles (“U.S. GAAP”),¹⁹ have been reviewed by an independent public accountant (but are not required to be audited),²⁰ and are data tagged

¹⁷ *Disclosure to Investors—A Reappraisal of Federal Administrative Policies Under the ‘33 and ‘34 Acts (The Wheat Report)* 332 (1969). The Wheat Report was a product of a review of the periodic reporting system from 1967 to 1969 conducted by Commissioner Francis Wheat and staff members of the Commission.

¹⁸ See, e.g., *Audit Committee Disclosure*, Release No. 34–42266 (Dec. 22, 1999) [64 FR 73389 (Dec. 30, 1999)] (requiring interim financial statements included in Form 10–Q to be reviewed by an independent public accountant).

¹⁹ Foreign private issuers may voluntarily file on domestic forms, including Form 10–Q, and include financial statements for the covered quarterly period that are prepared in accordance with: (a) International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) without reconciliation to U.S. GAAP or (b) home-country GAAP with reconciliation to U.S. GAAP.

²⁰ The regulation at 17 CFR 210.10–01(d) (Rule 10–01(d) of Regulation S–X) requires that, prior to filing, interim financial statements included in quarterly reports on Form 10–Q “must be reviewed by an independent public accountant using applicable professional standards and procedures for conducting such reviews, as may be modified or supplemented by the Commission.” See also 17 CFR 210.8–03. Public Company Accounting Oversight Board (“PCAOB”) Auditing Standard 4105 sets forth the auditing standard that currently applies to an independent public accountant conducting a review of interim financial statements and explains that “the objective of a review of interim financial information pursuant to this section is to provide the accountant with a basis for communicating whether he or she is aware of any material modifications that should be made to the interim financial information for it to conform with generally accepted accounting principles.” See PCAOB Auditing Standard 4105, *Reviews of Interim Financial Information*, ¶. 07. That standard further explains that the objective of such review “differs significantly from that of an audit conducted in accordance with the standards of the PCAOB” because “[a] review of interim financial information does not provide a basis for expressing an opinion about whether the financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles” as an auditor would do when expressing an unqualified opinion in an audit of the financial statements. *Id.* See also PCAOB Auditing Standard 1000, *General Responsibilities of the Auditor in Conducting an Audit*, ¶. 18 (setting forth

using inline XBRL.²¹ It also requires narrative disclosures regarding:

- Management’s discussion and analysis of financial condition and results of operations (“MD&A”);²²
- Market risk;²³
- Effectiveness of disclosure controls and procedures and material changes in internal control over financial reporting;²⁴
- Legal proceedings;²⁵
- Material changes in risk factors;²⁶
- Unregistered equity security sales and use of proceeds;²⁷
- Defaults on senior securities;²⁸
- Material changes to the procedures by which security holders may recommend nominees to the registrant’s board of directors;²⁹
- Disclosure of director or officer adoptions or terminations of certain plans for the purchase or sale of registrant securities;³⁰
- Exhibits required under Item 601 of Regulation S–K;³¹ and
- Certifications by the principal executive and financial officers as exhibits.³²

Form 10–Q reports are filed electronically with the Commission through its EDGAR system. The deadline for filing Form 10–Q with the Commission is 40 or 45 days after the end of a fiscal quarter, depending on the filer status of the reporting company.³³

the standard for an auditor to express an unqualified opinion in an audit of the financial statements).

²¹ See Form 10–Q, Part I, Item 1; 17 CFR 210.10–01 (Regulation S–X Rule 10–01); 17 CFR 210.8–03 (Regulation S–X Rule 8–03); Form 10–Q, Part II, Item 6; 17 CFR 229.601(b)(101)(i)(A).

²² See Form 10–Q, Part I, Item 2; 17 CFR 229.303 (17 CFR part 229 (“Regulation S–K”) Item 303).

²³ See Form 10–Q, Part I, Item 3; 17 CFR 229.305 (Regulation S–K Item 305).

²⁴ See Form 10–Q, Part I, Item 4; 17 CFR 229.307 (Regulation S–K Item 307); 17 CFR 229.308(c) (Regulation S–K Item 308(c)).

²⁵ See Form 10–Q, Part II, Item 1; 17 CFR 229.103 (Regulation S–K Item 103).

²⁶ See Form 10–Q, Part II, Item 1A; 17 CFR 229.105 (Regulation S–K Item 105).

²⁷ See Form 10–Q, Part II, Item 2; 17 CFR 229.701 (Regulation S–K Item 701).

²⁸ See Form 10–Q, Part II, Item 3.

²⁹ See Form 10–Q, Part II, Item 5(b); 17 CFR 229.407(c)(3) (Regulation S–K Item 407(c)(3)).

³⁰ See Form 10–Q, Part II, Item 5(c); 17 CFR 229.408(a) (Regulation S–K Item 408(a)).

³¹ See Form 10–Q, Part II, Item 6; 17 CFR 229.601 (Regulation S–K Item 601).

³² See Sarbanes-Oxley Act of 2002, Public Law 107–204, 302, 116 Stat. 745, 777 (2002); 17 CFR 240.13a–14; 17 CFR 240.15d–14; 17 CFR 229.601(b)(31) (Regulation S–K Item 601(b)(31)) (exhibits regarding certifications that include those related to internal controls, untrue statements of material facts, and material omissions); Sarbanes-Oxley Act of 2002, Public Law 107–204, 906, 116 Stat. 745, 806 (2002), 17 CFR 229.601(b)(32) (Regulation S–K Item 601(b)(32)) (exhibits regarding certifications related to financial condition and results of operations).

³³ Large accelerated filers and accelerated filers, as defined in 17 CFR 240.12b–2 (“Exchange Act

Finally, securities exchange listing standards generally do not mandate a particular frequency of interim reporting. Instead, they refer generally to compliance with Commission rules requiring interim reports (with at least one exchange making specific reference to quarterly reports on Form 10–Q),³⁴ require availability of interim reports,³⁵ or require quick dissemination of quarterly earnings information to the market.³⁶

Certain companies that are not subject to Section 13(a) or Section 15(d) already report on a semiannual basis under the Commission’s rules,³⁷ and certain other

Rule 12b–2”), must file Form 10–Q within 40 days after the end of a fiscal quarter and all other Exchange Act reporting companies must file Form 10–Q within 45 days after the end of a fiscal quarter. See Form 10–Q, General Instruction A.

³⁴ See, e.g., Nasdaq Stock Market Rule 5250(c)(1) (providing that a company shall timely file all required periodic financial reports with the Commission through the EDGAR system); NYSE Listed Company Manual § 802.01ESEC (providing that, for purposes of remaining listed on the exchange, a company will incur a late filing delinquency and be subject to the procedures set forth in Section 802.01E on the date on which any of several events occurs, including where the company fails to file its annual report (Forms 10–K, 20–F, 40–F or N–CSR) or its quarterly report on Form 10–Q with the SEC by the date such report was required to be filed by the applicable form).

³⁵ See, e.g., Nasdaq Stock Market Rule 5250(d)(3)(A) (providing that each company that is not a limited partnership and is subject to Rule 13a–13 under the Exchange Act shall make available copies of quarterly reports including statements of operating results to shareholders either prior to or as soon as practicable following the company’s filing of its Form 10–Q with the Commission).

³⁶ See, e.g., NYSE Listed Company Manual § 202.05 (providing that a listed company is expected to release quickly to the public any news or information which might reasonably be expected to materially affect the market for its securities); NYSE Listed Company Manual § 203.02 (providing that any company with voting or non-voting common securities listed on the exchange that is required to file interim financial statements with the Commission is required to disseminate in a manner consistent with the exchange’s immediate release policy an interim earnings release as soon as its interim financial statements are available and citing Section 202.06 for the exchange’s immediate release policy); NYSE Listed Company Manual § 202.06 (providing that annual and quarterly earnings are examples of news items that should be handled on an immediate release basis).

³⁷ For example, issuers that sell up to \$75 million of securities within a 12-month period under the Regulation A exemption (“Tier 2 issuers”) are required to file a Form 1–SA semiannual report with the Commission within 90 days after the end of the first semiannual period of the issuer’s fiscal year and an annual report on Form 1–K within 120 days after fiscal year end. 17 CFR 230.257(b)(3). Semiannual reports on Form 1–SA require interim financial statements and MD&A disclosures. The financial statements are not required to be reviewed (which differs from the requirement that Form 10–Q financial statements be reviewed by an independent public accountant). In adopting the semiannual reporting requirement for Tier 2 issuers, the Commission found that a semiannual, rather than a quarterly, reporting requirement strikes an appropriate balance between the need to provide

companies are exempt from quarterly reporting but furnish semiannual information pursuant to other requirements such as exchange listing standards.³⁸ Several foreign jurisdictions also require semiannual reporting of financial information (but not quarterly reporting).³⁹

information to the market and the cost of compliance for smaller issuers. *Amendments for Small and Additional Issues Exemption under the Securities Act*, Release No. 33–9741 (Mar. 25, 2015) [80 FR 21806, 21847 (Apr. 20, 2015)]. Based on our analysis of Tier 2 issuer filings on Form 1–SA and amendments thereto on the Commission’s EDGAR system, we estimate that there were 470 unique filers of such forms in calendar year 2024 and 448 unique filers of such forms in calendar year 2025.

³⁸ Foreign private issuers, as defined in 17 CFR 230.405 (“Securities Act Rule 405”) and 17 CFR 240.3b–4(c), are effectively required by a combination of Commission and securities exchange rules to file with the Commission one semiannual report on Form 6–K (due no later than six months following second fiscal quarter end) for each fiscal year. See 17 CFR 240.13a–16 (requiring every foreign private issuer which is subject to 17 CFR 240.13a–1 to make reports on Form 6–K, with certain exceptions); 17 CFR 15d–16 (requiring every foreign private issuer which is subject to 17 CFR 240.15d–1 to make reports on Form 6–K, with certain exceptions); General Instruction B of Form 6–K (requiring foreign private issuers to furnish to the Commission whatever reports that: they make public pursuant to the law of their jurisdiction of domicile or organization; they file or are required to file with a stock exchange on which their securities are traded and that are made public by that exchange; or they distribute or are required to distribute to security holders); NYSE Listed Company Manual § 203.03 (requiring that an NYSE-listed foreign private issuer file with the Commission a Form 6–K that includes (i) an interim balance sheet as of the end of its second fiscal quarter and (ii) a semiannual income statement that covers its first two fiscal quarters); *Notice of Filing and Immediate Effectiveness of Proposed Rule Change Amending the NYSE Listed Company Manual to Adopt a Requirement that Listed Foreign Private Issuers Must, at a Minimum, Submit a Form 6–K to the Securities and Exchange Commission Containing Semi-Annual Unaudited Financial Information*, Release No. 34–77198 (Feb. 19, 2016) [81 FR 9563 (Feb. 25, 2016)]; Nasdaq Stock Market Rule 5250(c)(2) (providing for similar semiannual report requirements for foreign private issuers as in NYSE Listed Company Manual § 203.03); *Self-Regulatory Organizations; National Association of Securities Dealers, Inc.; Order Approving Proposed Rule Change and Amendments Nos. 1 and 2 Thereto to Require Semi-annual Financial Reporting by Foreign Private Issuers*, Release No. 34–52192 (Aug. 2, 2005) [70 FR 46241 (Aug. 9, 2005)].

³⁹ For example, the securities regulations in the European Union (“EU”), the United Kingdom (“UK”), Hong Kong, and Japan provide for such semiannual reporting. Both the EU and the UK transitioned from quarterly to semiannual reporting in the 2010s. See, e.g., *Directive 2013/50/EU Amending Directive 2004/109/EC on the Harmonisation of Transparency Requirements in Relation to Information About Issuers Whose Securities are Admitted to Trading on a Regulated Market* (Oct. 22, 2013), available at <https://eur-lex.europa.eu/eli/dir/2013/50/oj/eng>; *Removing the Transparency Directive’s Requirement to Publish Interim Management Statements*, Financial Conduct Authority (Nov. 2014), available at <https://www.fca.org.uk/publication/policy/ps14-15.pdf>. See also Section 13.46 to 13.50B of the Listing Rules and Guidance of the Hong Kong Exchange Main

Over the years, the Commission at times has reassessed the current periodic reporting system, its impact on Exchange Act reporting companies, and potential alternatives including semiannual reporting. Most recently, as part of the Commission’s disclosure effectiveness review, the Commission issued two releases that addressed and requested public comment on the frequency of interim reporting.⁴⁰ In July 2019, the Commission also held a roundtable that discussed issues including the frequency of periodic reporting.⁴¹ The Commission received significant public feedback as a result of these recent efforts, including from companies and their representative organizations, asset managers and institutional investors, investor groups and individual investors, accounting firms, law firms, and other market participants.⁴² Commenters expressed a wide variety of views about the frequency of interim reporting requirements,⁴³ with some supporting

Board, available at <https://en-rules.hkex.com.hk/rulebook/main-board-listing-rules> and Article 24–5 and the changes to the Japanese securities regulations in the Financial Instruments and Exchange Act (Act No. 25 of 1948), available at https://www.japaneselawtranslation.go.jp/en/laws/view/4633#je_ch2at48 (the revision from quarterly to semiannual reporting was enacted in 2024).

⁴⁰ *Business and Financial Disclosure Required by Regulation S–K*, Release No. 33–10064 (Apr. 13, 2016) [81 FR 23916 (Apr. 22, 2016)] (“2016 Regulation S–K Concept Release”); *Request for Comment on Earnings Releases and Quarterly Reports*, Release No. 33–10588 (Dec. 18, 2018) [83 FR 65601 (Dec. 21, 2018)] (“2018 Request for Comment on Quarterly Earnings and Reporting”).

⁴¹ *Roundtable on Short-Term/Long-Term Management of Public Companies, Our Periodic Reporting System and Regulatory Requirements*, U.S. Sec. & Exch. Comm’n (July 18, 2019) (“2019 Periodic Reporting Roundtable”), available at <https://www.sec.gov/newsroom/meetings-events/071819-roundtable-short-term-long-term-management-public-companies>.

⁴² Additionally, separate from public comments on these releases and the roundtable, the Commission received a petition for rulemaking in 2025 that requested the Commission provide public companies the option to file interim reports semiannually instead of quarterly and that the Commission: issue a notice of proposed rulemaking to amend Rule 13a–13, Rule 15d–13, and Form 10–Q; consider additional conforming amendments to related rules as necessary; and “take such other action as the Commission deems appropriate to address the harmful effects of mandatory quarterly reporting on long-term value creation.” See Long Term Stock Exchange, Inc., *Petition for Rulemaking to Amend Quarterly Reporting Requirements Under the Securities Exchange Act of 1934*, File No. 4–872 (Sept. 30, 2025), available at <https://www.sec.gov/files/rules/petitions/2025/petn4-872.pdf>.

⁴³ See comments on 2016 Regulation S–K Concept Release, available at <https://www.sec.gov/comments/s7-06-16/s70616.htm>; comments on 2018 Request for Comment on Quarterly Earnings and Reporting, available at <https://www.sec.gov/comments/s7-26-18/s72618.htm>. One commenter provided survey data from 183 listed public companies that indicated 75% of those companies supported a move to semiannual reporting. Letter

the current frequency but others recommending less-frequent interim reporting, such as semiannual reports, due to concerns about compliance costs and short-termism.⁴⁴ Finally, the concept of semiannual reporting was recently discussed at: a meeting of the Commission’s Investor Advisory Committee;⁴⁵ the Commission’s 45th Annual Small Business Forum (and the prior year’s forum);⁴⁶ and the Commission’s 2025 Small Cap Policy Roundtable.⁴⁷

III. Discussion of Proposed Amendments

Interim reports provide investors with material information about the financial performance of their companies during a fiscal year. Yet quarterly reporting may not be the ideal interim reporting frequency for every Exchange Act reporting company, given the varied circumstances each company faces. We are proposing rule and form amendments to provide all Exchange Act reporting companies with the

from Nasdaq, Inc. (Mar. 21, 2019) (“Nasdaq 2019”) (responses by 183 listed companies to the question “Do you believe that your company and/or your investors would benefit from moving to a semi-annual reporting model?” indicated: Yes: 75%; No: 25%). In this release, generally comment letters cited that are dated 2018 or 2019 are comments received in response to the 2018 Request for Comment on Quarterly Earnings and Reporting and comment letters cited that are dated 2016 are comments received in response to the 2016 Regulation S–K Concept Release; we generally do not provide individual hypertext links for each comment but the comment letters can be found at the links provided above. Comment letters in response to the 2019 Periodic Reporting Roundtable are found at the same link above as the comments in response to the 2018 Request for Comment on Quarterly Earnings and Reporting.

⁴⁴ Short-termism is an expression commonly used to refer generally to a focus on short-term results instead of long-term business strategies and short-term actions by a company that can have a negative long-term impact on the company; such actions can include: reducing capital expenditure (including investment in intangible assets and research and development); deferring needed maintenance; forgoing opportunities with long-term net present value; reducing advertising; delaying new hires; and earnings management. For examples of comments regarding short-termism, see generally comments on the 2018 Request for Comment on Quarterly Earnings and Reporting, *supra* note 43.

⁴⁵ U.S. Sec. & Exch. Comm’n, *Panel Discussion: Public Company Disclosure Reform*, in Meeting of the Inv. Advisory Comm., 2026 03 12 Investor Advisory Committee Part 01, YouTube (Mar. 12, 2026), available at <https://www.youtube.com/watch?v=y0ZrTZ-uUg0>.

⁴⁶ 45th Annual Small Business Forum, U.S. Sec. & Exch. Comm’n (Mar. 9, 2026), available at <https://www.sec.gov/files/transcript-45th-sb-forum.pdf>; 44th Annual Small Business Forum, U.S. Sec. & Exch. Comm’n (Apr. 10, 2025), available at <https://www.sec.gov/files/2025-SBF-508-Transcript.pdf>.

⁴⁷ Small Cap Policy Roundtable: Reassessing the Framework for Small Public Companies, U.S. Sec. & Exch. Comm’n (July 22, 2025), available at <https://www.sec.gov/files/small-cap-policy-roundtable-transcript.pdf>.

option of filing semiannual reports on new Form 10–S in lieu of quarterly reports on Form 10–Q. The flexibility provided under our proposed amendments would enable all Exchange Act reporting companies to choose the reporting frequency that would best serve the company and its investors. Companies that elect semiannual interim reporting may see a reduction in compliance costs of time and money, as they would incur these interim reporting costs only one time in connection with each fiscal year instead of three times in connection with each fiscal year pursuant to quarterly reporting.⁴⁸ These companies could then choose to dedicate any compliance cost and resource savings to their business growth. Other potential benefits of semiannual reporting include: less distraction from running the day-to-day business; reallocation of attention from interim reporting to company strategy; additional time spent on new product development; and ability to engage in transactions that might not be possible when management is focused on preparing interim reports.⁴⁹ To the extent that companies could not previously do so due to quarterly reporting, companies electing semiannual reporting may employ business strategies that may help ensure these companies' long-term viability. In particular, emerging growth companies⁵⁰ and smaller reporting companies⁵¹ may value having the

flexibility to select the interim reporting requirement that is most appropriate for them and their investors.⁵² Additionally, reducing the compliance costs associated with quarterly reporting may contribute to more private companies deciding to enter the public markets and more companies deciding to remain public. Further, the flexibility provided in the proposal may appeal to companies in certain industries where investors may focus more on certain business, product, or regulatory developments than interim financial results.⁵³

Under the proposal, companies would have the option to elect on an annual basis to comply with the semiannual reporting requirements. Exchange Act reporting companies could continue to file quarterly reports on Form 10–Q under the proposal. Companies might continue to report quarterly, for example, where they determine that quarterly frequency is best for the company and its investors or due to factors such as expectations of investors and securities analysts, disclosure practices in a particular industry, contractual obligations, or other regulatory requirements.⁵⁴ It is also possible some companies may view

or a majority-owned subsidiary of a parent that is not a smaller reporting company and that: (1) had a public float of less than \$250 million; or (2) had annual revenues of less than \$100 million and either: (i) no public float; or (ii) a public float of less than \$700 million.

⁵² Letter from Society for Corporate Governance (Apr. 19, 2019) (survey of 130 public companies who responded to the question "Regardless of any other proposed changes to the reporting scheme, do you think that emerging growth companies or smaller reporting companies should be permitted to elect a semi-annual reporting frequency?" indicated the following results: Yes: 45%; No: 22%; Unsure: 34%).

⁵³ For example, a pre-revenue biotechnology company could find semiannual reporting best serves the company and its investors where investors' primary focus is on progress in product development and applicable regulatory approvals and where investors find semiannual reports to be sufficient. See, e.g., Remarks of Charles Baltic, Member, Advisory Comm. on Small & Emerging Cos., in Meeting of the Advisory Comm. on Small and Emerging Cos., U.S. Sec. & Exch. Comm'n 64–65 (Sept. 23, 2015), available at <https://www.sec.gov/info/smallbus/acsec/acsec-transcript-092315.pdf> (remarking that emerging-growth, small capitalization biotechnology companies do not trade on their financial quarterly reporting but trade on their fundamental clinical development events and regulatory events, that these events follow their own non-quarterly cycle and are captured in Form 8–K filings, and that most capital-intensive companies (in technology generally as well as biotechnology) trade most significantly on basic business developments such as new products as opposed to incremental revenues or earnings on a quarterly basis). See also *infra* note 141 and accompanying text.

⁵⁴ For additional discussion of factors that may provide incentives for companies to elect to continue to file quarterly reports, see the economic analysis in this release, *infra* Section V.D.

semiannual reporting as increasing the length of time that the company's directors or employees possess non-public information that may be subject to the company's closed trading windows and see quarterly reporting as a better approach for the company, because it may provide more frequent open trading windows for the company's directors and employees.

Although one result of the proposal will be a reduction in the frequency of interim reports for some Exchange Act reporting companies, we expect certain material information about these companies between interim semiannual reports and annual reports will continue to be disclosed either voluntarily or as a result of other requirements. Significant regulatory enhancements have occurred since 1970 with regard to disclosure of certain material events during interim periods. Investors currently have access to information through the current reporting system on Form 8–K regarding certain material events that is far more robust and timely than in 1970 when semiannual reports on Form 9–K were last required. Since that time, the Commission significantly accelerated that era's Form 8–K filing deadline of 10 days after the end of the month in which the applicable event occurred to the current general deadline of within four business days of the event.⁵⁵

In addition to shortening the filing deadlines, the Commission over time significantly expanded the list of events that would trigger a filing obligation under Form 8–K and prescribed standardized disclosures that must be provided upon the occurrence of the material event, including through amendments in 2003 and 2004.⁵⁶ In fact, several of the Form 10–Q disclosure requirements largely duplicate the Form 8–K requirements.⁵⁷ Importantly, in 2003, the Commission added Item 2.02 as a Form 8–K filing trigger event for the furnishing of earnings releases and other material information about companies'

⁵⁵ Release No. 34–13156 (Jan. 13, 1977) [43 FR 4424 (Jan. 25, 1977)] (adopting the general Form 8–K filing deadline of 15 calendar days after the event); *Additional Form 8–K Disclosure Requirements and Acceleration of Filing Date*, Exchange Act Release No. 49424 (Mar. 16, 2004) [69 FR 15594 (Mar. 30, 2004)] ("2004 Amended Form 8–K Adopting Release") (adopting the general Form 8–K filing deadline of four business days after the event).

⁵⁶ See *Conditions for Use of Non-GAAP Financial Measures*, Release No. 34–47226 (Jan. 22, 2003) [68 FR 4820 (Jan. 30, 2003)] ("2003 Amended Form 8–K Adopting Release"); 2004 Amended Form 8–K Adopting Release.

⁵⁷ For example, both Form 8–K and Form 10–Q require disclosures of recent sales of unregistered securities, mine safety, and defaults on debt securities.

⁴⁸ See *infra* economic analysis discussion in Section V.E.

⁴⁹ The economic analysis discussion in Section V.E further discusses opportunity costs. See *infra* note 229 and accompanying text.

⁵⁰ In 2012, the Jumpstart Our Business Startups Act (Pub. L. 112–106, 126 Stat. 306 (2012)) amended the Securities Act and Exchange Act to add provisions regarding and to define an "emerging growth company." Commission rules also define an "emerging growth company." Pursuant to Securities Act Rule 405 and Exchange Act Rule 12b–2, the term "emerging growth company" means an issuer that had total annual gross revenues of less than \$1.235 billion during its most recently completed fiscal year. Pursuant to these rules, if an issuer qualifies as an "emerging growth company" on the first day of its fiscal year, it maintains that status until the earliest of: (i) the last day of the fiscal year of the issuer during which it had total annual gross revenues of \$1.235 billion or more; (ii) the last day of its fiscal year following the fifth anniversary of the first sale of its common equity securities pursuant to an effective registration statement under the Securities Act; (iii) the date on which the issuer has, during the previous three-year period, issued more than \$1 billion in nonconvertible debt; or (iv) the date on which the issuer is deemed to be a "large accelerated filer" (as defined in Exchange Act Rule 12b–2).

⁵¹ For the definition of smaller reporting company, see 17 CFR 229.10(f)(1); 17 CFR 230.405; and 17 CFR 240.12b–2. Under these rules, "smaller reporting company" is defined as an issuer that is not an investment company, an asset-backed issuer,

results of operations and financial condition for a completed interim period.⁵⁸ Current Item 2.02 requires reporting companies generally to furnish their quarterly earnings releases as an exhibit to Form 8-K on the Commission's EDGAR system.⁵⁹ Many Exchange Act reporting companies hold a conference call in connection with their earnings releases. Item 2.02 provides the conference call does not need to be furnished with Form 8-K subject to certain conditions, including that the call occur within 48 hours of the earnings release, the call be accessible to the public, and the call and dial-in information be announced in advance to the public.⁶⁰ In practice, many public companies make recordings of the call freely available on their website. Recordings of the calls are also commonly freely available on third-party platforms.

We believe that the requirements of Form 8-K elicit important disclosures about material events on a more timely basis than quarterly reports on Form 10-Q. We acknowledge, however, that quarterly earnings releases furnished with an Item 2.02 Form 8-K differ from Form 10-Q financial information because they are not required to be reviewed by an independent public accountant or to comply with the Commission's interim financial statement requirements or certain other requirements in Form 10-Q.⁶¹ We also acknowledge that, if a company elects to take advantage of semiannual reporting and stops reporting quarterly earnings or having quarterly earnings release

conference calls, then the disclosures elicited by Item 2.02 of Form 8-K would not be available. We expect that a company's individual characteristics, facts, and circumstances will determine whether it would make quarterly earnings releases or announcements after electing to report semiannually.⁶²

Regulation FD, adopted in 2000, was another significant development in the evolution of disclosure requirements for Exchange Act reporting companies. Regulation FD requires that any material non-public information selectively shared with certain enumerated persons be promptly (in the case of unintentional disclosure) or simultaneously (in the case of intentional disclosure) disclosed to the market by either furnishing or filing a Form 8-K report or disseminating the information through another method that is reasonably designed to provide broad, non-exclusionary distribution.⁶³ In connection with Regulation FD, Exchange Act reporting companies may disclose material information during a fiscal year through Item 7.01 of Form 8-K.⁶⁴ Regulation FD seeks to promote full

and fair disclosure and may cause a company to disclose material information—whether on Form 8-K or through other means—at various points during a fiscal year, depending on the company and its circumstances (such as whether the company seeks to communicate previously material non-public information to analysts or other persons covered by Regulation FD). Such disclosure results in greater investor access to material information disclosed outside quarterly reports on Form 10-Q. Regulation FD and current Form 8-K disclosure requirements were either not present or less robust when the Commission last required the limited form of semiannual reporting during the period from 1955 to 1970.

Although we are proposing to amend our rules regarding frequency of interim reporting, our proposal does not include any general changes to the current regulatory requirements governing: (1) earnings releases, other than proposed technical amendments to Item 2.02 of Form 8-K to include references to semiannual periods, or (2) earnings guidance practices. Federal securities laws do not impose general duties upon Exchange Act reporting companies to announce or publish earnings, conduct earnings calls, or issue earnings guidance.⁶⁵ We received public feedback on earnings releases and earnings guidance practice in connection with the Commission's 2016 Regulation S-K Concept Release and 2018 Request for Comment on Quarterly Earnings and Reporting, with commenters expressing a variety of views on these practices and on a wide range of related topics. Our proposal is focused on the more specific issue of the frequency of interim reporting as mandated by the Federal securities laws, with the goal of providing more flexibility with respect to this mandated disclosure. Although the proposal is not intended to change the regulatory framework for voluntary practices regarding earnings releases and guidance, we welcome comments on the impact of our proposal on these voluntary practices.

We believe our proposal represents a balanced approach of maintaining a reporting system that elicits material, timely, and regular disclosures in a manner that best suits the needs of both the company and its investors,

⁶⁵ Certain regulatory requirements that apply to Form 10-Q, however, do not apply to earnings releases. See *supra* note 61 and accompanying text. When earnings information is selectively disclosed to certain covered persons, however, Regulation FD requires disclosure in a Form 8-K filing or another method that is reasonably designed to provide broad, non-exclusionary distribution.

⁶² While specific registrants may base decisions on their specific circumstances, the experience in foreign jurisdictions may be broadly illustrative. A 2017 CFA Research Institute study said, "When quarterly reporting was no longer required of UK companies in 2014, less than 10% stopped issuing quarterly reports (as of the end of 2015)." Robert Pozen, Suresh Nallareddy & Shivaram Rajgopal, *The Impact on Reporting Frequency on UK Public Companies* (Mar. 2017) ("2017 CFA Study of UK"), available at <https://rpc.cfainstitute.org/sites/default/files/-/media/documents/article/rf-brief/rfbr-v3-n1-1-pdf.pdf>. Our interpretation of the 2017 CFA Study of UK is that where the study refers to "issuing quarterly reports," the study is referring to voluntary earnings releases, because companies no longer file quarterly reports with the UK Financial Conduct Authority. See 2018 Request for Comment on Quarterly Earnings and Reporting, at 65602–65603 (discussing required UK semiannual reporting and the elimination of quarterly reporting). For additional discussion of semiannual filers that may voluntarily release quarterly earnings if the proposal is adopted, see the economic analysis in this release, *infra* Section V.D.

⁶³ 17 CFR 243.100(b)(1); 17 CFR 243.101(e). Regulation FD restricts selective disclosure of material, non-public information to persons including: broker-dealers; investment advisers; investment companies; and securityholders if it is reasonably foreseeable they will trade on the information. If a company or person covered by the rule intentionally discloses material nonpublic information to a covered recipient, then the company must make simultaneous public disclosure and, if the disclosure to a covered recipient is unintentional, then public disclosure must be prompt. See also *Selective Disclosure and Insider Trading*, Release No. 34–43154 (Aug. 15, 2000) [65 FR 51715 (Aug. 24, 2000)].

⁶⁴ A study in 2021 that took a sample of 2,108 public companies found that a public company, on average, files six to eight Form 8-K reports per year, and, among those filings, files one Item 7.01 (Regulation FD disclosure) Form 8-K filing per year. Azi Ben-Rephael et al., *Who Pays Attention to SEC Form 8-K?*, at 14 (Aug. 20, 2021), available at <https://academicweb.nd.edu/~zda/8k.pdf>.

⁵⁸ 2003 Amended Form 8-K Adopting Release.

⁵⁹ The term "earnings release" as used in this release means a public announcement or release by a company, or person acting on its behalf, of material non-public information regarding a company's results of operations or financial condition for a completed fiscal year or interim period. The requirements of Item 2.02 of Form 8-K are triggered by the disclosure of this information, with the earnings releases furnished under the cover of Form 8-K. Forward-looking information provided by a company to its investors on a quarterly basis in a method other than Form 8-K or Form 10-Q is referred to as "forward-looking earnings guidance" or "earnings guidance." The non-GAAP financial measure rules in 17 CFR 244.100 through 17 CFR 244.102 ("Regulation G") and 17 CFR 229.10, along with the antifraud provisions of the Federal securities laws (such as Exchange Act Section 10(b) and 17 CFR 240.10b-5 (Exchange Act Rule 10b-5)), apply to earnings releases and earnings guidance.

⁶⁰ Form 8-K, Item 2.02(b).

⁶¹ In addition, the information furnished under Item 2.02 of Form 8-K is not required to be prepared in accordance with GAAP (although it is subject to requirements concerning non-GAAP financial measures in Regulation G and 17 CFR 229.10(e)(ii)), is not required to be data tagged, and is not required to include disclosures or certifications related to disclosure controls and procedures or internal control over financial reporting.

promoting efficiency by reducing compliance costs, and maintaining robust investor protections. The proposal is one step in a broader Commission effort to encourage more companies to go and remain public by reducing the costs and burdens associated with Exchange Act reporting. A robust public capital market—with more emerging companies and small businesses choosing to become public companies through initial public offerings or other paths—benefits companies and investors alike. Becoming a public company provides companies with access to the public markets that allows them to raise capital to grow their businesses, a broader set of potential investors who may purchase their securities in the secondary trading market, and the benefits of transparent valuations by public markets and of a market following. For investors, public companies represent opportunities to participate in the future growth of promising companies. Initial public offerings represent liquidity opportunities for early-stage investors. Investors in public companies are protected by mandated disclosures and by liability provisions of the Federal securities laws that apply to public companies' disclosures, such as Securities Act Section 11 and Exchange Act Section 18.⁶⁶

We are also proposing amendments to Regulation S-X. Our proposed amendments would incorporate provisions applicable to registrants that elect semiannual reporting frequency into the financial statement requirements for periodic reports. We are also proposing changes to the age of financial statement requirements in Regulation S-X to ensure that financial statements in registration statements filed by semiannual filers would not be considered "stale" under existing rules, which were built along a quarterly

reporting framework, and to revise those age requirements for semiannual filers to fit with their reporting schedule. The proposed changes to the age of financial statement rules would also simplify existing rules, including by consolidating the age requirements into a single rule.

Finally, we recognize that, if the proposal is adopted, in order to comport with semiannual reporting by public companies, it is possible that changes may be necessary or appropriate to the rules of securities exchanges⁶⁷ or to various accounting or auditing standards.⁶⁸ If the proposal is adopted, to facilitate any such changes, we expect the Commission staff would coordinate with accounting and auditing standard-setters, securities exchanges, and other market participants. To help inform those efforts, we are soliciting comment in this release on what changes to accounting or auditing standards or rules of securities exchanges should be made to comport with semiannual reporting.⁶⁹

Our proposal is discussed in greater detail below. We welcome interested parties to submit comments on any aspects of the proposed rule and form

amendments. When commenting, please include the reasoning in support of your position or recommendation and provide any supporting documentation or data.

A. Proposed Amendments for Semiannual Reporting

We are proposing amendments to Exchange Act Rules 13a-13 and 15d-13 (and other relevant rules and forms that we discuss below) to change the current quarterly reporting requirements for Exchange Act reporting companies to a more flexible system that permits Exchange Act reporting companies to elect to file semiannual reports instead of quarterly reports.⁷⁰ Under the proposal, an Exchange Act reporting company that elects semiannual reporting would be required to file one semiannual report and one annual report for each fiscal year. Semiannual filers would file their interim report on new Form 10-S. This form would require the same narrative disclosures and financial information as existing Form 10-Q but would cover a six-month period (rather than a fiscal quarter). The deadline for filing Form 10-S would be 40 or 45 days (depending on the company's filer status) after the fiscal year's first semiannual period end—the same as with current Form 10-Q's fiscal quarter end deadline, which would not change—while the second semiannual period would be subsumed in the annual period presented in the annual report on Form 10-K.⁷¹ Reporting companies that do not elect to report on a semiannual basis—thereby effectively opting to report on a quarterly basis under the default rules that would apply—would continue to be required to file three quarterly reports on Form 10-Q and one annual report on Form 10-K for each fiscal year as under the current system for reporting companies. We are proposing to add a check box to the cover page of Form 10-K as the sole means by which a reporting company would indicate annually whether it is selecting a semiannual interim reporting frequency (by checking the semiannual box) or quarterly reporting (by not checking the semiannual box) and by which the reporting company would disclose the selected frequency to investors and other market participants.

⁶⁶ Securities Act Section 11 provides for liability for an untrue statement of a material fact in a Securities Act registration statement and for an omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading. Many public companies commonly make registered offerings of securities and thus are subject to potential Section 11 liability. Exchange Act Section 18 provides for liability for a false or misleading statement with respect to a material fact in an Exchange Act report. Interim reports on Form 10-Q are not subject to Section 18 liability with respect to Items 1, 2, and 3 of Part I of Form 10-Q (respectively relating to financial statements, management's discussion and analysis of financial condition and results of operations, and quantitative and qualitative disclosures about market risk). See Form 10-Q, General Instruction F.1. Proposed semiannual reporting Form 10-S would similarly provide that Items 1, 2, and 3 of Part I of the form are not subject to Section 18 liability. See proposed Form 10-S, General Instruction F.1.

⁶⁷ See, e.g., letter from NYSE Group, Inc. (Mar. 21, 2019) ("If the Commission elected to make reporting requirements less frequent, giving public issuers the option to report two or three times a year, the NYSE Exchanges believe we could comply with our regulatory duties by adapting our rules and practices accordingly.").

⁶⁸ See *supra* note 20 and *infra* notes 92, 93, 188, 191, 214 and accompanying text for discussion of certain auditing standards relevant to quarterly and proposed optional semiannual reporting.

⁶⁹ We are also aware that the regulations of some Federal agencies contain references to quarterly reports filed with the Commission. These agencies may wish to consider whether they should revise their law to reflect semiannual reporting if the proposal is adopted. See, e.g., 12 CFR 16.6 (providing the Comptroller of the Currency will deem offers or sales of national bank or Federal savings association issued nonconvertible debt to be in compliance with certain regulations if a number of requirements are met, including that each purchaser receives an offering document that contains, among other things, the national bank's, Federal savings association's, or the holding company's (where the national bank or Federal savings association is a subsidiary of a holding company with securities registered under the Exchange Act) Forms 10-K, 10-Q, and 8-K filed under the Exchange Act); 13 CFR 315.7 (requiring companies petitioning the Economic Development Administration, which is part of the U.S. Department of Commerce, for eligibility for trade adjustment assistance to provide information, including the most recent Form 10-K annual reports (or Form 10-Q quarterly reports, as appropriate) filed with the Commission for the entire period covered by the petition); 10 CFR 50.71 (creating an exemption for companies licensed by the U.S. Nuclear Regulatory Commission from providing an annual financial report if they submit a Form 10-Q filed with the Commission). See also Section VI.C (discussing Federal agency regulations and discussing State law that refers to quarterly filings with the Commission).

⁷⁰ Proposed Rule 13a-13(b) and Rule 15d-13(b).

⁷¹ We are not proposing to require that semiannual filers present separately the second semiannual period interim financial information in Form 10-K but request comment on whether we should require semiannual filers to break out the second semiannual period in their annual reports on Form 10-K and similarly require quarterly filers to break out their fourth fiscal quarter in their annual report on Form 10-K.

We are also proposing amendments to add a similar check box concerning the semiannual reporting election to the cover page of Securities Act registration statements on Forms S-1, S-3, S-4, and S-11 and Exchange Act registration statements on Form 10. Companies that have yet to file Exchange Act reports, such as private companies conducting initial public offerings, would make initial elections to use semiannual reporting by checking the box on the cover page of the registration statement filed.⁷² This election would determine what financial statements are required in the registration statement⁷³ and indicate the company's planned interim reporting frequency to investors and other market participants.⁷⁴ Similar to current requirements for the first quarterly report for companies that have newly become Exchange Act reporting companies,⁷⁵ the first semiannual report on Form 10-S would be due the later of 45 days after the effective date of the registration statement or the date that Form 10-S would otherwise have been due had the company been an Exchange Act reporting company.⁷⁶

In connection with our proposed optional semiannual reporting approach, we are proposing to add two new definitions—"quarterly filer" and "semiannual filer"—to 17 CFR 240.12b-2 (and to add two identical definitions to 17 CFR 230.405) to facilitate a

number of amendments we are proposing, including a number of technical amendments to insert references to semiannual reporting in rules that currently refer to quarterly-reporting-related concepts. A "quarterly filer" would be defined as a registrant that is required to file quarterly reports on Form 10-Q, pursuant to 17 CFR 240.13a-13(a). A "semiannual filer" would be defined as a registrant that is required to file semiannual reports on Form 10-S, pursuant to 17 CFR 240.13a-13(b).

Under our proposed optional semiannual reporting approach, we are proposing to permit a change in interim reporting frequency—either from quarterly to semiannually or vice versa—to be indicated on a Form 10-K by checking the box on the cover page to file semiannually or leaving the box unchecked to file quarterly. As proposed, the determination to report semiannually or quarterly would therefore be made on an annual basis and may not be changed until the next Form 10-K annual report is filed.⁷⁷ Companies would then be required to file interim reports based on the chosen frequency, beginning with the report for the first interim period (semiannual or quarterly) of the fiscal year in which the Form 10-K with the election was filed.⁷⁸

- For example, an Exchange Act reporting company reporting quarterly with a December 31 fiscal year-end wants to file semiannual reports on Form 10-S for the next fiscal year. The company would file its Form 10-K for fiscal year 2026 in March 2027. Under the proposal, the company would have to make its election to switch to semiannual reporting for fiscal year 2027 by checking the box for semiannual reporting on the cover page of its Form 10-K for fiscal year 2026. With this election made in fiscal year 2027 (*i.e.*, when the Form 10-K for fiscal year 2026 was filed), the company would be required to report semiannually and would begin

semiannual reporting by filing in August 2027 its Form 10-S for the first six-month period (ended June 30, 2027) of fiscal year 2027.⁷⁹

- Similarly, for example, an Exchange Act reporting company with a December 31 fiscal year-end that previously chose to file semiannual reports on Form 10-S as indicated in its Form 10-K for the fiscal year ended December 31, 2026 wishes to switch to quarterly reporting. The company will file its Form 10-K for fiscal year 2027 in March 2028. The reporting company would change its interim reporting frequency by leaving the box unchecked for semiannual reporting on the cover page of its Form 10-K for fiscal year 2027. With this election made in fiscal year 2028 (*i.e.*, when the Form 10-K for 2027 was filed), the company would be required to report quarterly and would begin quarterly reporting by filing in May 2028 its Form 10-Q for the first quarter (ended March 31, 2028) of fiscal year 2028. In its Form 10-Q for the first quarter of fiscal year 2028, the company would be required to present statements of comprehensive income, cash flows, and changes in stockholders' equity for the first quarter of the preceding fiscal year (2027).⁸⁰ These first quarter 2027 financial statements would have been subsumed within (but would not have been required to be separately presented in) the semiannual financial statements included in the previously filed Form 10-S covering January to June 2027. Therefore, in changing the election by leaving the box unchecked (thereby choosing to file quarterly reports on Form 10-Q for fiscal year 2028), the reporting company may need to take additional steps to prepare the financial statements for the comparable 2027 quarterly periods, including ensuring that an independent public accountant

⁷² While the check box on the registration statement forms would be the method by which private companies in registration indicate their planned reporting frequency, there may be other situations where registration statement forms that would contain the new check box are filed by a reporting company. In those other situations, the reporting company would check or leave unchecked the box consistent with the reporting company's prior election on its most recent Form 10-K or, in the case of a newly public reporting company that has not yet filed a Form 10-K, on its registration statement form where it made its election in connection with becoming a public company. A reporting company filing a registration statement form would not be able to respond differently to this check box than it has indicated in such most recent Form 10-K or, for a newly public company, such registration statement, because, as we discuss below, mid-fiscal-year changes in reporting frequency would not be permitted.

⁷³ An election to use semiannual reporting made in an initial registration statement would not preclude a registrant from providing financial statements more current than otherwise required.

⁷⁴ A company that is not a reporting company and that is in registration in connection with an initial registration statement may change its check box answer with respect to semiannual reporting until the initial registration statement becomes effective. Once the initial registration statement becomes effective, the company becomes a reporting company and, as with existing reporting companies, can change its interim reporting frequency in accordance with the proposed amendments to Rules 13a-13 and 15d-13.

⁷⁵ 17 CFR 240.13a-13(a); 17 CFR 240.15d-13(a).

⁷⁶ Proposed Rules 13a-13(b)(1) and 15d-13(b)(1).

⁷⁷ Companies that leave an unmarked box on Form 10-K would be deemed to have opted for quarterly reporting and therefore be required to file quarterly reports on Form 10-Q for the next fiscal year (*i.e.*, the fiscal year for which the election is being made which, for the avoidance of doubt, is the fiscal year that follows the fiscal year covered by that Form 10-K). This means that semiannual filers that wish to continue to file on a semiannual basis in future fiscal years must make the election again each year on their Form 10-K. Otherwise, if these companies do not make the election on Form 10-K, they would be required to resume filing quarterly reports beginning with the first quarter of the fiscal year in which the Form 10-K with the election is filed.

⁷⁸ Proposed Rules 13a-13(b)(2) and (3); proposed Rules 15d-13(b)(2) and (3).

⁷⁹ In this example, in its Form 10-S for fiscal year 2027, the reporting company would be required to present statements of comprehensive income, cash flows, and changes in stockholders' equity for the first six months of the preceding fiscal year (2026)—in addition to these statements for the first six months of 2027. The company would have previously filed a first quarter Form 10-Q covering January to March 2026 and a second quarter Form 10-Q covering April to June 2026. In the second quarter 2026 Form 10-Q, the company would have been required to file year-to-date (*i.e.*, January to June 2026) statements of comprehensive income, cash flows, and changes in stockholders' equity. Therefore, a reporting company would not need to take extra steps to prepare those preceding year financial statements (covering January to June 2026) when changing its reporting frequency from quarterly reporting to semiannual reporting (in contrast to the situation discussed below where a company changes from semiannual reporting to quarterly reporting, where extra steps may be required).

⁸⁰ Proposed Rules 8-03(a)(2), 8-03(a)(5), 10-01(a)(7), and 10-01(c) of Regulation S-X.

has reviewed the comparable quarterly periods for fiscal year 2027.⁸¹

Once an Exchange Act reporting company has elected its interim reporting frequency, it would be committed to that reporting frequency for the remainder of that fiscal year. This proposed approach would avoid potential investor confusion that could result if Exchange Act reporting companies were permitted to switch interim reporting frequency in the midst of a fiscal year, such as confusion over when the companies would file interim reports.

We recognize the possibility that a company may mistakenly leave the check box unmarked or incorrectly mark the check box (for example, a company mistakenly checking the box for semiannual reporting when it intended to be a quarterly filer or a company mistakenly leaving the check box unmarked when it intended to be a semiannual filer). We therefore propose to amend Rule 13a–13(b) and Rule 15d–13(b) to permit companies to amend their Form 10–K to correct any such inadvertent mistakes. Such corrective amendments would be required to be filed as soon as practicable after discovery of the mistake but no later than the due date by which the company's first Form 10–Q report would be required to be filed for the fiscal year in which the initial Form 10–K with the erroneous election was filed.⁸² For example, a quarterly filer

with a December 31 fiscal year-end wants to continue filing quarterly reports on Form 10–Q. The company filed its Form 10–K for fiscal year 2026 in March 2027. It mistakenly marked the check box on the cover page of its Form 10–K for fiscal year 2026, thereby electing to switch to semiannual reporting for fiscal year 2027. The company would be able to correct this error by amending its Form 10–K no later than the due date for its Form 10–Q for the first quarter of fiscal year 2027.⁸³

Proposed Form 10–S would require the same information as currently required by Form 10–Q but for the covered six-month period instead of a quarter.⁸⁴ Required disclosures would include, among other things, MD&A, legal proceedings, material changes in risk factors, unregistered equity security sales and use of proceeds, defaults on senior securities, director nomination procedures, disclosure of director or officer adoptions or terminations of certain plans for the purchase or sale of registrant securities, and exhibits required under Item 601 of Regulation S–K. The financial statements for the covered semiannual period would be required to be prepared in accordance with U.S. GAAP⁸⁵ and reviewed by an auditor (but not required to be audited).⁸⁶ They would also be required to be data tagged using Inline XBRL. The current disclosure and certifications requirements for disclosure controls and procedures, as well as for internal control over financial reporting, would

apply to proposed Form 10–S.⁸⁷ Non-GAAP financial measures presented in proposed Form 10–S would be subject to the current requirements of Regulation G and Item 10(e) of Regulation S–K.

Request for Comment

1. The proposed amendments would allow Exchange Act reporting companies to elect to file interim reports on a semiannual basis in lieu of quarterly reports on Form 10–Q. Should companies have this option, or should all companies continue to be required to file Form 10–Q? What types of companies are likely to elect the option to file semiannual reports? Are companies in certain industries more likely than those in other industries to elect to file semiannual reports?

2. We are proposing amendments that would permit, but not require, all Exchange Act reporting companies that file Form 10–Q today to file semiannual reports. Should we instead require all companies to file semiannual reports? What would be the benefits and costs of such a mandatory approach? Would mandatory semiannual reporting, with the option to file quarterly reports, lead to more companies electing to forgo quarterly reporting?

3. Our proposal would permit semiannual reports for all Exchange Act reporting companies that file Form 10–Q today, regardless of filer status, revenues, market capitalization, or other criteria. Should the option for semiannual reporting be available only for Exchange Act reporting companies that satisfy certain criteria? If so, what criteria should be imposed and why? For example, should only emerging growth companies or smaller reporting companies be allowed to report semiannually?⁸⁸ Should only companies below alternative quantitative or monetary thresholds be allowed to report semiannually? Should the Commission consider a pilot program to permit optional semiannual reporting for a subset of reporting companies and, if so, what would be the benefits of such a pilot program? What types of companies should be included in the pilot program?

4. Under the proposal, reporting companies currently required to file Form 10–Q would have the option

⁸¹ Registrants must provide MD&A disclosure pursuant to Part I, Item 2 of Form 10–Q. With respect to results of operations, 17 CFR 229.303(c)(2)(ii) requires registrants to compare the most recent quarter to either: (1) the corresponding quarter for the preceding fiscal year or (2) the immediately preceding sequential quarter. That regulation also requires, where the comparison is made to the preceding sequential quarter, that financial information for such sequential quarter be presented in summary form or identified in prior EDGAR filings. In this example, if the company chose to compare results of operations for the first quarter of fiscal year 2028 to the results for the fourth quarter of fiscal year 2027, then the company would need to take further additional steps to include information for the fourth quarter of fiscal year 2027 in summary form in its Form 10–Q for the first quarter of fiscal year 2028.

⁸² Proposed Rules 13a–13(b)(4) and 15d–13(b)(4). If a company were to amend Form 10–K for the sole purpose of correcting a check box error under the proposal, we would not expect the company to refile the certifications required under Sections 302 and 906 of the Sarbanes-Oxley Act of 2002 (discussed *supra* note 32). *See also* 17 CFR 240.12b–15. Where such an error was made and is being timely corrected, a company would file a Form 10–K/A indicating the number of the amendment and provide the amended cover page, an explanatory note, the exhibit list, and signatures. Electing to file semiannual reports in compliance with this rule and the filing of this corrective amendment would not impact the company's timeliness for the purposes of determining eligibility to file short form registration statements (*e.g.* Form S–3).

⁸³ The filing of Form 12b–25 in accordance with 17 CFR 240.12b–25 to provide notification of an inability to timely file a Form 10–Q would not affect a company's error correction deadline, which would remain the original due date for the company's Form 10–Q.

⁸⁴ Form 10–S is not proposed to be substantively different from Form 10–Q (other than the reporting period covered). Scaled disclosure would be available to smaller reporting companies on proposed Form 10–S as with Form 10–Q. *See, e.g.*, proposed Form 10–S, Item 1 (permitting smaller reporting companies to provide financial information required by 17 CFR 210.8–03); Item 3 (which requires quantitative and qualitative disclosures of market risk pursuant to 17 CFR 229.305, which provides that smaller reporting companies are not required to provide the information otherwise required).

⁸⁵ *But see supra* note 19 regarding a foreign private issuer's election to voluntarily file on domestic forms and ability to apply accounting standards other than U.S. GAAP in its financial statements.

⁸⁶ A semiannual filer would not be precluded from voluntarily providing quarterly financial information in a Form 10–S in addition to the required semiannual financial information. If the quarterly financial information is presented in the financial statements, the quarterly financial information would be subject to review by an auditor.

⁸⁷ *See* 17 CFR 229.307 (Regulation S–K Item 307); 17 CFR 229.308(c) (Regulation S–K Item 308(c)).

⁸⁸ *See* definition of “emerging growth company” *supra* note 50 (containing a total annual gross revenue threshold of \$1.235 billion) and definition of “smaller reporting company” *supra* note 51 (containing a public float threshold of less than \$250 million under one prong of the definition and a public float threshold of less than \$700 million under the second prong of the definition).

instead to file semiannual reports on Form 10-S. Should any types of companies that currently file Form 10-Q be excluded from the option of electing semiannual reporting, such as business development companies?

5. We are proposing that the filing deadlines for semiannual reports on Form 10-S be the same as for quarterly reports on Form 10-Q. Should the filing deadline for semiannual reports on Form 10-S be longer or shorter than proposed? If so, what would be an appropriate filing deadline? Do companies need more time to prepare semiannual reports than quarterly reports and if so, why? Should smaller public companies, newly public companies, or emerging growth companies be afforded a longer filing deadline for Form 10-S to allow for additional time to consult with their accountants and advisers?

6. If adopted, would semiannual reporting have an impact on investors' ability to compare same-company performance over time? Why or why not?

7. What effect would our proposal have on investors' ability to compare the relative peer company financial performance of a quarterly filer to a semiannual filer? For example, can an investor reasonably compare a quarterly filer to a semiannual filer where the companies have the same fiscal year and the comparison is sought to be made in the second quarter (when first quarter information that would be subsumed in the semiannual filer's semiannual report on Form 10-S is not yet available) or made in the fourth quarter (when third quarter information that would be subsumed in the semiannual filer's annual report on Form 10-K is not yet available)?

8. Should the check box that indicates a company has elected semiannual reporting be added to registration statements on Forms 10, S-1, S-3, S-4, and S-11 and annual reports on Form 10-K as proposed? Should we add a similar check box to any other forms, including Forms 1-A or 8-A? If so, why?

9. Under our proposal, companies that want to file semiannual reports instead of quarterly reports would make their election by checking a box on the cover page of their annual report on Form 10-K for the most recently completed fiscal year. For investors and other market participants, this would mean that the first indication that a company will file only semiannual reports going forward will be when the company files its most recent Form 10-K. For example, under our proposal, a December 31 fiscal year-end company that files its Form 10-K

for fiscal year 2026 in March 2027 would be able to cease filing quarterly reports immediately, with its next interim report being its first Form 10-S for the first six months of fiscal year 2027. Would investors and other market participants benefit from earlier notice of a company's intent to file semiannual reports instead of quarterly reports? If so, how would investors and others benefit and what would be the magnitude of any benefit? If so, what should the mechanism be for a company to provide earlier notice of intent to file semiannual reports?

10. Our proposal would require Exchange Act reporting companies that elect to file semiannual reports to continue with that interim reporting frequency for the rest of the fiscal year in which the election was made. Therefore, companies would not be allowed to file a semiannual report on Form 10-S for the first six months of a fiscal year and then file a quarterly report for the third quarter for that fiscal year. Likewise, companies would not be allowed to file a quarterly report on Form 10-Q for the first quarter of a fiscal year, file a semiannual report on Form 10-S for the first six months for that fiscal year, and not file a quarterly report on Form 10-Q for the third fiscal quarter. Would this proposed approach help avoid potential confusion that could be caused by changes in interim reporting frequency during a fiscal year? Is it necessary to add any language to the proposed rules to make more explicit the requirement to maintain the selected frequency for the full fiscal year? Rather than the proposed approach, should we allow: (1) semiannual filers and quarterly filers to make a change in interim reporting frequency during the fiscal year, or (2) only semiannual filers to switch to filing quarterly reports during the fiscal year? Should issuers that elect semiannual reporting be required to commit to that disclosure frequency for a certain period of time? Why or why not?

11. Do companies that have newly become a public company (e.g., through an initial public offering, de-SPAC transaction, or direct listing) need to have greater flexibility for switching interim reporting frequency within a fiscal year? For example, a private company that elected semiannual reporting in a Form S-1 for an initial public offering could subsequently decide that quarterly reporting is preferable (e.g., to promote greater trading liquidity by increasing the frequency of its interim reporting) and wish to switch to quarterly reporting for the rest of the fiscal year. Should we allow such newly public companies to

switch the interim reporting frequency within a fiscal year?

12. Should correction of errors with respect to the Form 10-K check box related to semiannual reporting be permitted as we propose? Are the proposed time limits on when an error correction may be made appropriate? In addition to allowing error correction in an amended Form 10-K—or in lieu thereof—should we allow check box error correction through a Form 8-K filing?

13. We are proposing a new Form 10-S for companies that elect to file semiannual reports. Is the proposed new form needed? Should there be one form for all interim reports, regardless of whether they are for a fiscal quarter or a semiannual period? If so, why?

14. Proposed Form 10-S would mandate the same narrative and financial information as Form 10-Q, albeit for semiannual periods rather than quarterly periods. Should Form 10-S require narrative or financial information that differs from what is required in Form 10-Q? If so, please specify what information should be different and why this information is or is not needed in Form 10-S. Are there any disclosure items, such as mine safety violations, in proposed Form 10-S that should be required instead to be disclosed in other forms, such as Form 10-K, Form 8-K, or Form SD?

15. As an alternative to the proposal for optional semiannual reporting, should we instead revise the disclosure requirements of Form 10-Q to reduce the burden on reporting companies of filing this form, such as amending the current rules for the required interim financial statement review by an independent public accountant, XBRL data tagging, MD&A, information about unregistered sales of registrant securities pursuant to 17 CFR 229.701 (Item 701 of Regulation S-K), or year-to-date comparisons involving financial statements and MD&A? How should these requirements, or any other requirements of Form 10-Q, be revised? What aspects of Form 10-Q's current reporting framework are most burdensome for reporting companies?

16. What impact would the flexibility to file semiannual reports on Form 10-S, instead of quarterly reports on Form 10-Q, have on a private company's decision to become an Exchange Act reporting company? Would more companies choose to go public under the proposed flexible approach to interim reporting? What impact would the proposed flexible approach have on existing Exchange Act reporting companies' desire to remain public companies?

17. What impact would the proposed option to file semiannual reports on Form 10–S have on Exchange Act reporting companies' ability to focus on: (1) business operations, (2) growth, or (3) long-term business strategies? Please provide any data on the amount of employee and director time spent on preparing a quarterly report on Form 10–Q.

18. What is the likelihood that companies that elect semiannual reporting will continue to issue quarterly earnings releases (to the extent they did so previously when they reported quarterly)? Why would semiannual filers still issue earnings releases on a quarterly basis? Would this practice create any new or heightened investor protection concerns? For example, would there be any new investor protection concerns if an Exchange Act reporting company with a December 31 year-end elects to file semiannual reports and issues an earnings release for the first quarter of the fiscal year, with the semiannual report for the first six months of the fiscal year (which includes that first quarter) not due until months later (e.g., in August of that fiscal year)? Would companies that currently issue quarterly earnings releases but elect to become semiannual filers change their earnings release practices either: (1) to issue earnings releases semiannually, or (2) to cease issuing earnings releases? Please provide any data or analysis regarding any experience with earnings releases in foreign jurisdictions where issuers report semiannually.

19. Our proposal generally would not change the current Item 2.02 Form 8–K furnishing requirement for earnings releases (but we are proposing technical amendments to include references to semiannual periods). Should we change these requirements generally for semiannual filers? For example, should we amend the Form 8–K requirements so that Item 2.02 Form 8–K submissions are “filed,” not “furnished,” for semiannual filers thereby subjecting the earnings release to additional liability provisions, such as Exchange Act Section 18 (and Securities Act Section 11 if incorporated into a Securities Act registration statement), given that investors could rely more heavily on earnings releases by semiannual filers due to the less frequent interim reporting by such filers as compared to quarterly filers? If we require the filing (not furnishing) of earnings releases for semiannual filers, should we require the incorporation by reference of earnings releases into Securities Act registration statements of those semiannual filers? Would requirements for semiannual

filers to file (not furnish) earnings releases discourage semiannual filers from issuing earnings releases? Would requirements for semiannual filers to file (not furnish) earnings releases have an impact on companies' decisions about whether to elect quarterly or semiannual reporting? Are there particular reasons or need for the information provided in an Item 2.02 Form 8–K submission by a semiannual filer to be treated differently than a similar Item 2.02 Form 8–K submission by a quarterly filer?

20. In connection with any adoption of the proposal, should there be a new requirement for semiannual filers that announce or release earnings for the first or third quarters of their fiscal year (i.e., the periods that would later be subsumed in Forms 10–S and 10–K but for which there would be no quarterly report filed with the Commission)—that financial information in any first or third quarter earnings releases be reviewed by an independent public accountant? If so, would any changes to current auditing standards (e.g., governing reviews) be required?

21. For companies that issue earnings releases, would the proposed flexible approach to interim reporting have any effect on how quickly these releases would be issued after the end of the reporting period?

22. Would the option for semiannual reporting result in an overall reduction in material information for investors? Or would other regulatory requirements, such as Form 8–K filing requirements and Regulation FD, elicit sufficient information to offset the less-frequent interim reports and address any investor protection concerns? Would market forces or demands on a company's business—such as contractual obligations, investor expectations, and potential for shareholder activism—encourage semiannual filers to: (1) voluntarily disclose more information than required, (2) disclose information more frequently than is required, or (3) opt not to become semiannual filers at all?

23. With semiannual reporting, would there be an impact on investors or other market participants as a result of less frequent certifications by management relating to internal control over financial reporting and disclosure controls and procedures, as well as less frequent disclosures of changes in such controls?⁸⁹

⁸⁹ See 17 CFR 229.308(c) (requiring disclosure of any change in the registrant's internal control over financial reporting during the period that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting).

24. Would the nature and extent of procedures that an independent public accountant performs during a review change depending upon whether the independent public accountant is performing a review over a fiscal semiannual period or a fiscal quarterly period? Would independent public accountants conducting reviews do the same amount of work for a fiscal semiannual period as they currently do for two quarterly fiscal periods on a combined basis? Would an independent public accountant experience any impact on efficiency or economies of scale when conducting reviews and annual audits under semiannual reporting versus under quarterly reporting for the same company? Would any changes to independent public accountants' review or audit procedures or any impact on efficiency or economies of scale result in changes in costs to companies? If so, describe the impact and whether the impact could vary depending upon the size of the registrant subject to the review.

25. Would companies that elect semiannual reporting retain their independent public accountant to perform a review of their financial statements at the end of each quarter either to: (1) support financial information that is used for purposes of a quarterly earnings release (notwithstanding that, as noted above, there is no Commission requirement for a quarterly earnings release to be reviewed by an independent public accountant), or (2) guard against the possible need for a quarterly review to be performed should the company decide to change back to quarterly reporting in a future period (where that period would require comparative quarterly data for the prior year)?

26. For semiannual filers, what impact would a shift to semiannual reporting have on: (1) companies' disclosure controls and procedures, (2) companies' internal control over financial reporting, and (3) independent public accountants' strategy and approach for the annual audit of companies' internal control over financial reporting or financial statements? With semiannual reporting, is there a potential for a material increase in the risk that material misstatements (either due to error or fraud) or control deficiencies are not timely detected by or communicated to the independent public accountant thereby limiting potential remediation of these issues by the issuer? Please provide any data related to these questions.

27. Would there be reduced securities analyst coverage of Exchange Act

reporting companies that elect the semiannual reporting option as compared to quarterly filers? Would underwriters' requests for independent public accountants to provide "comfort letters"⁹⁰ in securities offerings (to support potential due diligence defenses)⁹¹ lead semiannual filers to continue to retain independent public accountants to conduct quarterly financial statement reviews? If so, are changes needed to PCAOB Auditing Standards (regarding reviews by independent public accountants)?⁹² For example, to comport with semiannual reporting, are changes needed to PCAOB Auditing Standard 6101, *Letters for Underwriters and Certain Other Requesting Parties*, to permit independent public accountants to provide comfort letters expressing negative assurance on changes subsequent to the date and period of the latest financial statements included (or incorporated by reference) in the

⁹⁰ "Comfort letters" (which provide negative assurance) commonly state that: (1) the auditor's review of unaudited financial statements found nothing indicating information is not presented fairly in all material respects in accordance with U.S. GAAP, (2) certain specified auditor procedures found nothing in the information derived from the financial statements (e.g., MD&A) indicating the information is not in agreement in all material respects with the financial statements, and (3) certain auditor procedures found nothing indicating certain financial items changed (e.g., increases in net sales, increases in long-term debt) from the end of the last audited or reviewed period to an established cut-off date in a manner that is inconsistent with the disclosure in the registration statement (i.e., "subsequent change" comfort).

⁹¹ Underwriters may seek to defend against potential registration statement-based Securities Act Section 11 liability claims by: (1) with respect to the unexpertized portions of the registration statement, relying on the comfort letter to show they conducted a reasonable investigation to form a reasonable belief the unexpertized portions are not inaccurate or misleading, and (2) with respect to the expertized portions of the registration statement, that they relied on the expert (e.g., an auditor) and had no reasonable grounds to believe the expertized portions were inaccurate or misleading. Underwriters may also seek to defend against potential prospectus-based Securities Act Section 12(a)(2) liability by relying on the comfort letter to show they did not know and, in the exercise of reasonable care, could not have known of any misstatement or omission. The degree to which comfort letters help to establish these defenses depends on the particular facts and circumstances.

⁹² See PCAOB Auditing Standard 4105, *Reviews of Interim Financial Information*; PCAOB Auditing Standard 6101, *Letters for Underwriters and Certain Other Requesting Parties*, ¶ .37 (providing that, when accountants have not conducted a review in accordance with AS 4105, they may not comment in the form of negative assurance and are, therefore, limited to reporting the procedures performed and findings obtained). See also PCAOB Auditing Standard 4101, *Responsibilities Regarding Filings Under Federal Securities Statutes*. For additional discussion of PCAOB Auditing Standards, see the discussion of baseline conditions in the economic analysis in this release, *infra* notes 188 through 191 and accompanying text.

registration statement?⁹³ If semiannual filers would continue to prepare quarterly financial information or to retain independent public accountants to conduct quarterly reviews, should the Commission make any rule changes or take any other steps to address this issue?

28. Would our proposal have any impact on a semiannual filer's application of relevant accounting standards to prepare financial statements in accordance with U.S. GAAP, IFRS, or home-country GAAP? How? Are any changes to accounting standards, including U.S. GAAP or IFRS, necessary or appropriate to effectuate semiannual reporting (e.g., changes to the guidance on annual impairment testing, lag reporting, earnings per share, or other topics of authoritative guidance)?

29. Are any changes to rules of securities exchanges necessary or appropriate to effectuate semiannual reporting?

30. Should we require the second semiannual period financial information (for semiannual filers) or the fourth quarter financial information (for quarterly filers) to be included in Form 10-K so investors do not need to back out this information if companies do not voluntarily provide it? Would having a longer period (six months for semiannual reports versus three months for quarterly reports) make it more difficult for investors to back out this information? Relatedly, should we require semiannual filers to break out financial statement information for the six-month period covered by Form 10-S into two three-month periods and provide similarly broken-out three-month information for the fiscal year covered by Form 10-K?

31. Many public companies have standalone insider trading policies or insider trading policies that are part of the company's code of ethics,⁹⁴ and these policies may provide for trading

windows.⁹⁵ What impact would optional semiannual reporting have on company insider trading policies, including trading windows? For example, would companies impose longer trading blackout periods at the beginning of a semiannual period or towards the end of a semiannual period than they would impose if reporting quarterly? Even if these periods are longer, would the total number of blackout days be fewer each fiscal year for semiannual filers compared to quarterly filers given that semiannual filers would report less frequently? To the extent that there are longer blackout periods or fewer total blackout period days each year, what effects would these changes have on semiannual filers? Under our proposal, semiannual filers are allowed to voluntarily issue quarterly earnings releases. How would this affect current trading windows practices, if at all? Where a company elects to be a semiannual filer, would this be likely to have an effect on trading plans that may be adopted by companies or insiders (e.g., company directors, officers, or employees) for purposes of 17 CFR 240.10b5-1 (Exchange Act Rule 10b5-1)? If so, what are the effects?

32. Would there be an increased risk of insider trading at companies that elect to report on a semiannual basis? If so, please provide the basis for this view, as well as data. Could companies enhance their insider trading policies or improve their self-enforcement of these policies to help address this concern? What other actions could companies or the Commission take to mitigate any increase in the risk of insider trading?

33. How would the proposed flexible approach to semiannual reporting affect the competitiveness of U.S. reporting companies vis-a-vis foreign competitors? For Exchange Act reporting foreign companies that would

⁹³ See PCAOB Auditing Standard 6101, *Letters for Underwriters and Certain Other Requesting Parties*, ¶ .46 (permitting negative assurance as to subsequent changes in specified financial statement items as of a date less than 135 days from the end of the most recent period for which the accountants have performed an audit or a review).

⁹⁴ The regulations found at 17 CFR 229.406 and 17 CFR 229.408(b) require registrants to disclose whether they have adopted a code of ethics and whether they have adopted an insider trading policy, respectively, and are both incorporated into Form 10-K. See Item 10 of Form 10-K. For foreign private issuers, similar requirements are incorporated into Form 20-F. See Items 16B and 16F of Form 20-F. The rules of securities exchanges require listed companies to adopt a code of ethics. See, e.g., NYSE Listed Company Manual § 303A.10 (Code of Business Conduct and Ethics); Nasdaq Stock Market Rule 5610.

⁹⁵ Generally, trading windows are periods under company insider trading policies when there are no blackout periods in effect and covered persons (such as company directors, employees, and consultants) are permitted to transact in the securities of the company if they do not possess material non-public information. Company policies often use fixed blackout periods to reduce the risk that covered persons may trade while in possession of material non-public information at times when it is more likely that a covered person may possess it. Many company policies impose these fixed blackout periods that prohibit trading around the close of a fiscal quarter until after earnings for a fiscal quarter or year are released. Collectively, these fixed blackout periods can mean that at many public companies, trading windows each fiscal quarter are only open for two or three weeks around the middle of that fiscal quarter. In addition to these fixed blackout periods, companies also may impose event-specific blackout periods, such as around product developments or major company transactions.

not be foreign private issuers (which report semiannually as discussed above) and that would report quarterly under the current system, would the proposed option to report semiannually make these foreign companies more likely to list on a U.S. exchange? What would be the competitive implications of the proposed optional semiannual reporting approach between U.S. reporting companies (which report quarterly under the current system) and foreign private issuers (which report semiannually under the current system as a practical matter)? Should there be different periodic reporting for foreign private issuers compared to domestic issuers? Why or why not?

34. If the proposal is adopted, what should be the compliance date for the proposed amendments? If the proposal is adopted, is there a need for a transition period and, if so, what should be the length of the period?

B. Proposed Amendments to Regulation S-X

We are proposing amendments to various rules in Regulation S-X that would incorporate semiannual reporting and simplify the rules with respect to the age of financial statements. Specifically, the proposed amendments would:

- simplify Rule 3-01 and Rule 8-08 by reorganizing each and consolidating the requirements of Rule 3-12 regarding the age of financial statements in a registration or proxy statement into the balance sheet requirements of Rule 3-01;
- revise the age requirements to incorporate semiannual reporting through the introduction of a revised model for determining the age of interim financial statements; and
- revise other rules in Regulation S-X to incorporate semiannual reporting.

1. Streamlining Age of Financial Statements Requirements

To simplify our rules and effectuate our proposed optional semiannual reporting approach, we are proposing amendments to Rules 3-01 and 8-08 of Regulation S-X so that each amended rule clearly sets forth the requirements for annual financial statements and interim financial statements. The proposed amendments would consolidate the requirements of Rule 3-12 into Rule 3-01 and eliminate Rule 3-12.

Currently, Rule 3-01 governs the date of audited and interim balance sheets required to be included in filings as of

the filing date.⁹⁶ The requirements for statements of comprehensive income, cash flows, and changes in stockholders' equity—set out in current 17 CFR 210.3-02 (Rule 3-02 of Regulation S-X) and 17 CFR 210.3-04 (Rule 3-04 of Regulation S-X)—are derived from dates of annual and interim balance sheets required by Rule 3-01.⁹⁷ While current Rule 3-01 addresses the dates of the balance sheets as of the filing date, current Rule 3-12 addresses the age of financial statements as of the effective date of a registration statement or mailing of a proxy statement.⁹⁸ Notwithstanding this difference, application of the two rules currently results in age requirements that are aligned: if a registrant were to apply current Rule 3-01's filing date age requirements to a registration statement at the date of effectiveness (or a proxy statement at the mailing date), the resulting financial statement requirements would be no different than if Rule 3-12 were applied. Our proposed consolidation of Rules 3-01 and 3-12 would streamline Regulation S-X, making the age of financial statement requirements easier to apply. To clarify the dual purpose of Rule 3-01 as proposed to be revised, we are proposing new Rule 3-01(a), which would provide that the date of the most recent balance sheet included in a registration or proxy statement must be updated to comply with that section's requirements as if the effective date of the registration statement, or proposed mailing date in the case of a proxy statement, were the filing date.

Further, we are proposing several amendments to streamline and

⁹⁶ Registered management investment companies apply the requirements of Rule 3-18 of Regulation S-X instead of Rule 3-01. Foreign private issuers are not necessarily subject to Rule 3-01. Rather, they may apply the requirements in Form 20-F. See current Rules 3-01(g) and (h), which we are proposing to reorder as paragraphs (h) and (i).

⁹⁷ Rule 3-02 requires that the filing include audited statements of comprehensive income and cash flows for two or three fiscal years preceding the date of the most recent audited balance sheet being filed as well as interim statements for the period between the latest audited balance sheet and the date of the most recent interim balance sheet and for the corresponding period of the preceding fiscal year. Rule 3-04 requires that the filing include an analysis of changes in stockholders' equity and noncontrolling interests in the form of a reconciliation of the beginning balance to the ending balance for each period for which a statement of comprehensive income is required to be filed.

⁹⁸ The Commission, in connection with the adoption of Rule 3-12, stated that the rule ensures "that interim data provided in registration statements under the Securities Act is at least as current as the data already filed under the Exchange Act." See *Uniform Instructions as to Financial Statements—Regulation S-X*, Release No. 33-6234 (Sept. 2, 1980) [45 FR 63682, 63684 (Sept. 25, 1980)] ("1980 Regulation S-X Adopting Release").

reorganize Rule 3-01 as well as integrate Rule 3-12 into Rule 3-01.

- We are proposing to place the rules regarding *annual* balance sheets in Rule 3-01(b). We do not propose any substantive amendments to the rules regarding annual balance sheets. Proposed Rule 3-01(b) would require audited balance sheets as of the end of the two most recently completed fiscal years, which would be the same as current Rule 3-01(a).

- The current exceptions to current Rule 3-01(a) applicable to filings other than on Form 10-K would be included in proposed Rules 3-01(b)(1) and (b)(2).

- Proposed Rule 3-01(b)(1), which would be the same as current Rules 3-01(b) and 3-12(b), would permit that if the filing is made no more than 45 days after the end of the registrant's fiscal year, the audited balance sheets may be as of the end of the two fiscal years preceding the most recently completed fiscal year and must include an additional balance sheet as of an interim date specified in proposed paragraph (c)(1), as described further below.

- Proposed Rule 3-01(b)(2), which would be the same as current Rules 3-01(c) and 3-12(b), would permit that—if the filing is made more than 45 days but no more than 59 days (for large accelerated filers, as defined in § 240.12b-2 of this chapter), 74 days (for accelerated filers, as defined in § 240.12b-2 of this chapter), or 89 days (for all other registrants) after the end of the registrant's most recently completed fiscal year—so long as three conditions are met, the registrant may apply proposed paragraph (b)(1), which means that, in this situation, the audited balance sheets may also be as of the end of the two fiscal years preceding the most recently completed fiscal year and the filing must include an additional balance sheet as of an interim date specified in proposed paragraph (c)(1).⁹⁹ We do not propose any changes to the three conditions.

- Proposed Rule 3-01(b)(3), which would be similar to the second sentence of current Rule 3-01(a), would require the filing of an audited balance sheet dated as of a date not more than 134 days before the date of the filing if the

⁹⁹ The three conditions would be set out in proposed Rules 3-01(b)(2)(i) through (iii) and continue to provide: (i) the registrant is subject to Exchange Act reporting and has filed all required reports; (ii) for the most recently completed fiscal year for which audited financial statements are not yet available, the registrant reasonably and in good faith expects to report income attributable to the registrant after income taxes; and (iii) for at least one of the two fiscal years immediately preceding the most recently completed fiscal year, the registrant reported income attributable to the registrant after income taxes.

registrant was not in existence as of the end of its fiscal year.

- Proposed Rule 3–01(b)(4), which would be the same as Rules 3–01(b) and 3–12(c),¹⁰⁰ would require that, notwithstanding the requirements of this section, the filing must be updated with audited financial statements for the most recently completed fiscal year if they become available prior to the filing date.

The proposed amendments to Rules 3–01 and 8–08 reflect the replacement of references to filing dates from the current text of “within” a certain number of days after a milestone (*e.g.*, filing date or end of the fiscal year or quarter) to “more than” or “no more than” a certain number of days.¹⁰¹ We believe this change will clarify the filing requirements and ensure alignment of financial statement updating dates with the Forms 10–K, 10–Q, and 10–S filing deadlines. A registration or proxy statement filed on the same date a periodic report is due would be required to include the financial statements required in that periodic report. We are making similar clarifying amendments to Exchange Act Rules 13a–13 and 15d–13.

We are proposing to place the rules regarding an *interim* balance sheet in Rule 3–01(c).

- Proposed Rule 3–01(c)(1) would require that, when an audited balance sheet for the most recently completed fiscal year *is not included* in the filing, the interim balance sheet must be as of the end of the third fiscal quarter of the most recently completed fiscal year for quarterly filers or as of the end of the first fiscal semiannual period of the most recently completed fiscal year for semiannual filers. This proposed rule would be similar to current Rule 3–01(b) and Rule 3–12(b), except that it would require a semiannual filer to file an interim balance sheet as of the end of its semiannual period.

- Proposed Rule 3–01(c)(2) would set forth requirements for an interim balance sheet when an audited balance sheet for the most recently completed

fiscal year *is included* in the filing. We discuss proposed Rule 3–01(c)(2)’s requirements for an interim balance sheet for the current fiscal year in detail in Section III.B.2 below on determining the age of interim financial statements.

- Proposed Rule 3–01(c)(3) would be substantively unchanged from current requirements in Rules 3–01(f) and 3–12(a) and would provide that an interim balance sheet provided in accordance with proposed Rule 3–01(c) need not be audited and need not be presented in greater detail than is required by § 210.10–01.

We are proposing to renumber current Rule 3–01(g), regarding registered management investment companies, as Rule 3–01(d). Likewise, we are proposing to renumber current Rule 3–01(h), regarding foreign private issuers, as Rule 3–01(e)(1). We are proposing to incorporate current Rule 3–12(f) regarding financial statements of a foreign business into proposed Rule 3–01(e)(2).

We are proposing to delete current Rule 3–01(d), which requires—when filings are made after 45 days but within a number of days of the end of the registrant’s fiscal year based on its filer status and the three conditions in Rule 3–01(c) are not met—that balance sheets for the two most recently completed fiscal years must be included. We believe current Rule 3–01(d) is redundant with current Rule 3–01(a) and is unnecessary to include in Rule 3–01 as proposed to be revised, because we believe it is clear if the required conditions in current Rule 3–01(c) are not met, then the registrant must provide the balance sheet for the two most recently completed fiscal years as required by current Rule 3–01(a) and as would be required by proposed Rule 3–01(b)(2).

We do not propose to integrate current Rule 3–12(d) into Rule 3–01 as proposed to be revised, as we believe it would be redundant with proposed Rule 3–01(b). Current Rule 3–12(d) requires the age of the registrant’s most recent audited financial statements included in a registration statement filed under the Securities Act or filed on Form 10 under the Exchange Act to be no more than one year and 45 days old at the date the registration statement becomes effective if the registration statement relates to the security of an issuer that was not subject, immediately before the time of filing the registration statement, to the reporting requirements of Exchange Act Section 13 or 15(d). Because a registrant in this situation would not satisfy the first of the three conditions in proposed Rule 3–01(b)(2), it would be required to file an annual balance sheet for the most

recently completed fiscal year, which would be as of a date more current than one year and 45 days.

Because proposed Rule 3–01 would integrate current Rule 3–12, as described above, we are proposing to eliminate Rule 3–12. We are also proposing technical amendments to rules that currently refer to Rule 3–12 to reflect its integration into Rule 3–01.¹⁰²

Smaller reporting companies apply Rule 8–08 to determine the age of financial statements. We are proposing amendments to Rule 8–08 to conform its organization to proposed Rule 3–01, as described above.

With respect to *annual* financial statements, we are proposing to eliminate the introductory text of Rule 8–08 and revise paragraph (a) to address annual financial statements. Consistent with proposed Rule 3–01(b), proposed paragraph (a) of Rule 8–08 would require a registrant to file, in filings other than on Form 10–K, audited annual financial statements for the registrant and its predecessors, as required by Rule 8–02. We are also proposing to move current paragraph (a) to paragraph (a)(1) of Rule 8–08 and revise the rule to require that if the effective date of a registration statement or anticipated mailing date of a proxy statement is no more than 45 days after the end of the most recently completed fiscal year, the filing may include financial statements as of the end of the two fiscal years preceding the most recently completed fiscal year and for the years then ended and must include interim financial statements, the requirements for which we propose to move to a revised paragraph (b). We are proposing to move the requirements in current paragraph (b) of Rule 8–08, that address the requirements when the effective date of a registration statement or mailing date of a proxy statement is more than 45 days but not more than 90 days after the end of the most recently completed fiscal year, to a new proposed paragraph (a)(2) of Rule 8–08. The proposed amendments would not change the age of *annual* financial statements requirements for a smaller reporting company.

With respect to *interim* financial statements, we are proposing to revise paragraph (b) of Rule 8–08 to include the interim financial statement requirements. Proposed paragraph (b)(1) of Rule 8–08 would require that, if

¹⁰⁰ While current Rule 3–01(b) does not explicitly state this requirement as Rule 3–12(c) does and as proposed Rule 3–01(b)(4) would do, this requirement is implicit in current Rule 3–01(b). We believe it is clearer to registrants to set this requirement out explicitly.

¹⁰¹ See proposed Rule 3–01(b)(1), (2), and (3) and Rule 8–08(a)(1) and (2). For example, current Rule 3–01(c)(1) references filings “made after 45 days but within the number of days of the end of the registrant’s fiscal year specified in paragraph (i) of this section.” Instead, proposed rule 3–01(b)(2) references filings “made more than 45 days but no more than 59 days (for large accelerated filers, as defined in § 240.12b–2 of this chapter), 74 days (for accelerated filers, as defined in § 240.12b–2 of this chapter), or 89 days (for all other registrants).”

¹⁰² See proposed amendments to replace references to Rule 3–12 with references to Rule 3–01 in: Instruction 1 to 17 CFR 210.11–02(c)(3); 17 CFR 210.15–01(c); and 17 CFR 230.485; proposed amendments to 17 CFR 210.15–01(b) to replace reference to Rule 3–12 with reference to 17 CFR 210.3–20 (Rule 3–20 of Regulation S–X).

audited financial statements for the most recently completed fiscal year *are not included* in the filing, a quarterly filer must file interim financial statements as of the end of the third fiscal quarter of the most recently completed fiscal year and for the nine months then ended and a semiannual filer must file interim financial statements as of the end of the first fiscal semiannual period of the most recently completed fiscal year and for the semiannual period then ended. Proposed paragraph (b)(2) of Rule 8–08 would require that, if audited financial statements for the most recently completed fiscal year *are included* in a filing, the registrant must file interim financial statements as of the end of the most recently completed fiscal quarter (for quarterly filers) or semiannual period (for semiannual filers) and for the year-to-date interim period then ended that has been filed, or is required to be filed on or before the filing date, in a Form 10–Q or Form 10–S. A registrant that is not subject to Exchange Act Section 13(a) or 15(d) would apply this rule as if it were required to file Form 10–Q or Form 10–S.

These proposed interim requirements in Rule 8–08 would replicate the requirements in proposed Rules 3–01(c)(1) and (2). Proposed paragraph (b)(3) of Rule 8–08 would require that interim financial statements must be prepared and presented in accordance with Rule 8–03, which would replicate proposed Rule 3–01(c)(3).

2. Determining Age of Interim Financial Statements

As noted in Section III.B.1 above, proposed Rule 3–01(c)(2) would address age requirements for interim financial statements (and proposed Rule 8–08(b)(2) would address age requirements for smaller reporting companies). These proposed amendments would revise how the date of an interim balance sheet is determined in registration or proxy statements. Currently, Rule 3–01(e) requires that, for filings made after 129 days or 134 days (depending on filer status) after fiscal year end, the filing must include a balance sheet as of an interim date within 130 days or 135 days of the date of filing (depending on filer status). Rule 3–12 similarly requires that, if the financial statements in a filing are as of a date 130 days or 135 days (depending on filer status) or more before the date the filing is expected to become effective, or the proposed mailing date in the case of a proxy statement, the financial statements must be updated with a balance sheet as of an interim date within 130 days or 135 days (depending

on filer status). Rule 8–08 contains a similar age requirement for the filing of interim financial statements in a registration or proxy statement.

Under the proposed amendments, a registrant would no longer assess the number of days from the filing date or from the effective date of the registration statement (or mailing date of a proxy statement) to the date of the most recent balance sheet to determine if the balance sheet falls within 130 days or 135 days, as applicable. Rather, under the proposed amendments to Rules 3–01(c)(2) and 8–08(b)(2), a registrant, in determining if interim financial statements are required when audited financial statements for the most recently completed fiscal year are included in the filing, would include the interim financial statements as of the end of the most recently completed fiscal quarter (for quarterly filers) or semiannual period (for semiannual filers) that has been filed, or is required to be filed on or before the filing date, in a Form 10–Q or Form 10–S.¹⁰³ A registrant that is not subject to Exchange Act Section 13(a) or 15(d) would apply this rule as if it were required to file Form 10–Q or Form 10–S. In this regard, for a non-reporting company that filed a registration statement that has not yet become effective, these provisions of proposed Rules 3–01(c)(2) and 8–08(b)(2) (regarding the interim financial statements that would have been required in a Form 10–Q or Form 10–S) would mean that the non-reporting company must file in a registration statement the interim financial statements that would have been required in periodic reports if that non-reporting company were an Exchange Act reporting company.¹⁰⁴ For example, the Form 10–Q or proposed Form 10–S for a company that is a large accelerated filer or accelerated filer would be due 40 days after the end of the interim period (or 45 days for all other registrants). For an interim period ending on June 30, the

Form 10–Q or proposed Form 10–S would be due by August 10 for a large accelerated or accelerated filer (August 14 for all other registrants). Under the proposed amendments, a registration statement filed by a large accelerated or accelerated filer on August 10 (or August 14 for all other registrants) would be required to include financial statements for the interim period ended June 30.

We are proposing this change to simplify the updating requirements in current rules and to align the date upon which the interim financial statements of a quarterly filer's second quarter would be required to be updated with that of a semiannual filer's first semiannual period. In this regard, with respect to semiannual filers, if we were to simply add 90 days to the existing 135-day window, based on the application of current Rule 3–12 of Regulation S–X, the date upon which a semiannual filer would have to update its interim financial statements for the semiannual financial statements could differ by one or two days compared to the date upon which a quarterly filer would have to update its second quarter financial statements.¹⁰⁵ The proposed amendments to Rule 3–01(c)(2) and 8–08(b)(2) would avoid disparate treatment between semiannual filers and quarterly filers with respect to the age of the interim financial statements requirements.

The 1980 Regulation S–X Adopting Release stated that Rule 3–12 would result in requirements for the age of financial statements in registration statements that “correspond with the requirements for quarterly data under the 1934 Act on Form 10–Q.”¹⁰⁶ While the requirements correspond, they are not identical: Rule 3–12 requires updated financial statements to be as of a date within 130 days or 135 days of effectiveness (depending on filer status); while a Form 10–Q is due 40 days or 45 days after the end of the fiscal quarter (depending on filer status). As a result of this difference, under current rules, the financial statements in a registration statement or proxy statement may be

¹⁰³ The filing of Form 12b–25 in accordance with 17 CFR 240.12b–25 to provide notification of an inability to timely file a Form 10–K, 10–S, or 10–Q would not impact when financial statements are required to be updated in a registration or proxy statement.

¹⁰⁴ This simplified approach in the proposed rules is similar to the approach in current Rule 8–08's introductory text, which requires that financial statements not be less current than the financial statements that would be required in Forms 10–K and 10–Q if such reports were required to be filed. In this manner, Rule 8–08 would continue to use this same approach except, in connection with our proposed revisions of Rule 8–08, the introductory text would be eliminated and this requirement would be found in Rule 8–08(b)(2). Current Rule 3–01 does not use this approach, so the proposed revisions to Rule 3–01 would differ compared to that current rule and instead employ the approach currently found in Rule 8–08.

¹⁰⁵ For example, a quarterly filer with a February 28 fiscal year would be required to update a registration statement with interim financial statements as of the end of the second quarter of August 31 on October 13 (or 135 days from the end of the first quarter of May 31). If we were to instead add 90 days to the 135-day interval, then a semiannual filer with the same February 28 fiscal year end would be required to update a registration statement with semiannual financial statements as of October 11 (or 225 days from the Feb 28 fiscal year end), two days earlier than October 13 for the quarterly filer.

¹⁰⁶ 1980 Regulation S–X Adopting Release, at 63685.

required to be updated one or two days before those same financial statements are required to be filed on Form 10-Q. Such a difference results from the number of days in a quarter that exceeds 90 days.¹⁰⁷ Our proposed rule would align the financial statement age requirements of registration statements (and proxy statements) with the filing deadlines of Form 10-Q and Form 10-S, eliminating such one- or two-day differences. Proposed Rule 3-01(c)(2) results in both quarterly filers and semiannual filers having the same date on which the financial statements would be required to be updated because both filers would determine the date from the end of their most recently completed interim period as opposed to, for example, the quarterly filer's determination being from the end of the first quarter and the semiannual filer's determination being from the end of the fiscal year.

Under the proposed amendments to Rule 3-01(c), the interim financial statement period required in a registration or proxy statement would be as of the end of a registrant's fiscal quarterly or semiannual period, as applicable. This would differ from current Rule 3-12, which permits interim financial statements as of any date so long as they cover a period within the prescribed number of days from the date of effectiveness or mailing date. We observe that virtually all registrants file interim financial statements as of the end of a quarter, since those financial statements would be filed in future Exchange Act reports on Form 10-Q. Further, registrants who wish to file interim financial statements as of a date that does not align with a quarterly or semiannual period may request a substitution of financial statements under 17 CFR 210.3-13 (Rule 3-13 of Regulation S-X). As a result, we do not expect that this aspect of the proposed amendments would result in any change in today's practice.¹⁰⁸

When interim financial statements for a semiannual filer are required in a registration or proxy statement, proposed Rule 3-01(c)(2) would require

those interim financial statements to be for a semiannual period. Under the proposed rules, depending on when the registration statement becomes effective or the proxy statement is mailed, an investor in a registrant that is a semiannual filer may not receive interim financial statements that are as current as would be required today. For example, if a non-reporting registrant with a calendar fiscal year that elects semiannual reporting files a registration statement as late as August 13, proposed Rule 3-01(c)(2) would not require any interim financial statements to be included in the registration statement. In contrast, under the current requirements and under the proposal for those registrants that continue to report quarterly, the filing would include interim financial statements for the first fiscal quarter. As discussed in Section I, we are proposing these amendments that may result in less current interim financial statements in a registration statement to reduce regulatory burden and align the requirements for updating interim financial statements with the requirements for periodic reporting under the Exchange Act, including the proposed semiannual reporting option.

3. Other Proposed Amendments to Regulation S-X

We are proposing amendments to Rules 10-01 and 8-03 of Regulation S-X to reflect that registrants would have the option to report semiannually on Form 10-S. Specifically, we are proposing to amend Rules 10-01(c) and 8-03 to clarify that “interim” for quarterly filers represents a fiscal quarterly period (except when the rule addresses a year-to-date interim period) and that “interim” for semiannual filers represents a fiscal semiannual period. To facilitate these changes, the proposed revisions to Rules 10-01 and 8-03 would refer to the new proposed definitions of quarterly filer and semiannual filer discussed above.

Under the proposed amendments to Rule 10-01, where required, a semiannual filer would provide an interim balance sheet as of the end of the first semiannual period and a balance sheet as of the end of the preceding fiscal year. A balance sheet as of the end of the first semiannual period from the preceding fiscal year would not be required unless necessary for an understanding of the impact of seasonal fluctuations on the registrant's financial condition. Under the proposed amendments to Rule 10-01, where required, a semiannual filer would provide interim statements of comprehensive income and cash flows for the first semiannual period and the

corresponding period of the preceding fiscal year; a semiannual filer would also have the option to present these statements for the cumulative twelve-month period ending as of the end of the semiannual period.¹⁰⁹

Under the proposed amendments to Rule 8-03,¹¹⁰ where required, a semiannual filer would provide in Form 10-S a balance sheet as of the end of the issuer's first semiannual period, a balance sheet as of the end of the preceding fiscal year, and statements of comprehensive income and statements of cash flows for the interim period up to the date of the interim balance sheet date and the comparable period of the preceding fiscal year.

We are also proposing related technical amendments to Rules 10-01(b)(6), 10-01(d), and 8-03(b)(5) (which as renumbered would become 8-03(c)(5)) to indicate that the rules apply to Form 10-S, in addition to Form 10-Q. We are proposing amendments to Rules 8-03(a)(5) (which as renumbered would become Rule 8-03(b)(5)) and 10-01(a)(7) to change “interim” to “quarterly” and clarify that the requirement to disclose subtotals in the statement of changes in stockholders' equity for each quarterly period applies only to quarterly filers. We are proposing to relocate current Instruction 1 to Rule 8-03, which requires that statements of comprehensive income for the most recent quarter and the comparable quarter of the preceding fiscal year be provided when the year-to-date interim period is more than one quarter, to Rule 8-03(a)(2) to enhance its prominence.

Lastly, we are proposing a technical amendment to reinsert Instruction 2 to Rule 8-03 concerning management adjustments to financial statements that was inadvertently deleted in a 2018 adopting release, except this provision would be reinserted as paragraph (c)(2) of Rule 8-03.¹¹¹

Request for Comment

35. Should the Commission adopt the proposed amendments to Regulation S-X to effectuate semiannual reporting? Are there any other changes beyond

¹⁰⁷ For example, assume a calendar year registrant that is a non-accelerated filer that files a registration statement on August 13. The second quarter Form 10-Q would be due on August 14. However, a registration statement filed on August 13 would require updated financial statements, for the quarter ended June 30, in order to comply with current Rule 3-12. This difference of one day between August 14 and August 13 is due to April, May, and June containing 91 days instead of the 90-day quarterly period implicit in the 135 days.

¹⁰⁸ The proposed amendments would not have any effect on the accommodations available for issuers that submit draft registration statements for nonpublic review.

¹⁰⁹ We are also proposing technical amendments to Rules 10-01(c)(2) through (4) to change “twelve month period ended during . . .” to “twelve-month period ending as of the end of . . .”

¹¹⁰ For Rule 8-03, we are proposing to renumber the introductory text as paragraph (a), renumber paragraph (a) as paragraph (b), and renumber paragraph (b) as paragraph (c).

¹¹¹ *Disclosure Update and Simplification*, Release No 34-83875 (Aug. 17, 2018) [83 FR 50148 Oct. 4, 2018] (adopting amendments to Rule 8-03, including to Instruction 1, and indicating through the use of five asterisks at the end of Instruction 1 that Instruction 2 was not amended).

those proposed that the Commission should make to Regulation S-X to effectuate semiannual reporting?

36. In connection with registration and proxy statements, are the proposed changes to Regulation S-X necessary to take into account semiannual reporting? If the proposed changes to Regulation S-X were not made and the relevant rules remained structured around quarterly reporting, would this have a negative impact on semiannual filers seeking to raise capital or solicit proxies?

37. What impact would the proposal have on the ability of semiannual filers to conduct public offerings? Would reporting companies that elect to become semiannual filers nonetheless decide to include quarterly or more recent financial information in Securities Act registration statements or prospectuses based on market practices or liability concerns and, if so, would that reduce the cost savings that would otherwise be generated by less frequent interim reporting? For example, would semiannual filers continue to retain independent public accountants to review their financial statements on a quarterly basis to facilitate capital-raising by the company in offerings registered under the Securities Act?

38. Should we change how the age of financial statements in a registration statement is determined in order to precisely align with the deadlines of Exchange Act reporting requirements as proposed? Would our proposed changes to consolidate Rule 3-12 into Rule 3-01 help to streamline Regulation S-X's requirements so that they are easier for registrants to apply?

39. Should we have the deadlines that apply at the time of filing and that apply at the time of effectiveness (for registration statements) or mailing (for proxy statements) centrally located in the same rule as we propose? Why or why not? With respect to this dual role the revised Rule 3-01 would serve, does new paragraph (a) make clear to registrants that—in considering what age requirements apply with respect to effectiveness or mailing—they should substitute effectiveness or mailing dates for the filing dates explicitly mentioned in the rule?

40. Instead of the amendments we propose, should we retain the current 135-day age requirement for quarterly filers and adopt a 225-day age requirement for semiannual filers—even if that means semiannual filers may have to update one or two days sooner

than quarterly filers?¹¹² Why or why not?

41. As discussed above, the proposed elimination of the 135-day provisions of the current rules would mean that registrants could no longer provide a mid-period dated financial statement but would need to provide financial statements that coincide with fiscal interim period ends or annual fiscal year end. Are there any registrants who employ the 135-day provision to provide mid-period financial statements today? If so, why and under what circumstances do registrants do this? Does providing this ability for some registrants justify the added complexity these provisions may create for other registrants?

42. Are there any other changes needed to simplify the age of financial statement requirements? Are there any other changes we should make to reduce the compliance burdens associated with Regulation S-X's requirements in connection with proposed optional semiannual reporting?

43. Should we adopt changes to Rule 10-01 and Rule 8-03 regarding the contents of interim financial statements as proposed? Do the proposed amendments appropriately incorporate the reporting of semiannual periods on Form 10-S without changing how the interim financial statement rules apply to a registrant reporting on Form 10-Q?

44. When a registrant acquires a significant business, financial statements of that business are required to be filed on Form 8-K and must comply with the age requirements of Rule 3-01 at the date the initial Form 8-K reporting the acquisition is filed. Depending on the timing of the acquisition, pre-acquisition interim financial information for upwards of six to nine months may never be required to be filed by semiannual filers. Should we require other financial information (e.g., summarized financial information) to inform investors of pre-acquisition results of operations, financial condition, and cash flows of the acquiree beyond the information that would be required under Rule 3-01 as proposed to be amended?

C. Proposed Amendments Regarding Transition Reports

We are proposing amendments to Exchange Act Rules 13a-10 and 15d-10, which set forth the Commission's requirements with respect to transition reports upon a change in fiscal year, to incorporate the proposed semiannual reporting option. Specifically, we are

¹¹² See *supra* note 107 and accompanying text (providing an example of a one-day difference).

proposing to amend Rule 13a-10(e) and Rule 15d-10(e) to place the requirements applicable to quarterly filers, which are unchanged, in a new subparagraph (1) and place the requirements applicable to semiannual filers in a new subparagraph (2). New proposed Rule 13a-10(e)(2) and Rule 15d-10(e)(2) for semiannual filers would mirror the rules applicable to quarterly filers.

We do not propose to replicate current Rule 13a-10(e)(4), which addresses the reporting of a "gap period" by quarterly filers who change their fiscal year closing date. A "gap period" is the period of one or two months between the latest quarter end under the old fiscal year and the start of the quarterly reporting period under the new fiscal year. Because such a "gap period" would not arise due to a change in fiscal year by a semiannual filer, we are not proposing an analog for semiannual filers.

We are also proposing related technical changes to Rules 13a-10 and 15d-10 to indicate that the relevant rules apply to Form 10-S in addition to Form 10-Q.¹¹³

Request for Comment

45. Should the Commission make any other changes to transition reports under Rules 13a-10 and 15d-10 to effectuate semiannual reporting?

D. Proposed Technical Amendments

We are proposing a number of technical amendments to conform existing rules and forms to the proposed flexible approach to interim reporting by inserting references to semiannual reporting or new Form 10-S and to make corrective deletions of references to previously rescinded forms. These proposed amendments include:

- changes to several items in Regulation S-K,¹¹⁴ an item in

¹¹³ See proposed amendments to Rule 13a-10(c), Rule 13a-10(d)(2)(ii), Rule 13a-10(d)(2)(iii), Note to Rule 13a-10(c) and (e), Rule 13a-10(f), Rule 13a-10(j)(2), Rule 15d-10(c), Rule 15d-10(d)(2)(ii) and (iii), Note to Rule 15d-10(c) and (e), and Rule 15d-10(f).

¹¹⁴ 17 CFR 229.10 (General); 17 CFR 229.101 (Description of business); 17 CFR 229.103 (Legal proceedings); 17 CFR 229.201 (Market price of and dividends on the registrant's common equity and related stockholder matters); 17 CFR 229.302 (Supplementary financial information); 17 CFR 229.303 (Management's discussion and analysis of financial condition and results of operations); 17 CFR 229.308 (Internal control over financial reporting); 17 CFR 229.402 (Executive compensation); 17 CFR 229.407 (Corporate governance); 17 CFR 229.408 (Insider trading arrangements and policies); 17 CFR 229.601 (Exhibits); 17 CFR 229.701 (Recent sales of unregistered securities; use of proceeds from registered securities); 17 CFR 229.1100 (General).

Regulation M–A,¹¹⁵ and several proxy rules;¹¹⁶

- changes to rules regarding determination of market capitalization, among other things,¹¹⁷ and rules providing definitions;¹¹⁸ and
- changes to rules regarding research reports,¹¹⁹ underwriter status,¹²⁰ and liability under the securities laws.¹²¹

We are proposing the same types of technical amendments to rules related to several aspects of the process of filing forms and schedules with the Commission regarding incorporation by reference;¹²² data tagging;¹²³ definitions;¹²⁴ late filing;¹²⁵ certifications;¹²⁶ disclosure controls and internal control over financial reporting;¹²⁷ foreign private issuers;¹²⁸ and beneficial ownership schedules.¹²⁹ We are also proposing such technical amendments to a rule regarding Office of Management and Budget (“OMB”) control numbers.¹³⁰ Finally, we are

proposing such technical amendments to several Commission forms.¹³¹

Request for Comment

46. Should the Commission make any other technical, conforming, clarifying, or implementing changes to effectuate semiannual reporting?

47. We are not proposing any technical amendments to references to “quarter” in Forms F–8 and F–80 (related to the calculation of U.S. holders), because companies that use those forms are foreign private issuers, which do not report quarterly currently. Is there any need for technical amendments to those forms to include references to semiannual reporting?

E. General Request for Comment

We request and encourage any interested person to submit comments on any aspect of our proposal, other matters that might have an impact on the proposed amendments, and any suggestions for additional changes. With respect to any comments, we note that they are of greatest assistance to our rulemaking initiative if accompanied by supporting data and analysis of the issues addressed in those comments and by alternatives to our proposal where appropriate.

IV. Other Matters

This proposing release is an economically significant regulatory action under Section 3(f)(1) of Executive Order 12866, as amended, and has been reviewed by OMB. This action, if finalized as proposed, is expected to be an Executive Order 14192 deregulatory action.

V. Economic Analysis

We are attentive to the costs that would be imposed by and the benefits that would be obtained from the proposed amendments.¹³² The discussion below addresses the

potential economic effects of the proposed amendments, including the likely benefits and costs, as well as the likely effects on efficiency, competition, and capital formation. We also analyze the potential costs and benefits of reasonable alternatives to the amendments.

A. Introduction

As discussed in Section III, the proposed amendments would provide companies subject to reporting obligations under Exchange Act Section 13(a) or 15(d) with the option of filing interim reports on a semiannual basis rather than on a quarterly basis. This flexibility would allow reporting companies to choose the reporting frequency that best aligns with their business needs and investor expectations.

Currently, Exchange Act reporting companies must file quarterly reports on Form 10–Q. These interim reports can be costly to prepare and provide. Reporting companies dedicate time and resources for preparing quarterly reports and associated voluntary disclosures (*i.e.*, earnings announcements and management guidance), for independent public accountant’s reviews of quarterly financial statements, and for related investor engagements such as earnings conference calls. Further, more frequent disclosure increases the risk of disclosing proprietary information that could benefit competitors to the detriment of the reporting company.¹³³ Reporting companies that reduce their reporting frequency could potentially redirect resources towards strategic priorities and other business needs while reducing the risk of disclosing proprietary information.

Conversely, the efficiency of financial markets rests on material information becoming public in a timely fashion. In addition to protecting investors, greater availability of material information allows securities prices to better reflect their issuers’ fundamental value and ultimately promotes capital formation as issuers have access to lower cost of capital and investors in those issuers’ securities have access to higher liquidity, as discussed in detail below. A reduction in the frequency of interim reporting could result in delayed disclosure of material information,

¹³³ The proposed amendments would not change what is required to be disclosed in the interim reports, simply the frequency. The impact of the proposed rules on the disclosure of proprietary information would be limited to instances where delaying competitively sensitive information contained in the interim reports or aggregating quarterly information into semiannual information decreases the value of the information to competitors.

¹¹⁵ 17 CFR 229.1010 (Financial statements).

¹¹⁶ 17 CFR 240.14a–5 (Presentation of information in proxy statement); 17 CFR 240.14a–8 (Shareholder proposals); 17 CFR 240.14a–101 (Schedule 14A. Information required in proxy statement).

¹¹⁷ 17 CFR 240.3a55–1 (Method for determining market capitalization and dollar value of average daily trading volume; application of the definition of narrow-based security index).

¹¹⁸ 17 CFR 230.158 (Definitions of certain terms in the last paragraph of section 11(a)); 17 CFR 230.405 (Definitions of terms); 17 CFR 232.11 (Definition of terms used in this part).

¹¹⁹ 17 CFR 230.138 (Publications or distributions of research reports by brokers or dealers about securities other than those they are distributing); 17 CFR 230.139 (Publications or distributions of research reports by brokers or dealers distributing securities); 17 CFR 230.139b (Publications or distributions of covered investment fund research reports by brokers or dealers distributing securities).

¹²⁰ 17 CFR 230.144 (Persons deemed not to be engaged in a distribution and therefore not underwriters).

¹²¹ 17 CFR 230.175 (Liability for certain statements by issuers); 17 CFR 240.3b–6 (Liability for certain statements by issuers); 17 CFR 240.10b5–1 (Trading “on the basis of” material nonpublic information in insider trading cases); 17 CFR 260.0–11 (Liability for certain statements by issuers).

¹²² 17 CFR 232.303 (Incorporation by reference).

¹²³ 17 CFR 232.405 (Interactive Data File submissions); 17 CFR 232.406 (Cover Page XBRL Data Tagging).

¹²⁴ 17 CFR 240.12b–2 (Definitions).

¹²⁵ 17 CFR 240.12b–25 (Notification of inability to timely file all or any required portion of a Form 10–K, 20–F, 11–K, N–CEN, N–CSR, 10–Q, or 10–D).

¹²⁶ 17 CFR 240.13a–14 (Certification of disclosure in annual and quarterly reports); 17 CFR 240.15d–14 (Certification of disclosure in annual and quarterly reports).

¹²⁷ 17 CFR 240.13a–15 (Controls and procedures); 17 CFR 240.15d–15 (Controls and procedures).

¹²⁸ 17 CFR 240.13a–16 (Reports of foreign private issuers on Form 6–K (17 CFR 249.306)); 17 CFR 240.15d–16 (Reports of foreign private issuers on Form 6–K (17 CFR 249.306)).

¹²⁹ 17 CFR 240.13d–1 (Filing of Schedules 13D and 13G).

¹³⁰ 17 CFR 200.800 (OMB control numbers assigned pursuant to the Paperwork Reduction Act).

¹³¹ 17 CFR 239.11 (Form S–1); 17 CFR 239.13 (Form S–3); 17 CFR 239.18 (Form S–11); 17 CFR 239.25 (Form S–4); 17 CFR 239.31 (Form F–1); 17 CFR 239.33 (Form F–3); 17 CFR 239.34 (Form F–4); 17 CFR 239.40 (Form F–10); 17 CFR 249.306 (Form 6–K); 17 CFR 249.308 (Form 8–K); 17 CFR 249.310 (Form 10–K); 17 CFR 249.322 (Form 12b–25—Notification of late filing).

¹³² Securities Act Section 2(b) and Exchange Act Section 3(f) require us, when engaging in rulemaking that requires us to consider or determine whether an action is necessary or appropriate in the public interest, to consider, in addition to the protection of investors, whether the action will promote efficiency, competition, and capital formation. 15 U.S.C. 77b(b), 78c(f). Exchange Act Section 23(a)(2) requires us, when making rules under the Exchange Act, to consider the impact that the rules would have on competition and prohibits the Commission from adopting any rules that would impose a burden on competition not necessary or appropriate in furtherance of the purposes of the Exchange Act. 15 U.S.C. 78w(a)(2).

reduced comparability, and some lost information. Therefore, there exists a tradeoff between reducing regulatory burdens so that reporting companies can reallocate their resources to potentially more value enhancing activities, which would ultimately benefit investors, and promoting efficient financial markets through timely disclosure. The optimal reporting frequency may differ across reporting companies and industries, depending on their size, business model, investor base, and other factors. Under the proposed rules, reporting companies could choose the frequency of reporting that best fits their circumstances. This flexibility is intended to allow reporting companies to make firm-specific choices that reflect the unique needs and preferences of their investors. Barring significant agency costs, this could lead to a more efficient, firm specific choice for reporting frequency that would benefit both issuers and investors.

Reporting companies that would choose to report on a semiannual basis could also decide whether to supplement with voluntary information on a quarterly basis. For instance, these companies may still voluntarily provide earnings announcements or similar disclosures during the first or third quarter or both.¹³⁴ Reporting companies that would be impacted by the proposed rules would fall into three broad groups: (1) companies that would file a Form 10-S semiannual report and choose not to voluntarily provide information for the first and third quarters; (2) companies that would continue to file Form 10-Q quarterly reports; and (3) companies that would file a Form 10-S semiannual report and choose to voluntarily provide information for the first or third quarter or both.¹³⁵ For purposes of our analyses, we discuss these groups separately and refer to the first group of issuers as semiannual reporters, the second group of issuers as quarterly reporters, and the third group of issuers as hybrid reporters.

Overall, the impact of the proposed rules would depend on the number and

type of reporting companies that decide to provide interim reports on a semiannual basis instead of a quarterly basis and the extent to which those companies supplement with voluntary disclosure. Because the decision to switch reporting frequency is voluntary and firm-specific, the aggregate effects will reflect a range of company and investor preferences. While we are unable to quantify the number of companies that would switch to semiannual reporting, we discuss factors that likely would influence reporting frequency decisions in Section V.D.4 below.

B. Broad Economic Considerations

This section summarizes a number of broad economic considerations regarding the frequency of periodic disclosures to provide context for the more detailed analysis of potential outcomes and the associated economic costs and benefits that follow.

The production of financial reports and disclosures on a periodic basis is a significant undertaking by reporting companies, involving internal staff time as well as the use of external service providers and requiring the attention of management. Additional voluntary efforts to engage with investors on some or all of the content of the disclosures, such as through earnings releases and conference calls,¹³⁶ may increase the burden of periodic reporting on company resources and, in particular, on management time. Periodic disclosures may also affect a company's value by increasing proprietary costs of revealing information that has competitive value to rival companies.¹³⁷ Reducing the frequency of periodic disclosures can, for some companies, provide savings of time and cash flow for other purposes. For companies that face financing constraints or limited managerial capacity, such savings may be directed to potentially more productive uses, such as strategic planning or capital investments. In other cases, savings may be returned to shareholders. A reduced burden of periodic disclosures on reporting issuers could also be a positive factor in encouraging additional companies to

raise capital through registered securities offerings or to become or remain a public company.¹³⁸

On the other hand, reducing the frequency of periodic disclosures may delay the public disclosure of material information about a company. Such decreased transparency may make it more difficult for investors to make well-informed decisions and may increase the expected return (*i.e.*, the cost of capital) that they demand for holding a company's securities. In particular, less frequent disclosures may result in a higher cost of capital if investors receive less precise information about a company's cash flows and how they covary with other companies' cash flows¹³⁹ and/or if there

¹³⁸ Studies have found that costs associated with mandated reporting may affect companies' going public decision as well as the decision to exit public markets. For example, there is some evidence of favorable effects of emerging growth company accommodations on IPO activity, *see, e.g.*, Michael Dambrin et al., *The JOBS Act and IPO Volume: Evidence that Disclosure Costs Affect the IPO Decision*, 116 J. Fin. Econ. 121 (2015). There is also evidence suggesting that costs associated with the Sarbanes-Oxley Act regulations encouraged companies to exit U.S. public stock markets. *See, e.g.*, Francesco Bova et al., *The Sarbanes-Oxley Act and Exit Strategies of Private Firms*, 31 Contemp. Acct. Rsch. 818 (2014) (finding that "SOX appears to have shifted the preferences of private firms from going public to exiting the private market via acquisition by a public acquirer"); Ellen Engel et al., *The Sarbanes-Oxley Act and Firms' Going-Private Decisions*, 44 J. Acct. & Econ. 116 (2007) (finding that "the quarterly frequency of going-private transactions has increased after the passage of SOX"); Christian Leuz et al., *Why do Firms Go Dark? Causes and Economic Consequences of Voluntary SEC Deregistrations*, 45 J. Acct. & Econ. 181 (2008), ("document[ing] a spike in going dark that is largely attributable to the Sarbanes-Oxley Act. Firms experience large negative abnormal returns when going dark. We find that many firms go dark due to poor future prospects, distress and increased compliance costs after SOX"). While savings associated with the proposed amendments may be one factor in a company's decision to go public (or to stay public), we also acknowledge that non-regulatory factors may play a more significant role in driving initial public offering activity. Some academic research has found that regulatory costs have likely played only a limited role in the decrease in the number of public companies in the U.S. after the 1990s. *See, e.g.*, Michael Ewens et al., *Regulatory Costs of Being Public: Evidence from Bunching Estimation*, 153 J. Fin. Econ. 103775 (2024) (estimating that regulatory costs may explain about 7% of the decline in the likelihood of initial public offerings after 2000, and stating that non-regulatory factors, such as abundant private equity financing, changing economies of scale and scope, and changing acquisition behavior, are likely to have played a more important role); Xiaohui Gao et al., *Where Have All the IPOs Gone?* 48 J. Fin. & Quantitative Econ. 1663 (2013) (documenting various patterns in initial public offering activity, small firm profitability, mergers and acquisitions activity, and other trends that the authors find to be inconsistent with a regulatory costs explanation for the decline in initial public offerings after 2000 but consistent with increases in the importance of economies of scope over time).

¹³⁹ *See, e.g.*, Richard Lambert et al., *Accounting Information, Disclosure, and the Cost of Capital*, 45

¹³⁴ *See supra* note 61 and accompanying text for a discussion of quarterly earnings releases and the fact that there is no requirement that they be reviewed by an independent public accountant or prepared in accordance with U.S. GAAP, among other regulatory requirements that apply to quarterly reports filed with the Commission on Form 10-Q.

¹³⁵ There is a wide range of information that these issuers could choose to disclose voluntarily for the first or third quarter or both. The economic effects of the proposed rules would therefore vary based on the amount of information these issuers provide and the costs of producing this information. Specifically, both the benefits and costs for an issuer would generally be reduced as more information is voluntarily disclosed.

¹³⁶ These disclosures generally exist because of the interim reports. While the proposed rules would not directly impact such voluntary disclosure, the proposed rules would have an indirect impact, at least to the extent that semiannual filers would forgo providing such voluntary disclosure for quarters for which they would no longer file interim reports.

¹³⁷ *See, e.g.*, Robert E. Verrecchia, *Discretionary Disclosure*, 5 J. Acct. & Econ. 179 (1983) (showing, theoretically, how proprietary costs can result in a manager withholding information when disclosure is discretionary).

is an increased risk of information asymmetry across investors as a result of the increased time gaps between public disclosures.¹⁴⁰ A higher cost of capital, in turn, may discourage companies from raising funds for new investments.

It is unclear what frequency of periodic reporting would strike the best balance between the potential benefits related to lower company reporting burdens and reduced disclosure of competitive sensitive information on the one hand, and the potential costs related to a reduction or delay of information to investors on the other hand, and such an optimal frequency may vary across issuers. Fundamentally, in a discounted cash flow valuation framework, both the savings from reduced reporting costs and potential productivity gains from reallocating managerial and other resources would have a positive effect on an issuer's valuation by increasing the expected cash flows it is able to generate from its business and new investments. In contrast, any resulting increase in the cost of capital would negatively affect the valuation by increasing the discount factor that would apply to produce the total value investors are willing to place on those expected cash flows today.

Allowing issuers to choose their own frequency of interim reporting would mitigate some of the risk of a suboptimal tradeoff between the opposing economic effects discussed above by allowing individual issuers to weigh which effects are likely to dominate in their

unique situation. An issuer whose quarterly reports would not tend to reflect any material changes beyond those already made public in current reports may determine that the costs of producing quarterly reports would outweigh the benefit of providing these reports to investors and thus choose to report semiannually. For example, commentators have noted that pre-revenue biotechnology companies' securities may trade more based on the outcome of clinical developments and regulatory events than their quarterly financial reporting.¹⁴¹ Conversely, companies in other industries or with different investor bases may find that more frequent reporting better serves their needs. Issuers can best estimate their own costs of more frequent reporting and should be incentivized to evaluate the impact of more frequent reporting on investors and other market participants. For instance, if investors demand more frequent interim reporting and issuers fail to meet that demand, the issuers could experience negative market effects such as higher cost of capital or lower liquidity.¹⁴² Under the proposed optional semiannual reporting approach, individual issuers would be able to make a more tailored trade-off between the costs and the benefits of reporting frequency for interim reports, which they do not have the ability to do under the current system of mandated quarterly reporting. Because issuers are incentivized to consider how their frequency of interim reports would impact investors, having the option to choose between quarterly reporting and semiannual reporting could lead to a more optimal reporting frequency for both the issuers and investors.

That said, there are various reasons why issuers may be likely to provide less disclosure when given optionality in their reporting frequency than would be optimal for investors and the market as a whole. For example, there is substantial literature discussing circumstances in which the incentives of managers are not perfectly aligned with those of their shareholders.¹⁴³ There may also be numerous additional

costs and benefits for investors and issuers associated with the frequency of periodic reporting and also associated with any variation in this frequency across issuers, many of which may not be fully accounted for by managers when making these tradeoffs for a particular issuer.

For example, researchers have found that longer gaps between issuer disclosures increase information asymmetry between investors, because some investors are more able than others to access or process information from alternative, often third-party, channels that provide indirect insight into an issuer's financial status or performance.¹⁴⁴ Recent advancements in alternative data collection, surveillance, and data processing technologies may exacerbate such information asymmetry.¹⁴⁵ Information asymmetry, in turn, is associated with reduced liquidity and increased transactions costs for investors.¹⁴⁶ Widespread information asymmetry can also diminish perceptions of fairness, which can erode trust in markets and reduce capital market participation.¹⁴⁷ To the extent these potential negative externalities borne by market participants from increased information asymmetry may not be fully internalized

J. Acct. Rsch. 385 (2007) ("Lambert et al. 2007 Study") (finding that higher quality disclosures reduce investors' assessed covariances of the firm's cash flows with other firms' cash flows, thereby reducing the proportion of non-diversifiable risk in these cash flows and, thereby, the firm's cost of capital); Puneet Handa & Scott C. Linn, *Arbitrage Pricing with Estimation Risk*, 28 J. Fin. & Quantitative Analysis 81 (1993) (finding that assets for which a greater amount of information is available should, *ceteris paribus*, trade at higher prices, *i.e.*, reflect a lower cost of capital, due to the reduction in estimation risk borne by investors); Xiaofei Zhao, *Does Information Intensity Matter for Stock Returns? Evidence from Form 8-K Filings*, 63 Mgmt. Sci. 1382 (2017) (finding that a greater frequency of current reports on Form 8-K is associated with a lower cost of capital and attributing this reduced return demanded by investors to reduced uncertainty). The Lambert et al. 2007 Study also identifies indirect effects on the cost of capital to the extent that the quality of disclosures affect decisions made by management, which in turn affect the distribution (and covariances) of the issuer's cash flows.

¹⁴⁰ See, e.g., Douglas W. Diamond & Robert E. Verrecchia, *Disclosure, Liquidity, and the Cost of Capital*, 46 J. Fin. 1325 (1991); David Easley & Maureen O'Hara, *Information and the Cost of Capital*, 59 J. Fin. 1553 (2004). These articles, however, also describe limited theoretical circumstances under which greater disclosure could lead to a higher cost of capital, such as in the case where public disclosures are so extensive that they reduce incentives for market making.

¹⁴¹ See *supra* note 53. See also letter from Davis Polk & Wardwell LLP (Mar. 21, 2019) ("Davis Polk 2019").

¹⁴² See *supra* notes 139 and 140 (all sources).

¹⁴³ See, e.g., Michael C. Jensen & William H. Meckling, *Theory of the Firm: Managerial Behavior, Agency Costs and Ownership Structure*, 3 J. Fin. Econ. 305 (1976). More specifically, career concerns or certain compensation arrangements may incentivize managers to conceal bad news, particularly when facing limited litigation risk. See, e.g., S.P. Kothari, et al., *Do Managers Withhold Bad News?* 47 J. Acct. Rsch. 241 (2009); Iván Marinovic & Felipe Varas, *No News is Good News: Voluntary Disclosure in the Face of Litigation*, 47 Rand J. Econ. 822 (2016).

¹⁴⁴ See, e.g., Robert Stoumbos, *The Growth of Information Asymmetry Between Earnings Announcements and Its Implications for Reporting Frequency*, 69 Mgmt. Sci. 1901 (2023) ("Robert Stoumbos 2023") (finding that information asymmetry grows steadily between earnings announcements, until a new earnings announcement causes it to fall, and that semiannual reporting is associated with greater information asymmetry than quarterly reporting in the second half of each semiannual period). For theoretical work in this area, see, e.g., Nils H. Hakansson, *Interim Disclosure and Public Forecasts: An Economic Analysis and a Framework for Choice*, 52 Acct. Rev. 396 (1977) ("Hakansson 1977 Study") and Baruch Lev, *Toward a Theory of Equitable and Efficient Accounting Policy*, 63 Acct. Rev. 1 (1988). See also 17 CFR 243.100 through 17 CFR 243.103 (Regulation FD) (generally prohibiting public companies from disclosing nonpublic, material information to selected parties unless the information is distributed to the public first or simultaneously).

¹⁴⁵ See, e.g., Zsolt Katona et al., *On the Capital Market Consequences of Big Data: Evidence from Outer Space*, 60 J. Fin. & Quantitative Analysis 551 (2025) ("Katona et al. 2025 Study") (studying the introduction of access to satellite imagery data for certain sophisticated investors and finding that such access led to increased information asymmetry and lower stock liquidity around the reports of retailers with satellite coverage).

¹⁴⁶ See, e.g., Lawrence R. Glosten & Paul R. Milgrom, *Bid, Ask, and Transaction Prices in a Specialist Market with Heterogeneously Informed Investors*, 14 J. Fin. Econ. 71 (1985). (As noted above, increased information asymmetry can also increase an issuer's cost of capital.) See *supra* note 140 (discussing studies by Douglas W. Diamond & Robert E. Verrecchia and David Easley & Maureen O'Hara) and accompanying text.

¹⁴⁷ See, e.g., Luigi Guiso et al., *Trusting the Stock Market*, 63 J. Fin. 2557 (2008).

by individual companies when choosing semiannual reporting under the proposed amendments, it could result in less disclosure than optimal for the market.

Less frequent periodic disclosures may also result in securities prices that deviate for longer periods of time from their issuers' fundamental value.¹⁴⁸ Reduced information about an issuer can result in deviations not only in the market prices of its own securities but also in the prices of other issuers' securities and other traded assets, given the interdependence of asset valuations on the risk and return profiles of other investible assets.¹⁴⁹ Increasing the delay before information is released thereby risks obscuring the attractiveness of investment opportunities and impeding the direction of capital to its most productive uses. In effect, the delayed incorporation of information into pricing can result in suboptimal investor portfolios and a misallocation of capital at the market level. These pricing effects may also result in increased "jump" volatility (given that prices may update by larger amounts under a less frequent periodic disclosure schedule, rather than more incrementally across multiple shorter disclosure cycles) which may reduce liquidity.¹⁵⁰ Less frequent financial reporting by an issuer may also reduce the efficiency of production if managers of that issuer or of other issuers thereby have access to less data (*i.e.*, less informative market prices and less frequent information from peer companies) on which to base their operating and investing decisions.¹⁵¹ The aforementioned negative effects on market dynamics from less frequent reporting are additional examples of potential negative externalities borne by market participants that may not be

internalized by an individual issuer when choosing its reporting frequency under the proposed amendments.

These asymmetric information effects and market pricing and volatility effects may be mitigated by the presence of alternative sources of information,¹⁵² including private information collection and analysis or by market discipline. Such mitigation is most likely in situations where alternate data is available, significant incentives for private collection of such data are present, and the market is efficient at incorporating such information into prices.¹⁵³ For example, with large companies, investors may have abundant and lucrative opportunities for private data collection and analysis, which creates opportunities to trade on the basis of the resulting information, which may result in the incorporation of significant amounts of information into these issuers' security prices even in the absence of public disclosure. Even in such cases, however, the extent of price discovery may be less complete than in the case of public disclosure¹⁵⁴ and the process of price discovery may be less efficient (*e.g.*, because of the resources directed towards information collection rather than other productive purposes).¹⁵⁵

¹⁵² See, *e.g.*, Dan Givoly & Dan Palmon, *Timeliness of Annual Earnings Announcements: Some Empirical Evidence*, 57 *Acct. Rev.* 486 (1982) (finding a reduction in the market reaction to annual earnings announcements when the reporting lag between the end of the period in question and the disclosure date is lengthy and suggesting this implies that the information in more lagged disclosures becomes partially available through other channels, including possible leaks or the disclosures of other issuers in the same industry).
¹⁵³ Under some circumstances, reduced public disclosures could increase the incentives for private information collection sufficiently that price discovery could even be improved rather than impaired. See, *e.g.*, Itay Goldstein & Liyan Yang, *Information Disclosure in Financial Markets*, 9 *Ann. Rev. Fin. Econ.* 101 (2017), available at <https://doi.org/10.1146/annurev-financial-110716-032355>.

¹⁵⁴ Private information collection may not fully replicate the information that the issuer could disclose publicly. See, *e.g.*, Jack Hirshleifer, *The Private and Social Value of Information and the Reward to Inventive Activity*, 61 *Amer. Econ. Rev.* 561 (1971) (demonstrating that relying on private, individual incentives to collect information can result in a level of information collection that diverges significantly from the optimal level of public information for the economy). Further, the availability of information to selected market participants and their strategic trading on the basis of that information does not guarantee that it is incorporated into prices in a timely manner. See, *e.g.*, Katona et al. 2025 Study (studying the introduction of access to satellite imagery data for certain sophisticated investors and finding limited evidence of any acceleration of price discovery as a result of the availability of this data to select investors).

¹⁵⁵ See, *e.g.*, Douglas W. Diamond, *Optimal Release of Information by Firms*, 40 *J. Fin.* 1071 (1985) (discussing the "savings of real resources which would be devoted to private information

Less frequent periodic disclosures may also have implications for the ability of investors and other market participants to hold corporate management accountable. For example, less frequent disclosures may reduce the ability of investors and other market participants to monitor the issuer and its management because they would receive less frequent signals about issuer performance and managerial decision-making. Such a reduced frequency of information revelation can delay investors from intervening when they are concerned with management's choices, whether through direct engagement with management or by making their views known through their trading activity and thus market prices.¹⁵⁶ These delays can result in poor management decisions compounding into bigger issues (*e.g.*, poor investments, deficient business strategies, or inefficient operations) before investors can react. Reduced disclosure also could reduce the incentives of analysts to cover an issuer and thus reduce this source of scrutiny and its associated benefits,¹⁵⁷ such as enhanced liquidity for the issuer's securities.¹⁵⁸ To the extent a reduced

acquisition if public information were not released"); Hakansson 1977 Study (discussing the "social disutility of having a subset of investors forego 'productive' employment in favor of time-consuming but profitable private search for information").

¹⁵⁶ See, *e.g.*, Benedikt Downar et al., *The Monitoring Effect of More Frequent Disclosure*, 35 *Contemp. Acct. Rsch.* 2058 (2018) (finding evidence consistent with the argument that more frequent disclosure provides shareholders with the opportunity for timelier monitoring and the ability to better constrain managers from misusing corporate resources); Frank Gigler et al., *How Frequent Financial Reporting Can Cause Managerial Short-Termism: An Analysis of the Costs and Benefits of Increasing Reporting Frequency*, 52 *J. Acct. Rsch.* 357 (2014) ("Gigler et al. 2014 Study") (showing, theoretically, that periodic disclosures enable market prices to impose discipline on the firm's choices, thereby limiting the initiation of negative net present value projects, and that greater reporting frequency provides more effective discipline).

¹⁵⁷ See, *e.g.*, Mark H. Lang & Russell J. Lundholm, *Corporate Disclosure Policy and Analyst Behavior*, 71 *Acct. Rev.* 467 (1996); Alexander Dyck, et al., *Who Blows the Whistle on Corporate Fraud?*, 65 *J. Fin.* 2213 (2010); Bryan Kelly & Alexander Ljungqvist, *Testing Asymmetric-Information Asset Pricing Models*, 25 *Rev. Fin. Stud.* 1366 (2012); Tao Chen, et al., *Do Analysts Matter for Governance? Evidence from Natural Experiments*, 115 *J. Fin. Econ.* 383 (2015); François Derrien et al., *The Real Effects of Financial Shocks: Evidence from Exogenous Changes in Analyst Coverage*, 68 *J. Fin.* 1407 (2013); Jeong-Bon Kim et al., *Analyst Coverage and Expected Crash Risk: Evidence from Exogenous Changes in Analyst Coverage*, 94 *Acct. Rev.* 345 (2019).

¹⁵⁸ See, *e.g.*, Darren T. Roulstone, *Analyst Following and Market Liquidity*, 20 *Contemp. Acct. Rsch.* 552 (2003); Karthik Balakrishnan et al., *Shaping Liquidity: On the Causal Effects of Voluntary Disclosure*, 69 *J. Fin.* 2237 (2014).

¹⁴⁸ See, *e.g.*, Jeff L. McMullin et al., *Increased Mandated Disclosure Frequency and Price Formation: Evidence from the 8-K Expansion Regulation*, 24 *Rev. Acct. Stud.* 1 (2019).

¹⁴⁹ See, *e.g.*, Lambert et al. 2007 Study.

¹⁵⁰ See letter from Alon Kalay (Mar. 18, 2019), available at <https://www.sec.gov/comments/s7-26-18/s72618-5144730-183368.pdf> (attaching revised copy of Dan Amiram, et al., *The Information Environment, Volatility Structure, and Liquidity* (Colum. Bus. Sch., Rsch. Paper No. 15–62, Feb. 21, 2019), available at <https://ssrn.com/abstract=2618424> (retrieved from SSRN Elsevier database)).

¹⁵¹ See, *e.g.*, Shane Heitzman & Mengjie Huang, *Internal Information Quality and the Sensitivity of Investment to Market Prices and Accounting Profits*, 36 *Contemp. Acct. Rsch.* 1699 (2019); Darren Bernard et al., *Information Flows Among Rivals and Corporate Investment*, 136 *J. Fin. Econ.* 760 (2020); Brad Badertscher et al., *Externalities of Public Firm Presence: Evidence from Private Firms' Investment Decisions*, 109 *J. Fin. Econ.* 682 (2013); Thierry Foucault & Laurent Fresard, *Learning from Peers' Stock Prices and Corporate Investment*, 111 *J. Fin. Econ.* 554 (2014).

frequency of interim disclosure is accompanied by fewer interim reviews and less interim testing by independent public accountants to support their annual financial statement or integrated audit, the independent auditors may be slower to identify certain accounting misstatements and deficiencies in internal control, which could negatively impact the timeliness and reliability of the audited annual financial statements.¹⁵⁹ This impact could be more prevalent for smaller reporting companies, particularly for those with fewer qualified accounting staff or other resources available to them.

Less frequent periodic disclosures may affect management incentives. If less frequent disclosure reduces scrutiny of issuers as discussed above, then this could reduce potential managerial incentives to overly focus on short-term outcomes to the detriment of long-term performance.¹⁶⁰ Survey evidence has found that management feels pressure to meet short-term earnings benchmarks, with a majority reporting a willingness to make corporate investment or operating decisions that smooth earnings (*i.e.*, reduce their volatility), even if such decisions would reduce long-term value by a small amount.¹⁶¹ Still, reductions in the reporting frequency are less likely to affect decision-making regarding long-horizon outcomes, such as investment decisions that are intended to generate profits five or ten years down the road. Further, other factors may play a larger role in short-termism concerns than the periodic disclosure cycle, such as executive compensation design or messaging to investors through, for example, earnings guidance.

Overall, the economic tradeoffs involved in the choice of interim disclosure frequency are complex and difficult to measure,¹⁶² and the ideal

frequency may differ across companies and industries. Allowing issuers the flexibility to report either semiannually or quarterly may help to better balance certain issuer-specific benefits against the issuer-specific costs of interim disclosure. The discussion above, however, identifies externalities borne by investors, other issuers, and the economy resulting from interim disclosure frequency that an individual issuer is unlikely to consider when selecting its own frequency of interim disclosure.¹⁶³ The existence of flexibility in interim disclosure frequency may itself result in additional concerns. For example, such flexibility may reduce the efficiency by which investors digest and use disclosures, because issuers disclosing at different frequencies may complicate comparative evaluations and analyses. The ability of an issuer to change its interim disclosure frequency in the future may also make it difficult for issuers who select a more frequent disclosure frequency to credibly convey to the market that they will continue to disclose at that frequency. This lack of a commitment device could reduce the benefits of an issuer choosing greater transparency because of uncertainty about their future transparency. That said, investor pressure and the development of market norms could help to address some of these concerns.

Ultimately, the costs and benefits of the proposed amendments will depend on how issuers use the accorded flexibility, and the potential outcomes and their effects are explored in depth in the more detailed sections that follow.

C. Baseline

The baseline against which the costs, benefits, and the effects on efficiency, competition, and capital formation of the proposed amendments are measured consists of the current state of the market, Form 10-Q filers' current practices, and the current regulatory framework.¹⁶⁴

economic justification of regulation" and acknowledging that "the identification of such market-wide effects and externalities is even more difficult than the identification of direct economic consequences on individual firms").

¹⁶³ See, e.g., Anat R. Admati & Paul Pfleiderer, *Forcing Firms to Talk: Financial Disclosure Regulation and Externalities*, 13 Rev. Fin. Stud. 479 (2000).

¹⁶⁴ See, e.g., *Nasdaq v. SEC*, 34 F.4th 1105, 1111–14 (D.C. Cir. 2022). This baseline approach also follows Commission staff guidance on economic analysis for rulemaking. See *Current Guidance on Economic Analysis in SEC Rulemaking* 6 (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

1. Regulatory Baseline

(a) Commission Regulations

Requirements for Quarterly and Transition Reporting

Companies subject to Exchange Act Sections 13(a) and 15(d) must file periodic and other reports in accordance with such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors.¹⁶⁵ The Commission has prescribed Form 10-Q for issuers to use for quarterly reports under Exchange Act Sections 13 and 15(d),¹⁶⁶ and to use for certain transition and quarterly reports when they change their fiscal closing dates.¹⁶⁷

Pursuant to Regulation S-X, Form 10-Q must include interim financial statements (inclusive of footnote disclosures) prepared in accordance with U.S. GAAP¹⁶⁸ and must be reviewed by (but are not required to be audited by) an independent public accountant.¹⁶⁹ Parts I and II of Form 10-Q require narrative disclosures regarding certain information, including MD&A and market risk.¹⁷⁰ Form 10-Q must be filed with exhibits required under Item 601 of Regulation S-K,¹⁷¹ including certifications by principal executive and financial officers.¹⁷²

Certain registrants have scaled reporting obligations. Smaller reporting companies, as defined in Exchange Act Rule 12b-2,¹⁷³ can elect to apply the form and content requirements in Article 8 of Regulation S-X and need not apply the form and content required by Regulation S-X for other reporting

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.").

¹⁶⁵ 15 U.S.C. 78m(a), 78o(d).

¹⁶⁶ 17 CFR 240.13a-13; 17 CFR 240.15d-13; 17 CFR 249.308a(a).

¹⁶⁷ 17 CFR 240.13a-10; 17 CFR 240.15d-10; 17 CFR 249.308a(b).

¹⁶⁸ As an exception, foreign private issuers that voluntarily file on domestic forms, including Form 10-Q, may include financial statements prepared in accordance with either IFRS (without reconciliation to U.S. GAAP) or home-country GAAP (with reconciliation to U.S. GAAP). See *supra* note 19.

¹⁶⁹ See Form 10-Q, Part I, Item 1; 17 CFR 210.8-03 and 10-01 (Regulation S-X Rules 8-03, 10-01).

¹⁷⁰ See Form 10-Q, Part I, Items 2 through 4; Part II, Items 1, 1A, 2, 3, 5(b), 5(c); 17 CFR 229.103; 17 CFR 229.105; 17 CFR 229.303; 17 CFR 229.305; 17 CFR 229.307; 17 CFR 229.308(c); 17 CFR 229.407(c)(3); 17 CFR 229.408(a); 17 CFR 229.701; *supra* Section II.

¹⁷¹ See Form 10-Q, Part II, Item 6; 17 CFR 229.601 (Regulation S-K Item 601).

¹⁷² See 17 CFR 240.13a-14; 17 CFR 240.15d-14; 17 CFR 229.601(b)(31) and (32) (Regulation S-K Items 601(b)(31) and (32)).

¹⁷³ 17 CFR 240.12b-2.

¹⁵⁹ See, e.g., Brant E. Christensen et al., *Archival Evidence on the Audit Process: Determinants and Consequences of Interim Effort*, 38 Contemp. Acct. Rsch. 942 (2021).

¹⁶⁰ See, e.g., Gigler et al., 2014 Study (showing, theoretically, that more frequent reporting can increase the probability of inducing managerial short-termism).

¹⁶¹ See, e.g., John R. Graham et al., *The Economic Implications of Corporate Financial Reporting*, 40 J. Acct. & Econ. 3 (2005) (finding, based on a survey of 400 executives, that managers place a great deal of importance on meeting earnings benchmarks, with 78% of the surveyed executives indicating a willingness to sacrifice at least a small amount of long-term value to smooth earnings).

¹⁶² See, e.g., Christian Leuz & Peter D. Wysocki, *The Economics of Disclosure and Financial Reporting Regulation: Evidence and Suggestions for Future Research*, 54 J. Acct. Rsch. 525 (2016) (stating that researchers "generally lack evidence on market-wide effects and externalities from regulation, yet such evidence is central to the

companies with certain enumerated exceptions.¹⁷⁴ Smaller reporting companies may omit reporting material changes from risk factors previously disclosed.¹⁷⁵ Certain wholly-owned subsidiaries that do not have a history of material defaults may substitute the MD&A analysis with a more streamlined analysis of the results of operations and may omit reporting changes in securities, defaults on senior securities, and quantitative and qualitative disclosures about market risk.¹⁷⁶

Form 10-Q reports are filed electronically with the Commission through its EDGAR system,¹⁷⁷ and reporting companies must structure certain portions of Form 10-Q, including the financial statements and cover page information, in Inline XBRL.¹⁷⁸ The deadline for filing Form 10-Q with the Commission is within 40 or 45 days after the end of a fiscal quarter, depending on the filer status of the reporting company.¹⁷⁹

Age of Financial Statements Requirements

Registrants are also subject to age of financial statements requirements, under which they must update the financial statements provided in their registration and proxy statements. In general, the most recent balance sheet in a registration or proxy statement must be as of a date no more than 134 days for nonaccelerated filers (or 129 days for accelerated and large accelerated filers) before the effective date of the registration statement (or date the proxy statement is mailed).¹⁸⁰ The audited annual financial statements for the most recently completed fiscal year, however, are not required to be included in a registration statement that goes effective (or proxy statement that is mailed) no more than 45 days after the end of the most recently completed fiscal year, provided interim financial statements as of the end of the third quarter of the most recently completed fiscal year are included.¹⁸¹ Further, if the registrant

meets certain conditions,¹⁸² then those interim financial statements would be timely through the 59th day, 74th day, or 89th day (depending on filer status) after the most recently completed fiscal year end.¹⁸³

Other Commission Rules and Information Collections

Requirements for quarterly reporting on Form 10-Q are referenced in other Commission rules and information collections. For example, registration statements on Form S-1 or S-3 require the issuer's prospectus to describe material changes which have occurred since the end of the latest fiscal year for which certified financial statements were included in the latest annual report to security holders and which have not been described in a Form 10-Q or Form 8-K.¹⁸⁴

(b) National Securities Exchanges and PCAOB Standards

National securities exchanges and the PCAOB have rules and standards that incorporate or otherwise reflect the requirement to file quarterly reports on Form 10-Q and would not be amended by the proposed amendments.¹⁸⁵ The standards may affect entities' incentives to continue filing quarterly reports on Form 10-Q instead of semiannual reports on proposed Form 10-S.

The exchanges' listing standards generally do not mandate a particular frequency of interim reporting.¹⁸⁶ In some cases, however, the exchanges' listing standards explicitly reference Commission requirements for quarterly reporting on Form 10-Q, for example by requiring listed companies to make quarterly reports available to shareholders prior to or as soon as practicable after filing Form 10-Q or by subjecting listed companies to delinquency procedures for filing Form 10-Q late.¹⁸⁷

¹⁸² See *supra* note 99 (describing the conditions in current rules which would be continued in the proposed rules but renumbered).

¹⁸³ 17 CFR 210.3-12(b); 17 CFR 210.3-01(c); 17 CFR 210.8-08(b).

¹⁸⁴ Form S-1, Part I, Item 11A; Form S-3, Part I, Item 11(a).

¹⁸⁵ National securities exchanges establish and amend their listing standards by filing proposed rule changes, pursuant to Section 19(b) of the Exchange Act and Rule 19b-4 thereunder, for Commission review, and certain proposed rule changes must be approved by the Commission before they can go into effect. See Exchange Act Section 19(b), 15 U.S.C. 78s(b). The Commission's approval is also required before the PCAOB may promulgate or amend a rule or standard. See Sarbanes-Oxley Act of 2002, Public Law 107-204, 107(b), 15 U.S.C. 7217(b).

¹⁸⁶ See *supra* Section II.

¹⁸⁷ See *supra* note 34 (citing NYSE Listed Company Manual § 802.01ESEC) and note 35 (citing Nasdaq Stock Market Rule 5250(d)(3)(A)).

The regulatory baseline of the proposed amendments also includes PCAOB Auditing Standard 4105,¹⁸⁸ which addresses the requirement in Regulation S-X Rules 10-01(d)¹⁸⁹ and 8-03¹⁹⁰ for a registrant to engage an independent public accountant to review the registrant's interim financial statements before the registrant files its quarterly report on Form 10-Q. Under PCAOB Auditing Standard 6101, less frequent periodic reviews performed in accordance with Auditing Standard 4105 affect auditors' ability to furnish comfort letters to underwriters expressing negative assurance without performing additional interim reviews under AS 4105.¹⁹¹

(c) Other Federal Agency Regulations

Other Federal agencies have incorporated Form 10-Q filing requirements into their own regulatory requirements affecting discrete sectors of the economy. The proposed amendments would not revise these other requirements.

For example, the Federal Deposit Insurance Corporation ("FDIC") requires State nonmember banks and State savings associations with one or more classes of securities subject to the registration provisions of Section 12(b) or 12(g) of the Exchange Act to file, with the FDIC, "[t]he applicable forms for annual, quarterly, current, and other reports . . . codified in 17 CFR part 249. . . . titled with the name of the FDIC instead of the SEC" (emphasis supplied).¹⁹² The Federal Housing Finance Administration requires a Federal housing enterprise to make certain public disclosures "no later than 10 business days after an Enterprise files its corresponding Annual Report on SEC Form 10-K at the end of a fiscal year or its corresponding Quarterly Report on SEC Form 10-Q at the end of other calendar quarters."¹⁹³ The Office of the

¹⁸⁸ See PCAOB Auditing Standard 4105, *Reviews of Interim Financial Information*, *supra* note 20, at ¶ .03.

¹⁸⁹ 17 CFR 210.10-01(d).

¹⁹⁰ 17 CFR 210.8-03.

¹⁹¹ See PCAOB Auditing Standard 6101, *Letters for Underwriters and Certain Other Requesting Parties*, *supra* note 93, at ¶ .37 ("[w]hen the accountants have not conducted a review in accordance with AS 4105, the accountants may not comment in the form of negative assurance and are, therefore, limited to reporting procedures performed and findings obtained"); *id.* at ¶ .46 (permitting negative assurance "as to subsequent changes in specified financial statement items as of a date less than 135 days from the end of the most recent period for which the accountants have performed an audit or a review"). See also letters from BDO USA, LLC (Mar. 21, 2019) ("BDO 2019"); Marcum LLP (Mar. 21, 2019) ("Marcum 2019").

¹⁹² 12 CFR 335.311(a).

¹⁹³ 12 CFR 1240.62; 12 CFR 1240.205.

¹⁷⁴ See Form 10-Q, Part I, Item 1; 17 CFR 210.8-01 through 210.8-08 (Article 8 of Regulation S-X).

¹⁷⁵ See Form 10-Q, Part II, Item 1A.

¹⁷⁶ See Form 10-Q, General Instruction H; Form 10-Q, Part I, Items 2 and 3 and Part II, Items 2 and 3.

¹⁷⁷ See 17 CFR 232.101(a) (Regulation S-T Rule 101(a)).

¹⁷⁸ See 17 CFR 229.601(b)(101) and (104) (Regulation S-K Items 601(b)(101) and (104)); 17 CFR 232.405 and 17 CFR 232.406 (Regulation S-T Rules 405 and 406).

¹⁷⁹ See Form 10-Q, General Instructions; 17 CFR 249.308a(a).

¹⁸⁰ 17 CFR 210.3-12(a); 17 CFR 210.8-08.

¹⁸¹ 17 CFR 210.3-01(b); 17 CFR 210.8-08(a).

Comptroller of the Currency¹⁹⁴ will deem offers or sales of national bank or Federal savings association issued nonconvertible debt to be in compliance with certain regulations if a number of requirements are met, including that each purchaser receives an offering document that contains, among other things, the national bank's, the Federal savings association's, or the holding company's (where the national bank or Federal savings association is a subsidiary of a holding company with securities registered under the Exchange Act) Forms 10-K, 10-Q, and 8-K filed under the Exchange Act.

Outside of regulations specific to the financial services industry, the Department of Commerce requires a firm petitioning for certification of eligibility for trade adjustment assistance to submit information, including its most recent Forms 10-Q or 10-K, as appropriate, for the entire period covered by the petition.¹⁹⁵ The Nuclear Regulatory Commission provides that certain licensees and permit holders that submit Form 10-Q are not subject to other filing requirements.¹⁹⁶

(d) State Law

Several states have adopted laws (statutes or administrative regulations) referring to Form 10-Q. In some cases, Form 10-Q is listed as one of a number of forms that must be submitted to the state, if required to be filed with the Commission,¹⁹⁷ or the law requires submission of either the 10-Q or substitute information.¹⁹⁸ In other cases, State laws permit entities to submit Form 10-Q to avoid other State financial reporting requirements,¹⁹⁹ or

the timing of State law requirements or exemptions is linked to the timing of entities' Form 10-Q filings.²⁰⁰ Other State laws categorize entities based on the contents of their Form 10-Q filings,²⁰¹ affirmatively require entities to submit Form 10-Q in connection with State approvals (or to submit the more recent of Form 10-Q or 10-K),²⁰² or make the submission of Form 10-Q a condition for obtaining a regulatory exemption or safe harbor.²⁰³ These provisions of State law might affect reporting companies' incentives to continue filing quarterly reports on Form 10-Q instead of semiannual reports on proposed Form 10-S. Over time, however, states may revise their corporate law requirements to accommodate for semiannual reporting.

2. Affected Parties

The proposed amendments would directly affect Exchange Act reporting companies that currently must file quarterly reports on Form 10-Q pursuant to Exchange Act Rule 13a-13 or Exchange Act Rule 15d-13,²⁰⁴ which excludes investment companies other than business development companies and face-amount certificate companies, foreign private issuers filing annual reports on Form 20-F or Form 40-F,

recent Form 10-Q "in lieu of" prescribed financial statements).

¹⁹⁴ See, e.g., Mo. Code Regs. Ann. tit. 15, § 30-54.220 (exemption from certain State securities law requirements where the issuer makes available quarterly reports "prior to or as soon as practicable following the company's filing of its Form 10-Q with the SEC").

¹⁹⁵ See, e.g., Del. Code Ann. tit. 30, § 1901 (for State law purposes, a "worldwide headquarters corporation" is one that has recorded the site of its principal executive office within the state on Form 10-Q).

¹⁹⁶ See, e.g., 30 Tex. Admin. Code § 305.50 (applicant for permit, if a publicly traded entity, shall submit "a copy of . . . Form 10-Q for the most recent quarter"); La. Admin. Code tit. 42, pt. III, § 2525 (shelf application based on a publicly traded company's stock equity "as reported in its most recent report on Form 10-K or Form 10-Q" filed with the Commission); Nev. Gaming Reg. § 16.115 (application for approval of a continuous or delayed public offering based on stockholder's equity as reported in entity's "most recent report on Form 10-K or Form 10-Q"); 02-031 Me. Code R. Ch. 730, § 8 (insurer must submit its "most recent Form 10-K (and Forms 10-Q since the date of the 10-K) and proxy statement" if registered with the Commission).

¹⁹⁷ See, e.g., Ga. Code Ann. § 7-1-1001 (exemption from mortgage lender licensing requirements based, in part, on market capitalization "disclosed in the most recent Form 10-Q" filed with the Commission); Tex. Admin. Code § 25.271 (safe harbor for certain investments where a holding company adheres to a covenant to file a quarterly report of aggregate investments "from the company's most recent SEC form 10-Q").

¹⁹⁸ See, e.g., N.H. Rev. Stat. § 361-A19 (retail sales finance company or retail seller may submit Form 10-Q and 10-K "in lieu of" prescribed financial statements); Fla. Admin. Code r. 25-8.003 (public utility may provide, *inter alia*, financial statements and accompanying footnotes from most

and asset-backed issuers.²⁰⁵ We estimate that 5,976 Exchange Act reporting companies, including 133 business development companies and 2 face-amount certificate companies, filed on domestic forms during calendar year 2024 ("CY2024") and are required to file quarterly reports on Form 10-Q.²⁰⁶ Affected parties also include independent public accountants that review the financial statements in connection with quarterly report filings; investors that use the information in the quarterly reports to inform investment decisions; and other market participants and intermediaries (e.g., financial analysts, investment advisers, underwriters, government agencies) that process and analyze quarterly reports to produce research reports, ratings, or other datasets used by issuers or investors. The proposed amendments could also affect other parties, such as companies who are competitors of Exchange Act reporting companies currently required to file Form 10-Q. In addition, the proposed amendments would directly affect filers of certain Securities Act and Exchange Act registration statements as they would be required to check a box to indicate whether they have elected to file semiannual reports. In CY 2024, we estimate that 933 Forms S-1 were filed, 1,574 Forms S-3 were filed, 193 Forms S-4 were filed, 13 Forms S-11 were filed, and 87 Forms 10 were filed.²⁰⁷

Among the affected Exchange Act reporting companies, we expect there is heterogeneity in terms of both costs of and demand for quarterly financial information due to, for example, differences in regulatory environment, exchange listing status, industry, or other company characteristics. For

²⁰⁵ Besides current reporting companies, non-reporting companies that are planning or considering registered securities offerings and thereby would become Exchange Act reporting companies upon effectiveness of the registration statement would also be affected by the proposed amendments.

²⁰⁶ This number of registrants is estimated as the number of unique registrants, identified by Central Index Key (CIK), that filed a Form 10-K, or an amendment thereto during calendar year 2024, which we see as an appropriate estimate of the companies with ongoing reporting duties that would be required to file interim reports on either Form 10-Q or the proposed Form 10-S. We recognize that registrants that have filed effective registration statements but not yet filed a Form 10-K would also have interim reporting duties and that registrants that have deregistered following their Form 10-K filing would cease to have interim reporting duties, but, because the inflow and outflow of companies with reporting duties is a continuous process, we view the number of companies that have filed a 10-K as a reasonable estimate of the number of companies that would be affected by the proposed amendments.

²⁰⁷ Estimates are based on the number of unique registered offerings filed on EDGAR in CY 2024.

¹⁹⁴ 12 CFR 16.6(a)(5).

¹⁹⁵ 13 CFR 315.7(b)(5).

¹⁹⁶ 10 CFR 50.71(b); 10 CFR 72.80(b).

¹⁹⁷ See, e.g., 239 Mass. Code Regs. 239.04 (operator must maintain records of "any securities filings . . . including, but not limited to . . . forms S-1, 8-K, 10-Q, and 10-K, proxy or information statements and all registration statements"); 26 Del. Admin. Code § 1002D-3.0 (applicant for approval to issue securities must file most recent Form 10-K and 10-Q "if the applicant is required to make such filings by the Securities and Exchange Commission").

¹⁹⁸ See, e.g., Va. Code Ann. § 56-539 (applicant for certificate of authority must provide Forms 10-K and 10-Q or "other financial information demonstrating . . . financial fitness"); Conn. Agencies Regs. § 16-47-2 (application must include most recent Forms 10-K and 10-Q "or comparable information if the applicant is not required to submit the identified document" to the Commission).

¹⁹⁹ See, e.g., N.H. Rev. Stat. § 361-A19 (retail sales finance company or retail seller may submit Form 10-Q and 10-K "in lieu of" prescribed financial statements); Fla. Admin. Code r. 25-8.003 (public utility may provide, *inter alia*, financial statements and accompanying footnotes from most

example, if there is a significant fixed cost component of quarterly reporting costs, smaller companies, such as smaller reporting companies,²⁰⁸ may face a disproportionate compliance burden compared to larger companies. On the other hand, due to the smaller size of operations, smaller companies may face lower costs associated with gathering, processing, verifying, and integrating information from across their operations as compared to the costs for larger companies. Smaller reporting companies can also take advantage of certain scaled disclosure requirements when filing Form 10-Q, which incrementally could reduce the costs of Form 10-Q reporting for smaller reporting companies compared to other reporting companies.²⁰⁹

Because of differences in regulation and other market characteristics (such as investor composition), Exchange Act reporting companies that are listed on a national securities exchange may be differentially affected compared to reporting companies whose securities trade only over-the-counter (or, in some cases, are not traded at all). For example, exchange-listed companies are likely to have more widespread professionally managed fund ownership and greater coverage by financial analysts, and, as result, may face greater demand by financial professionals for the quarterly information currently provided in Form 10-Q, even though the proposal would permit these companies to elect to report semiannually on Form 10-S.²¹⁰ We estimate that around 4,300 (72%) of the CY2024 Exchange Act reporting companies had securities listed on

either Nasdaq or NYSE exchanges. In addition, current Nasdaq and NYSE listing standards explicitly reference quarterly financial reporting.²¹¹

Currently, a company raising external capital in a securities offering (whether registered or exempt) may face demand for quarterly financial information from underwriters and other requesting parties.²¹² Underwriters or other requesting parties also frequently request a comfort letter from an independent public accountant prior to offers or sales of securities.²¹³ Under current PCAOB standards, the independent public accountant is required to have performed an audit or interim review in order to provide negative assurance in the comfort letter regarding the interim financial information, and the independent public accountant can only provide negative assurance level of comfort on other subsequent period information that is as of a date less than 135 days from the end of the most recent period audited or reviewed.²¹⁴ Given this practice, even if only semiannual reporting is required, depending on the timing of the offering during the fiscal year, an underwriter may request a review of more recent interim financial statements than those included in the last semiannual or annual report in order to obtain negative assurance comfort in a timely manner (or delay the offering until negative assurance can be obtained from the next set of financial statements scheduled to be filed under the periodic reporting requirements).²¹⁵ Thus, companies needing to raise external capital in a securities offering may have incentives to continue to file Form 10-Q under the proposed

amendments to meet underwriting process demands, as discussed in more detail below.

In addition, companies issuing notes or bonds or raising other types of debt may face a contractual demand for quarterly financial information during the lifetime of the bond or loan,²¹⁶ and such demand may persist also under the proposed amendments. Syndicated loans almost invariably include loan covenants based on financial information and may require firms to submit Commission filings to the lenders. Recent evidence suggests that financial information is becoming more informative to debt markets. Specifically, one study finds that financial numbers (*e.g.*, earnings, liabilities, etc.) are increasingly capable of predicting bond valuation and returns, and concludes that this greater association implies greater relevance of financial disclosures for lenders in recent years.²¹⁷ Some studies, however, have found that lender reliance on financial information declines when the quality of information declines, and, when this happens, debt contract design shifts to rely on other sources of risk mitigation, such as external credit ratings over which managers have less direct control.²¹⁸ Thus, reporting companies with significant debt financing needs may have incentives to provide quarterly financial statements, even if not mandated under the Exchange Act.

As discussed above, other Federal agency regulations or State laws may reduce the incentives to switch to semiannual reporting under the proposed amendments for companies for which those specific provisions are applicable unless conforming changes are made.²¹⁹ For example, we estimate that 143 CY2024 Exchange Act reporting companies are national banks or Federal savings institutions chartered and regulated by the Office of the

²⁰⁸ We estimate that 2,933 (49.1%) of the CY2024 Exchange Act reporting companies required to file quarterly reports are smaller reporting companies. This estimate is based on reporting companies' self-reported smaller reporting company status on the cover pages of their CY2024 annual filings. There were five reporting companies for which there was not sufficient information provided on the cover page of their CY2024 annual filings to determine their smaller reporting company status.

²⁰⁹ See *supra* notes 174 and 175 and associated text.

²¹⁰ Consistent with demand among institutional asset managers and analysts for the information disclosed in Form 10-Q, even in the presence of earning releases, a 2019 CFA Institute survey of its global membership found that 50% of respondents (N=705) strongly agreed or agreed that "quarterly reports are more important to investors than earnings releases" (while 37% strongly disagreed or disagreed and 13% had no opinion) and 91% of respondents strongly agreed or agreed that "quarterly reports are important to investors because they include incremental financial statement disclosures and management discussion and analysis." See Mohini Singh & Sandra Peters, *The Case for Quarterly and Environmental, Social, and Governance Reporting* (2019) ("2019 CFA Survey"), available at <https://rpc.cfainstitute.org/sites/default/files/-/media/documents/survey/financial-reporting-quarterly-and-esg-2019.pdf>.

²¹¹ See *supra* section V.C.1. We estimate that more than 1,750 (29%) of the CY2024 Exchange Act reporting companies had securities listed on NYSE. Some of these companies may decide not to switch to semiannual reporting under the proposed amendments until NYSE makes conforming changes to its listing standards by filing a proposed rule change, pursuant to Section 19(b) of the Exchange Act and Rule 19b-4 thereunder, for Commission review.

²¹² See, *e.g.*, letter from New York City Bar (Apr. 10, 2019) ("NY Bar 2019") ("[W]e suspect that investors would continue to demand quarterly reporting, even if the Commission's rules allowed for semi-annual reporting. We note by way of analogy that the Rule 144A debt markets generally require quarterly financial reporting as a contractual matter, even though many debt issuers are not subject to the periodic reporting requirements of the Securities Exchange Act of 1934, as amended.").

²¹³ See *supra* note 90 for a description of such "comfort letters."

²¹⁴ See *supra* note 191 and associated text.

²¹⁵ See, *e.g.*, letters from Grant Thornton LLP (Mar. 15, 2019); PriceWaterhouseCoopers LLP (Mar. 18, 2019); Center for Audit Quality (Mar. 20, 2019); Crowe LLP (Mar. 20, 2019) ("Crowe 2019"); BDO 2019; Marcum 2019; KPMG LLP (Mar. 21, 2019) ("KPMG 2019").

²¹⁶ See, *e.g.*, letter from CIT Group Inc. (Mar. 21, 2019) (stating, "In our view, benefits of quarterly reporting in comparison to semi-annual reporting include: . . . (iii) the provision of financial data for quarterly updates required by certain private and public debt facility agreements.").

²¹⁷ See, *e.g.*, Dan Givoly et al., *The Changing Relevance of Accounting Information to Debt Holders over Time*, 22 Rev. Acct. Stud. 64 (2017) (finding R² values of accounting based bond valuation models increase significantly from 1975 through 2013, and that this increase in association is likely related to accounting standards becoming more conservative and shifting towards more fair value emphasis on the balance sheet).

²¹⁸ See, *e.g.*, Anna M. Costello & Regina Wittenberg-Moerman, *The Impact of Financial Reporting Quality on Debt Contracting: Evidence from Internal Control Weakness Reports*, 49 J. Acct. Rsch. 97 (2011).

²¹⁹ See *supra* Section V.C.1.

Comptroller of the Currency (“OCC”),²²⁰ and, therefore OCC regulations that deem certain information to be provided when Form 10–Q filings are included in offering documents in connection with sales of non-convertible debt are relevant to these firms.²²¹

In addition, Exchange Act reporting companies in different industries could be differentially affected by the proposed amendments due to differences in industry characteristics that may affect the propensity to continue to provide disclosures of quarterly financial information on Form 10–Q. For example, commenters have noted that pre-revenue biotechnology companies’ securities may trade more based on the outcome of clinical developments and regulatory events than their quarterly financial reporting.²²² Conversely, companies in other industries or with different investor bases may find that more frequent reporting better serves their needs.

3. Compliance Costs of Form 10–Q Requirement

Commenters have highlighted several categories of costs of complying with the current Form 10–Q requirement, such as: (1) overall internal resources expended on interim report preparation (including time spent by employees and board members and employment of dedicated staff for reporting),²²³ (2)

specific timing issues and burdens of closing the accounting books for the period,²²⁴ (3) legal counsel fees,²²⁵ (4) external accounting advice fees,²²⁶ (5) auditor review fees,²²⁷ (6) costs for XBRL data tagging,²²⁸ and (7) distraction and opportunity costs (*i.e.*, valuable actions forgone because of time and money spent on interim reports).²²⁹

Commerce 2019”) (“Assembling a Form 10–Q is an arduous task, even at the largest public companies. Time and attention of senior management and the board of directors that could be devoted to other pursuits are instead diverted to the preparation and review of the filing.”).

²²⁴ See, *e.g.*, Society for Corporate Governance 2019 (member survey responses to a question asking how quarterly reporting may be burdensome or complex said: (1) “Struggles of very short period to close books to produce the information to report both earnings and file 10–Q”; (2) “Consumes a large amount of resources to close books . . .”; (3) “Constant pressure to promptly close books to prepare the releases and 10–Q”).

²²⁵ See, *e.g.*, letters from Biotechnology Innovation Organization (Mar. 21, 2019) (“Biotechnology Innovation 2019”); James Angel (Mar. 22, 2019); Society for Corporate Governance 2019.

²²⁶ See, *e.g.*, Biotechnology Innovation 2019 (quarterly reporting costs include “external consulting assistance on technical accounting matters”).

²²⁷ See, *e.g.*, letters from Biotechnology Innovation 2019 (quarterly reporting costs include “significant costs for external legal and independent auditor reviews”); Pacira Pharmaceuticals, Inc. (Mar. 18, 2019) (“Pacira Pharmaceuticals 2019”) (noting that auditor review costs include “significant supporting documentation required by the PCAOB and in turn by our auditors” and that there are “significant costs for the review of the 10–Q by the Company’s independent accounting firm on a quarterly basis”); Society for Corporate Governance 2019.

²²⁸ Letters from Biotechnology Innovation 2019 (“XBRL data is little-used by biotech investors, yet the costs of preparing the data remain significant for smaller registrants. Thus, the cost of XBRL requirements are high for small and emerging biotech companies, while the benefits are low for investors.”); Chamber of Commerce 2019 (suggesting the Commission should “reevaluate the entities it requires to report using eXtensible Business Reporting Language (XBRL),” noting that “the cost-benefit of this requirement hasn’t been fully realized, particularly for smaller and newly public companies who bear the reporting burden in this technical format more disproportionately,” and noting that burdens associated with XBRL include “cost, personnel, additional liability, and increased time and documentation to conduct extensive reviews” before submitting filings); Nasdaq 2019; SIFMA (Mar. 21, 2019) (“SIFMA 2019”) (suggesting that “the Commission should eliminate its XBRL requirements, including its recently adopted Inline XBRL [iXBRL] requirements” and noting that “we do not believe that iXBRL sufficiently addresses concerns that the time and expense of preparing XBRL data may outweigh its benefit to investors”).

²²⁹ See, *e.g.*, letters from Ball Corporation (Feb. 25, 2019) (“The cycle of preparing quarterly 10–Q filings . . . distracts management from activities that would generate returns for investors.”); Biotechnology Innovation 2019 (“Investors, companies, and other market participants would benefit from management teams and company personnel to focus their attention on strategic efforts to grow the business rather than administering frequent reporting obligations. In addition, companies would incur reduced costs in preparing

Commenters have also provided specific cost estimates. In particular, one stock exchange provided cost estimates from a survey of a sample of listed companies as of March 2019.²³⁰ In terms of time spent by the survey respondents’ employees on complying with quarterly reporting requirements each quarter, the survey results indicated an average of 853 hours and median of 300 hours spent, with a maximum of 20,000 hours spent.²³¹

In terms of monetary costs, the survey results indicated average monetary compliance costs (direct and indirect costs) each quarter of \$334,698 and median of \$75,000, with a maximum cost of \$7,000,000.²³² Adjusting these cost estimates for inflation would be equivalent to average (median) costs of approximately \$426,700 (\$95,600) and the maximum cost reported would be

and obtaining legal and auditor review of those quarterly filings, which would enable them to repurpose funds into other strategic investments to grow the company and improve outcomes for investors.”); Chamber of Commerce 2019 (“Semi-annual reporting would afford more time for the organization, especially its financial and management teams, to spend on value adding activities and projects.”); Pacira Pharmaceuticals 2019 (discussing that the costs of preparing interim financial statements and of auditor review are “both a financial cost and an opportunity cost in the time and dollars which could be directed towards other value-added activities.”); Society for Corporate Governance 2019 (member survey responses to a question asking how quarterly reporting may be burdensome or complex said: (1) “The quarterly close/filing process requires the attention/focus on too many employees. It makes it difficult to do any other transaction during the same period.”; (2) “Imposition [on] Board of Directors who could otherwise use the time to support company’s strategic development.”; (3) “Management focus/distraction from running the business.”; (4) “Time consuming, diverts time from management of operations and strategy planning and execution.”).

²³⁰ See study provided in Nasdaq 2019. The study is based on responses from a sample of up to 187 companies (the number of respondents varied across questions) that responded to the commenter’s solicitation of feedback on topics relating to the quarterly disclosure process. The study did not provide any characteristics of the companies that provided survey responses.

²³¹ See Nasdaq 2019 (responses by 164 listed companies to a question “approximately how many hours would you estimate your employees spend each quarter in total to comply with quarterly reporting requirements”). See also letters from Daktronics (March 19, 2019) (“Daktronics 2019”) (“Daktronics expends over 1,000 hours . . . per quarter complying with quarterly 10–Q requirements.” (emphasis omitted)); Arthur Gallagher 2019 (“Every three months, our company spends thousands of hours gathering, analyzing, and preparing information for our mandatory periodic disclosures.”).

²³² See Nasdaq 2019 (estimates based on responses by 151 listed companies to a question “approximately how much money (direct and indirect costs) do you estimate your company spends each quarter to comply with quarterly reporting requirements (*i.e.* outside counsel, vendors, etc.)”). See also Daktronics 2019 (“Daktronics expends . . . approximately \$100,000 dollars per quarter complying with quarterly 10–Q requirements.” (emphasis omitted)).

²²⁰ This estimation is based on the reporting companies’ self-reported SIC codes provided in their annual filings, *i.e.*, whether they report having SIC codes of 6021 (National Commercial Banks) or 6035 (Savings Institution, Federally Chartered).

²²¹ See *supra* note 194 and associated text.

²²² See *supra* note 141.

²²³ See, *e.g.*, letters from Arthur Gallagher & Co. (Mar. 14, 2019) (“the most significant cost, which is more difficult to quantify, is the time and effort expended by our colleagues, management team, and Board members.”); Society for Corporate Governance (Apr. 19, 2019) (“Society for Corporate Governance 2019”) (member survey responses to a question asking how quarterly reporting may be burdensome or complex said: (1) “Each quarter, the quarterly earnings process consumes a significant amount of our company’s legal and accounting resources.”; (2) “It takes a large team of accountants a long time to put together all the financial statements, notes, MD&A. . . .”; (3) “Time consuming; involving lots of companies/functions/departments.”; (4) “Finance team takes several weeks to draft and finalize the 10Q, facilitate auditors’ review, circulate draft to Audit Committee, etc.”; (5) “Requires significant manhours and coordination amongst various internal groups (segment finance, corporate finance, tax, legal, [investor relations]).”; (6) “Requires a dedicated team of five full time employees, plus an internal review team of eight employees, plus the review time of the Disclosure Committee (13 employees).”; (7) “Substantial data collection and analysis requires headcount that is not productive (doesn’t add to revenues and represents cost without concomitant value)”; U.S. Chamber of Commerce Center for Capital Markets Competitiveness (Mar. 21, 2019) (“Chamber of

approximately \$8,923,500, as of December 2025.²³³ The survey also provided monetary cost estimates specifically for XBRL data tagging. The survey respondents reported average (median) XBRL tagging costs of \$20,412 (\$7,500), with a maximum reported cost of \$350,000, as of March 2019. Adjusted for inflation the average (median) reported XBRL tagging cost would be approximately \$26,000 (\$9,600) and the maximum reported cost would be approximately \$446,200, as of December 2025.²³⁴

To our knowledge, there are no readily available estimates of the incremental cost of the mandated auditor review of Form 10–Q.²³⁵ One academic study, however, using data from Canada, where auditor review of interim financial statements of public companies is voluntary, compared total disclosed annual audit fees between companies providing quarterly reviews and those that did not, and estimated that audit fees were 18 percent higher for firms with interim reviews, controlling for the decision to purchase interim reviews and for variables associated with annual audit fees.²³⁶

²³³ We adjust the estimates for inflation by inflating the originally reported estimates by the proportional increase in the Consumer Price Index for All Urban Consumers from March 2019 (the month of release of the NASDAQ survey) through December 2025 (the latest available data point at the time of this calculation). The Consumer Price Index for All Urban Consumers is the statistical metric developed by the Bureau of Labor Statistics of the Department of Labor to monitor the change in the price of a set list of products. This index represents changes in prices of all goods and services purchased for consumption by urban households. See U.S. Bureau Lab. Stat., *Consumer Price Index* (Feb. 9, 2026), available at <https://www.bls.gov/cpi>. The actual change in the compliance costs over this time period may be different and these inflation adjusted estimates are provided solely for illustrative purposes.

²³⁴ See *supra* note 233.

²³⁵ In connection with the solicitation of proxies related to the election of directors and the election, approval or ratification of a registrant's accountant, a registrant's proxy statement must include, among other things, the disclosure of the "aggregate fees" billed for each of the last two fiscal years for the audit of the registrant's financial statements and the review of interim financial statements included in Form 10–Q (or services that are normally provided in connection with statutory and regulatory filings). See Schedule 14A, Item 9(e)(1). There is no requirement to separately disclose the fees billed for the review of the interim financial statements. The fees related to the review of interim financial statements included in Form 10–Q typically do not make up a significant portion of a registrant's total audit fees, however, there may be some variation in proportion depending upon the size of the registrant.

²³⁶ See Jean Bédard & Lucie Courteau, *Benefits and Costs of Auditor's Assurance: Evidence from the Review of Quarterly Financial Statements* 32

Taking this finding at face value, that difference implies that each quarterly review on average cost 6% (18% divided over three quarters) of the cost of the annual audit, which means a company on average could potentially save a monetary amount equivalent to 12% of the cost of the annual audit by switching to semiannual reporting. Such cost savings would be reduced to the extent that review costs for fiscal quarters one and three would transfer to the semiannual review or annual audit.

4. Earnings Release Practices and Prevalence

Exchange Act reporting companies required to file Form 10–Q may also voluntarily communicate certain quarterly financial results through earnings releases. Many academic studies have found that markets react strongly to the information released in these voluntary disclosures, even more so when the releases also contain other information such as managerial forecasts or guidance, or when accompanied by an earnings related conference call.²³⁷ Some studies have

Contemp. Acct. Rsch. 308 (2015). See also Keren Bar-Hava, *Switching to Semi-annual Financial Statement Reports—Market Reaction, Audit Fee and Corporate Governance Quality*, 9 J. Fin. & Acct. 249 (2021), available at <https://doi.org/10.11648/j.f.a.20210906.15> (finding a significant decrease of 19.8% in the number of external auditing hours and a significant decrease of 16% in the annual external total audit fee for small cap firms publicly traded on the Tel-Aviv stock exchange that switched to semiannual reporting following a rule change allowing a switch from quarterly to semiannual reporting).

²³⁷ See, e.g., Linda Smith Bamber, *Unexpected Earnings, Firm Size, and Trading Volume around Quarterly Earnings Announcements*, 62 Acct. Rev. 510 (1987) (finding that significant abnormal trading volume around quarterly earnings announcements is positively related to the magnitude of unexpected earnings, implying markets react to the novel financial information disclosed); Wayne Landsman & Edward Maydew, *Has the Information Content of Quarterly Earnings Announcements Declined in the Past Three Decades?* 40 J. Acct. Rsch. 797 (2002) (finding that information content in quarterly earnings announcements, as measured by both abnormal trading volume and return volatility, has increased over the latter half of the 20th century); William H. Beaver et al., *Increased Market Response to Earnings Announcements in the 21st Century: An Empirical Investigation*, 69 J. Acct. & Econ. 101244 (2020) (finding that market responses to earnings announcements have increased over the 2001 to 2016 period, and attributing this to the concomitant increase in the practice of firms including management guidance, analyst forecasts, and disaggregated financial statement line items with their announcements); Dawn Matsumoto et al., *What Makes Conference Calls Useful? The Information Content of Managers' Presentations and Analysts' Discussion Sessions*, 86 Acct. Rev. 1383 (2011) (finding that markets react to the increasingly common practice of firms hosting a

compared the market responses around earnings releases with those around the filing of the associated interim reports for the same period, finding that markets generally react to the information when it is first disclosed, but less so when it is subsequently repeated.²³⁸ For example, there might be a significant reaction to news in the earnings release but not to the Form 10–Q filed a week later, even though they both reflect the same financial information. As discussed in more detail in Section II above, current Item 2.02 of Form 8–K requires earnings releases to be furnished to the Commission under the cover of Form 8–K.

Table 1 below shows statistics on the frequency of such earnings releases associated with Form 10–Q and Form 10–K filings for the sub-sample of CY2024 Exchange Act reporting companies that had a complete set of quarterly filings for their latest reported fiscal year in CY2024 (i.e., those who filed a Form 10–Q for the first through third fiscal quarters prior to their CY2024 10–K filing). As shown in Table 1, reporting companies issue earnings releases in association with almost three quarters of all quarterly or annual reports. The data also shows that there is not a significant difference in propensity to issue earnings releases across quarters. Comparing smaller reporting companies to other (larger) reporting companies, Table 1 shows that smaller reporting companies issue earnings releases in conjunction with around 56% of Form 10–Q filings, whereas other (larger) reporting companies' issue earnings releases in conjunction with over 90% of their Form 10–Q filings. This difference may indicate that there is less demand from investors for these voluntary earnings releases for smaller companies. It could also indicate that smaller reporting companies face greater costs of such disclosures compared to their larger peers.

conference call in conjunction with their earnings announcement, and that both the prepared remarks and Q&A sections of such calls contain novel information to which markets respond).

²³⁸ See, e.g., Edward Xuejun Li & K. Ramesh, *Market Reaction Surrounding the Filing of Periodic SEC Reports*, 84 Acct. Rev. 1171 (2009) ("Edward Xuejun Li & K. Ramesh 2009") (finding that markets do not significantly react to Form 10–Q filings when those filings are preceded by an earnings release, implying that earnings releases convey sufficient information to markets such that there is no average remaining reaction when the interim report is filed later).

Table 1: Frequency of Earnings Releases Around Filings of Quarterly and Annual Reports²³⁹

	All Reporting Companies		Smaller Reporting Companies		Other (Larger) Reporting Companies	
	Number of Filings	Percentage of Filings with an Associated Earnings Release	Number of Filings	Percentage of Filings with an Associated Earnings Release	Number of Filings	Percentage of Filings with an Associated Earnings Release
All quarters	21,820	74.55%	10,680	56.00%	11,140	92.33%
1st Fiscal Quarter	5,455	74.65%	2,670	56.25%	2,785	92.28%
2nd Fiscal Quarter	5,455	74.65%	2,670	56.18%	2,785	92.35%
3rd Fiscal Quarter	5,455	74.87%	2,670	56.59%	2,785	92.39%
4th Fiscal Quarter (Annual Report)	5,455	74.04%	2,670	54.98%	2,785	92.32%

5. Empirical Evidence on the Informational Value of Form 10–Q Disclosures

The informational value of quarterly filings has been broadly studied, with results generally suggesting that the quantitative financial information and qualitative descriptive information contained in Form 10–Q filings are both informative but are often preceded by other disclosures, such as earnings releases. Earnings releases will vary in how much information they contain relative to Form 10–Q filings. Further, earnings releases do not always reflect information in the same manner as quarterly filings, for example, by conveying the information in a more optimistic tone.²⁴⁰ Consequently, assessing the informational role that quarterly filings provide requires differentiating between the types and timing of information contained therein.

Quarterly filings have been found to provide markets with novel information in certain circumstances. For example, studies find that investors react strongly to abnormally high levels of “discretionary” accruals in quarterly financial information, to firms updating their quarterly disclosure of risk factors, and to quarterly reports that contain specific financial information (e.g., a specific GAAP measure) that is not included in their associated earnings release.²⁴¹ Together, this suggests that

whether quarterly filings are perceived by markets to contain novel information likely depends on the specific firms’ facts and circumstances.

Most of these studies find that the filing of quarterly reports is on average associated with a significant market return, which suggests that the market is reacting, on average, to novel information in the filing. Given the common firm practice of reporting earnings separately, in many cases before the quarterly report is filed, one study, however, cautions against drawing conclusions about the information in the quarterly report broadly without separating out specific financial information disclosed in earnings announcements.²⁴² This study finds that markets only react to filed

filings); Joshua J. Filzen, *The Information Content of Risk Factor Disclosures in Quarterly Reports*, 29 *Acct. Horizons* 887 (2015) (finding firms that update the set of risk factors disclosed in their Form 10–Q filings experience lower abnormal stock returns when forms are filed, implying that markets react to the novel information in those filings); Raluca Chiorean et al., *Investor Reaction to Information Generated Over the Reporting Cycle* (Dec. 8, 2025), available at <https://ssrn.com/abstract=5885082> (retrieved from SSRN Elsevier database) (finding that firms with more significant changes to the text of their Form 10–Q filings experience lower stock returns both around the time of the filing and over the subsequent quarter. The study concludes that Form 10–Q filings “convey valuable information . . . yet investors often ignore it.”); Yifan Li et al., *Opportunity Knocks But Once: Delayed Disclosure of Financial Items in Earnings Announcements and Neglect of Earnings News*, 25 *Rev. Acct. Stud.* 159 (2020) (finding that firms with proportionately more financial statement items disclosed in Form 10–Q filings that are not also disclosed in a separate earnings announcement have relatively larger market reactions to the filings of those forms compared to the reaction of those earnings announcements). We view the Yifan Li et al. findings as implying that markets are reacting to the financial information when it is learned, whether that be in an earnings announcement or a Form 10–Q filing.

²⁴² See Edward Xuejun Li & K. Ramesh 2009, *supra* note 238.

quarterly reports when no earnings announcement is disclosed previously. This suggests that the average market response to quarterly report filings that studies have observed may be primarily a reaction to the first disclosure of financial information (typically the primary content of earnings announcements) rather than a reaction to the totality of the information that a quarterly report comprises, both quantitative and qualitative. Overall, this evidence suggests that, on average, quarterly filings may not provide markets with novel information, except to the extent they are the first report of financial performance.

6. Empirical Evidence on Interim Reporting Frequency

The evidence on the informational value of Form 10–Qs and associated earnings releases we discussed in the previous sections does not directly speak to the issue of what reporting frequency would be optimal for investors and companies. Even if Form 10–Q disclosures have incremental informational value per se, investors and the reporting companies they own could still be better off with semiannual reporting. Because all Exchange Act reporting companies have been mandated to file Form 10–Q quarterly interim reports for more than five decades, it is difficult to empirically estimate the counterfactual value of semiannual reporting.²⁴³ Some studies have attempted to address this issue by examining historical U.S. disclosures prior to and around the time that mandatory quarterly interim reports took effect in 1970. When considering the evidence from these studies, we consider that there are limitations to

²⁴³ We discuss broader economic considerations regarding the optimality of different interim reporting frequencies in Section V.B.

²³⁹ The data on earnings releases comes from Calebench.

²⁴⁰ See Angela K. Davis & Isho Tama-Sweet, *Managers’ Use of Language Across Alternative Disclosure Outlets: Earnings Press Releases Versus MD&A*, 29 *Contemp. Acct. Rsch.* 804 (2012).

²⁴¹ See, e.g., Steven Balsam et al., *Accruals Management, Investor Sophistication, and Equity Valuation: Evidence from 10–Q Filings*, 40 *J. Acct. Rsch.* 987 (2002) (finding that firms with higher levels of unexpected discretionary accruals, calculated from Form 10–Q financial information, experience lower abnormal stock returns, implying that markets react to the novel information in those

inferences that can be drawn from such historical U.S. studies due to dramatic changes in institutional investor participation, technology, market structure, and market competition that have occurred since then—together, composing a potentially different information environment for reporting companies today.

Using the U.S. historical setting, one study examined whether increasing reporting frequency improves earnings timeliness (*i.e.*, the speed with which accounting information is reflected in security prices).²⁴⁴ Differentiating between voluntary changes (firms switching from semiannual to quarterly reporting) and mandatory changes (Commission mandates), the study found that firms that voluntarily increased reporting frequency experienced improved earnings timeliness, whereas there was no significant evidence of improved earnings timeliness for those companies that were obligated to move to quarterly reporting following the 1970 Commission mandate of quarterly interim reports. By contrast, another study using a similar historical sample (1951–1973) covering voluntary and mandatory shifts in U.S. reporting frequency, found that higher reporting frequency is significantly associated with lower information asymmetry (measured by bid-ask spread and price impact) and a lower cost of equity capital (measured using realized returns and factor models), which supports the informational benefits hypothesized for more frequent disclosure, even when mandated.²⁴⁵ Other studies have used the same historical U.S. setting to analyze the relationship between reporting frequency and corporate investment and innovation and have found that higher reporting frequency is negatively associated with both investments and innovation and found that this result is consistent with higher

frequency financial reporting inducing myopic corporate behavior.²⁴⁶

Other studies provide evidence on how reporting frequency affects firms' information environments, market outcomes, and managerial behavior by examining international jurisdictions that have experienced regulatory changes in the frequency of interim financial reporting. These studies provide evidence from more recent regulatory changes, but there are limitations to consider when making inferences from these studies. There are significant regulatory and institutional differences between the U.S. and the countries examined in these studies that may alter how companies and market participants respond to changes in reporting requirements.²⁴⁷ One of these regulatory differences is that there are significant differences in the level of information provided in the interim reports across jurisdictions. For example, the type of quarterly reports that were required in the UK (Interim Management Statements) differed significantly from Form 10–Qs. In contrast to the requirements of Form 10–Q described above in Section II, the Interim Management Statements only needed to provide an explanation of material events and transactions that took place during the period and to give a general description of a firm's financial position and performance. In fact, one study reported that many UK firms failed to disclose any sales or earnings figures in their quarterly reports.²⁴⁸

While regulatory differences and institutional differences limit direct comparisons to U.S. markets, the international experience may still highlight potential economic mechanisms relevant to changes in

reporting frequency. Evidence from the EU suggests that reductions in the mandated frequency of interim reporting can weaken the information environment, for example, by leading to more selective disclosures.²⁴⁹ Related research shows lower financial reporting frequency may increase investors' reliance on alternative sources of information (*e.g.*, third party information intermediaries and peer companies), but those sources may not fully offset the informational loss associated with less frequent reporting.²⁵⁰

International evidence also indicates that reporting frequency affects analyst behavior. Leveraging the UK's introduction and subsequent relaxation of mandatory quarterly reporting in 2007 and 2014, respectively, studies find that higher frequency of mandatory interim reporting is associated with increased analyst coverage.²⁵¹ Similarly, another study examines firms in Taiwan and finds that firms that voluntarily disclose monthly earnings attract more analysts and have more accurate and less dispersed analyst earnings forecasts.²⁵² One study that uses evidence across numerous countries shows that mandatory quarterly reporting is associated with lower analyst forecast errors and lower analyst forecast dispersion relative to semiannual regimes, particularly in settings with higher information acquisition costs.²⁵³

²⁴⁹ See, *e.g.*, Tobias Bornemann et al., *The Consequences of Abandoning the Quarterly Reporting Mandate in the Prime Market Segment*, 34 Eur. Acct. Rev. 89 (2025) (finding in the Austrian sample that while only a few firms terminated quarterly reporting entirely following the deregulation of quarterly reporting, most firms reduced the content of quarterly reports by omitting the notes disclosures).

²⁵⁰ See, *e.g.*, Salman Arif & Emmanuel De George, *The Dark Side of Low Financial Reporting Frequency: Investors' Reliance on Alternative Sources of Earnings News and Excessive Information Spillovers*, 95 Acct. Rev. 6 (2020) (concluding that “investors are unable to successfully offset the information loss arising from low reporting frequency, thus impairing their ability to value firms and adversely affecting the quality of financial markets”).

²⁵¹ See, *e.g.*, letter from CFA Institute (Mar. 28, 2019) (“CFA Institute 2019”) (noting that a CFA Research Institute Report—the 2017 CFA Study of UK, *supra* note 62—found that analyst following increased after imposition of mandatory quarterly reporting in 2007, and that companies that moved to semiannual reporting after 2014 without supplementing with voluntary quarterly reports experienced a reduction in analyst coverage).

²⁵² Shou-Min Tsao et al., *Voluntary Monthly Earnings Disclosures and Analyst Behavior*, 71 J. Banking & Fin. 37 (2016).

²⁵³ See, *e.g.*, Andrei Filip et al., *Shaping the Information Environment: International Evidence on Financial Reporting Frequency and Analysts' Earnings Forecast Errors*, 39 J. Acct., Auditing & Fin. 754 (2024). This study uses data from 49

²⁴⁴ See Marty Butler et al., *The Effect of Reporting Frequency on the Timeliness of Earnings: The Cases of Voluntary and Mandatory Interim Reports*, 43 J. Acct. & Econ. 181 (2007) (examining “a [US] sample of 28,824 reporting-frequency observations from 1950 to 1973”).

²⁴⁵ See Renhui Fu et al., *Financial Reporting Frequency, Information Asymmetry, and the Cost of Equity*, 54 J. Acct. & Econ. 132 (2012) (“[u]sing hand-collected data on [US] firms' interim reporting frequency from 1951 to 1973” and finding that “higher reporting frequency reduces information asymmetry and the cost of equity, and they are robust towards considerations of the endogenous nature of firms' reporting frequency choice. We obtain similar results when we focus on mandatory changes in reporting frequency. Our results suggest the benefits of increased reporting frequency.”)

²⁴⁶ Regarding investments, see Arthur G. Kraft et al., *Frequent Financial Reporting and Managerial Myopia*, 93 Acct. Rev. 249 (2018) (“[u]sing the transition of U.S. firms from annual reporting to semiannual reporting and then to quarterly reporting over the period 1950–1970” and finding that “increased reporting frequency is associated with an economically large decline in investments” and that “the decline in investments is most consistent with frequent financial reporting inducing myopic management behavior”). Regarding innovation, see Renhui Fu et al., *Financial Reporting Frequency and Corporate Innovation*, 63 J. Law & Econ. 501 (2020) (finding that higher reporting frequency significantly reduces innovation output, consistent with the hypothesis that frequent reporting induces managerial myopia).

²⁴⁷ We refer to “institutional differences” to encompass those differences that do not directly stem from differences in regulatory form or functions. Examples of such differences include general market practices, investor preferences and behaviors, and levels of engagement.

²⁴⁸ Suresh Nallareddy et al., *Consequences of More Frequent Reporting: The UK Experience*, 6 J. Law, Fin. & Acct. 51 (2021).

There is some evidence that decreasing reporting frequency could reduce short termism. Overall, however, the effects of reporting frequency on real corporate decisions are mixed. Evidence from the EU suggests that increasing reporting frequency can exacerbate managerial short-termism by increasing their manipulation of real business activities.²⁵⁴ In contrast, studies using data from the UK and Singapore find little evidence that changes in reporting frequency materially affect firms' investment decisions.²⁵⁵

D. Benefits and Costs

The proposed amendments would provide Exchange Act reporting companies with flexibility regarding the frequency of mandatory periodic reporting by permitting issuers to elect whether to continue filing quarterly reports on Form 10-Q or to shift to a semiannual reporting cadence using a new Form 10-S.²⁵⁶ We do not expect issuers to respond homogeneously to this flexibility, since they will make reporting decisions based on how they assess the relative costs and benefits of more or less frequent periodic reporting

countries to show that a mandatory quarterly reporting regime (as compared to semiannual) is associated with lower analysts' annual earnings forecast errors. Consistent with an improvement in the information environment, this study's findings are more pronounced for firms and analysts subject to higher information acquisition costs and in countries where the institutional setting is less able to meet analysts' information needs.

²⁵⁴ See, e.g., Jürgen Ernstberger et al., *The Real Effects of Mandatory Quarterly Reporting*, 92 *Acct. Rev.* 33 (2017) (finding an increase in real activities manipulations—a measure capturing overproduction and a reduction of discretionary expenses—for firms mandated to switch from semiannual to quarterly reporting. They conclude “this finding is in line with the notion of higher managerial short-termism resulting from increased reporting frequency requirements”).

²⁵⁵ See, e.g., CFA 2017 Study of UK (finding that the imposition of mandatory quarterly reporting had no statistically significant impact on firms' investment decisions); Peter Kajüter et al., *The Effect of Mandatory Quarterly Reporting on Firm Value*, 94 *Acct. Rev.* 251 (2019) (exploiting a regression discontinuity in Singapore, finding that mandatory quarterly reporting reduced firm value for smaller firms but did not generate clear informational benefits or induce myopic investment behavior around the reporting threshold).

²⁵⁶ The proposed amendments to Regulation S-X would conform the financial statement requirements in periodic reports to the semiannual reporting frequency of semiannual filers and help ensure that, among other things, when semiannual filers file registration statements, their financial statements in those registration statements are not considered “stale” under existing rules built along a quarterly framework and would revise those age requirements for registrants that would be semiannual filers to fit with their reporting schedule. We do not expect the proposed amendments to Regulation S-X to have an economic impact beyond removing frictions that otherwise would have limited the ability of certain reporting companies to transition to semiannual reporting.

in their particular circumstances, such as size, industry, stage of business development, financing needs, contractual obligations, investor expectations, and other regulatory requirements.²⁵⁷

For purposes of our analyses, we distinguish among three categories of issuers based on how they could respond to the proposed rules. This categorization is intended to facilitate a clearer assessment of how the incidence and magnitude of costs and benefits may vary across issuers and market participants.

Some issuers may elect to provide mandatory periodic disclosures on a semiannual basis, without systematically providing voluntary disclosure for the first and third quarters. We refer to these issuers as semiannual reporters. For these issuers, the proposed amendments would meaningfully alter both the frequency and timing of mandatory and likely voluntary disclosures relative to the baseline.

Other issuers may elect to continue filing quarterly reports notwithstanding the availability of semiannual reporting. These issuers, referred to as quarterly reporters, may do so because they perceive limited compliance cost savings from reducing reporting frequency or because they face investor, contractual, or regulatory expectations favoring quarterly disclosure. They may also view more frequent reporting as improving the liquidity of their stock, the valuation of their stock, or their access to capital and not worth the cost savings associated with less frequent reporting.²⁵⁸

Finally, some issuers may elect semiannual reporting for purposes of mandatory periodic disclosure while continuing to provide voluntary disclosure of information on a quarterly basis through other channels, such as earnings releases, earnings guidance, or conference calls. They could even voluntarily provide quarterly financial information in a Form 10-S.²⁵⁹ These issuers, referred to as hybrid reporters, occupy an intermediate position between the first two groups. For these issuers, the proposed amendments may reduce some regulatory compliance costs while preserving aspects of the

quarterly information environment through voluntary disclosures.

This section discusses the potential economic benefits and costs of the proposed amendments relative to the baseline of mandatory quarterly reporting for all affected issuers. The economic effects of the proposed amendments depend in part on issuer reporting choices. As such, this analysis is organized by issuer reporting category to reflect heterogeneity in issuer responses as well as to clarify how costs and benefits may accrue differently to issuers, investors, and other market participants. It is important to note that reporting companies would likely choose the reporting category (*i.e.*, semiannual reporter, quarterly reporter, or hybrid reporter) that is optimal for them after weighing the perceived benefits and costs that they would experience as a result of their decision.

While it is difficult to predict which reporting category particular issuers will choose, we discuss factors that could potentially affect issuers' choice of reporting frequency in Section V.D.4 below. With that in mind, on average, for each issuer that switches to semiannual reporting, we estimate annual direct compliance costs per issuer associated with filing three Form 10-Q's to be \$330,000²⁶⁰ and the

²⁶⁰ The \$330,000 estimate is calculated by multiplying the compliance costs associated with filing a single Form 10-Q by 3. We estimate that direct compliance costs associated with filing each Form 10-Q is \$110,000 rounded to the nearest thousand and is based on the following calculations: 135.14 burden hours per response (Form 10-Q Current Burden Hours (2,624,187) divided by Form 10-Q Current Annual Responses (19,419), rounded to the second decimal place) × \$616 per hour + \$27,027 external costs per response (Form 10-Q Current Cost Burden (\$524,837,313) divided by Form 10-Q Current Annual Responses (19,419)). For additional details on estimates of burden hours, see *infra* Section VI (Paperwork Reduction Act analysis). The \$616 per hour rate reflects our current estimate of the blended hourly rate for lawyers (\$744), accountants and auditors (\$348), financial managers (\$731), and general and operations managers (\$666). We expect that the types of individuals, the rates for those individuals, and the proportion of each individual's contributions would vary among issuers and could differ depending on which specific form an issuer is completing. Nonetheless, for purposes of this economic analysis, we believe the \$616 per hour rate is a reasonable estimate of the hourly cost of completing Form 10-Q and Form 10-S. To calculate the occupational hourly rates used in this release, we used occupational mean hourly wage data from the Occupational Employment and Wage Statistics (OEWS) program of the U.S. Bureau of Labor Statistics (BLS) for the private sector. See Occupational Employment and Wage Statistics, U.S. Bureau of Labor Statistics, available at <https://www.bls.gov/oes/>. See also Standard Occupational Classification, U.S. Bureau of Labor Statistics, available at <https://www.bls.gov/soc/> (describing occupational classification system used by BLS); OMB, North American Industry Classification System (2022), available at <https://www.census.gov/>

²⁵⁷ See, e.g., Peter Kajüter et al., *Consequences of Interim Reporting: A Literature Review and Future Research Directions*, 31 *Eur. Acct. Rev.* 209 (2022) (surveying the literature on interim reporting including reporting frequency and concluding that while investors perceive interim reports to be useful, there is no clear evidence for strong capital market-based benefits of higher reporting frequency, such as increases in liquidity).

²⁵⁸ See *supra* notes 139 and 140.

²⁵⁹ See *supra* note 86.

annual compliance costs per issuer associated with filing one Form 10–S to be \$132,000.²⁶¹ Hence, for issuers that choose to provide semiannual reports in lieu of quarterly reports, we estimate a net reduction in direct compliance costs equal to \$198,000 per fiscal year. As discussed below, there are additional cost savings that could not reasonably be quantified. In addition to these cost savings, all filers of certain Securities Act and Exchange Act registration statements and of Form 10–K would incur the cost of either checking or not checking the semiannual box on the associated forms. We estimate that the direct compliance cost per filing of completing the semiannual box when filing Securities Act registration statements on Forms S–1, S–3, S–4, and S–11, Exchange Act registration statements on Form 10, and annual reports on Form 10–K to be \$123.²⁶²

naics/reference_files/tools/2022_NAICS_Manual.pdf (describing the industry classification system used by BLS and other agencies). The mean hourly wage for each occupation is adjusted for changes in the seasonally adjusted employment cost index for private wages and salaries between the data reference period and when the data are released by BLS. See Employment Cost Index, U.S. Bureau of Labor Statistics, available at <https://www.bls.gov/eci/>. The adjusted mean hourly wage is then multiplied by a factor that accounts for nonwage costs borne by employers, such as bonuses, benefits, and overhead. This factor is calculated as an average over the 10 most recently available years of data of the ratio of the Bureau of Economic Analysis's annual gross output data for the private sector to total annual wages across all occupations for the private sector in the OEWS data. See Gross Output by Industry, U.S. Bureau of Economic Analysis, available at <https://www.bea.gov/data/industries/gross-output-by-industry>; Occupational Employment and Wage Statistics, *supra*. The final product is the occupational hourly rate. See generally U.S. Securities and Exchange Commission Staff, Updated Methodology for Calculating Occupational Hourly Rates (Dec. 19, 2025), available at <https://www.sec.gov/files/method-occupational-hourly-rates.pdf>.

²⁶¹ The \$132,000 estimate is rounded to the nearest thousand and is based on the following calculations: 162.18 burden hours per response (Requested Form 10–S Burden Hours (193,808) divided by Requested Annual Responses (1,195), rounded to the second decimal place) × \$616 per hour + \$32,432 external costs per response (calculated as: \$27,027 (the cost burden number per Form 10–Q—which is calculated as the Form 10–Q Current Cost Burden (\$524,837,313) divided by Form 10–Q Current Annual Responses (19,419)) times 1.2 (representing the incrementally greater burden of Form 10–S we estimate as compared to Form 10–Q). For additional details on estimates of burden hours, see *infra* Section VI (Paperwork Reduction Act analysis). For additional details on occupations involved, see *supra* note 260.

²⁶² The \$123 estimate is rounded to the nearest dollar and is based on the following calculation: 0.2 burden hours per response × \$616 per hour. For additional details on estimates of burden hours, see *infra* Section VI (Paperwork Reduction Act analysis). For additional details on occupations involved, see *supra* note 260.

1. Semiannual Reporters

(a) Potential Benefits

Issuers that elect to shift from quarterly to semiannual reporting are expected to realize direct compliance cost savings from forgoing the preparation, review, and filing of quarterly reports on Form 10–Q for the first and third quarters. These savings may include reductions in internal staff time (including time spent by employees and board members) devoted to gathering, processing, and presenting interim financial information, as well as investor relations and post-earnings release events such as quarterly earnings conference calls. The savings may also include lower expenditures on external legal counsel, accounting advisors, and other professional service providers. Semiannual reporters may also avoid certain costs associated with auditor reviews of interim financial statements and with structured data tagging requirements applicable to Form 10–Q filings. A detailed discussion of costs of complying with the current Form 10–Q requirement, and therefore potential direct compliance cost savings for issuers that elect to shift from quarterly to semiannual reporting can be found in Section V.C.3 above.

In response to the Commission's 2018 Request for Comment on Quarterly Earnings and Reporting, several commenters expressed the view that smaller issuers should be able to provide disclosure less frequently.²⁶³ To the extent that ongoing compliance costs include a fixed component, the relative impact of these savings may be greater for smaller issuers and issuers with simpler operations. Other commenters, however, argued that more frequent reporting is critical for smaller companies as well as emerging growth companies given that their information environment is generally more opaque.²⁶⁴

²⁶³ See, e.g., letters from Ernst & Young LLP (Mar. 21, 2019) (“Ernst & Young 2019”) (smaller reporting companies that are not listed on an exchange should be required to file semiannual interim reports, not quarterly); KPMG 2019 (“We believe the Commission could include a scalable frequency model in its regulatory framework where periodic information required to be filed by a registrant is commensurate with its issuer status. This could be accomplished using the existing issuer categories and provide [emerging growth companies] and [smaller reporting companies] an option to furnish interim disclosures on a less frequent basis.”); Davis Polk 2019 (“it would make sense to reduce the quarterly reporting requirement to a semi-annual requirement for pre-commercial enterprises that do not yet have significant product revenue, such as young biotech companies”).

²⁶⁴ See, e.g., letters from Bloomberg LP (July 21, 2016) (“Quarterly reporting is as important for smaller reporting companies as for market leaders, if not more so given that small companies receive

Semiannual reporters may also realize indirect benefits. Reducing the frequency of mandatory periodic reporting may lessen managerial distraction associated with quarterly reporting cycles and investor engagement activities that are closely tied to Form 10–Q filings. To the extent that quarterly reporting contributes to managerial focus on short-term financial metrics at the expense of long-term value creation,²⁶⁵ reduced reporting frequency could mitigate this behavior and associated resource misallocation, although the academic literature is mixed on whether quarterly reporting is a primary driver of such behavior.²⁶⁶

less attention from analysts. Problems in [smaller reporting companies] are likely to elude attention for longer periods of time than highly liquid companies that receive a lot of market attention.”); Investment Company Institute (Mar. 21, 2019) (“ICI 2019”) (opposing semiannual reporting for smaller companies as it “would frustrate . . . comparisons and even create disincentives for investors to invest their capital in smaller companies” and stating “investors are likely to want more frequent reporting by smaller companies because their business prospects are less certain and likely to change more quickly over time as compared to larger companies”); Marcum 2019 (“[Smaller reporting companies] tend to have less robust internal controls over financial reporting, as they have less resources. The same often holds true for [emerging growth companies], as they are newly reporting entities that are still establishing effective, consistent financial reporting routines. For these reasons, [smaller reporting companies and emerging growth companies] require more discipline, rigor and accountability, not less. Reducing required auditor involvement from four-times to two-times per year will likely reduce the emphasis many [smaller reporting companies and emerging growth companies] will place on the financial reporting process. Quarterly reporting requires finance departments to maintain a constant vigilance. Six month gaps between financial reporting will likely cause them to take their focus off of the external financial reporting process, negatively impacting quality, and increasing the likelihood of financial reporting errors or fraud”).

²⁶⁵ See, e.g., Ernstberger et al., *supra* note 254 (finding higher managerial short-termism resulting from increased reporting frequency requirements in a EU setting); John R. Graham et al., *Value Destruction and Financial Reporting Decisions*, 62 Fin. Analysts J. 27, (2006) (finding, based on a survey of 401 senior U.S. financial executives, that executives may be willing “to routinely sacrifice shareholder value to meet earnings expectations or to smooth reported earnings”); Jeremy C. Stein, *Efficient Capital Markets, Inefficient Firms: A Model of Myopic Corporate Behavior*, 104 Q. J. Econ. 665 (1989) (modeling managerial myopia and linking it to stock market pressure arising from short-term performance evaluation when the market cannot perfectly observe managerial decisions).

²⁶⁶ See, e.g., CFA 2017 Study of UK (found that the imposition of mandatory quarterly reporting had virtually no impact on firms’ investment decisions and that it “did not change the time horizon that UK public company management considers when making long-term investment decisions”); Peter Kajüter, et al., *supra* note 246 (exploiting a regression discontinuity in Singapore, finding that mandatory quarterly reporting reduced firm value for smaller firms but did not generate clear informational benefits or induce myopic investment behavior around the reporting threshold); Frank Gigler et al., *How Frequent*

In addition, to the extent there is proprietary information that companies are required to or have an incentive to disclose in quarterly reporting, less frequent mandatory reporting may reduce or at least delay the disclosure of competitively sensitive information and lead to a better competitive environment from the perspective of the reporting firms.²⁶⁷ The proposed amendments would not change what is required to be disclosed in the interim reports, simply the frequency of those reports. Still, instead of providing financial information for each quarter, semiannual reports would likely aggregate the financial information over six-month periods, which could potentially obfuscate information that would have been useful to competitors if disclosed for each quarter.²⁶⁸ Thus, the impact of the proposed amendments on reducing proprietary costs would be limited to instances where aggregating financial information over six months reduces the amount of competitively sensitive information that could have been gleaned if financial information were presented for each quarter as well as instances where delaying the disclosure of interim reports by three months would reduce its usefulness to competitors. Moreover, some semiannual reporters may voluntarily provide quarterly financial information in a Form 10-S which could further limit the impact of the proposed amendments on reducing the disclosure of competitively sensitive information.²⁶⁹

For some issuers, however, the magnitude of realized compliance cost savings may be attenuated by private contractual reporting obligations. Debt agreements, lending arrangements, and other creditor contracts frequently require the provision of quarterly or even monthly financial information to the lender, often irrespective of the frequency of mandatory reporting under the Federal securities laws. As a result, some issuers that elect semiannual reporting for purposes of reports under Exchange Act Sections 13(a) and 15(d)

may nonetheless continue to prepare quarterly financial information internally or obtain interim auditor reviews to satisfy creditor monitoring, covenant compliance, or to facilitate raising capital (at least until contracts or agreements are renegotiated to reflect different reporting frequencies). In such cases, reductions in Form 10-Q filing obligations may not translate into commensurate reductions in overall reporting-related costs.²⁷⁰

(b) Potential Costs

Potential costs for semiannual reporters and investors arise primarily from a reduction in the frequency and timeliness of standardized public disclosures. Longer intervals between mandatory reports may delay the dissemination of material information about an issuer's financial condition and operating performance, including through other market participants and intermediaries, increasing information asymmetry among market participants.²⁷¹ Such effects may disproportionately affect less sophisticated or less resourced investors who may rely more heavily on periodic reports for their investment decisions.

Increases in information asymmetry resulting from a reduction in reporting frequency could be mitigated or exacerbated based on whether and how information intermediaries respond to changes in reporting frequency. On the one hand, some information intermediaries (e.g., financial analysts) could provide information that substitutes for at least some of the information that would have been included in the interim quarterly reports (i.e., Q1 and Q3), which could mitigate potential increases in information asymmetry. On the other hand, studies of foreign markets have found a positive correlation between reporting frequency and analyst following.²⁷² To the extent that a reduction in reporting frequency reduces analyst following for an issuer, the incremental information that would have been provided by the discontinuing analysts would be lost as well, further increasing information asymmetry.²⁷³

²⁷⁰ See, e.g., Crowe 2019 (noting that lending and regulatory regimes applicable to certain issuers may continue to require quarterly financial information notwithstanding changes to Commission reporting requirements); NY Bar 2019, *supra* note 212.

²⁷¹ See, e.g., Robert Stoumbos 2023, *supra* note 144 (finding that information asymmetry grows steadily between earnings announcements and that semiannual reporting is associated with greater information asymmetry than quarterly reporting in the second half of each semiannual period).

²⁷² See *supra* notes 251 and 252.

²⁷³ But see Jie (Jack) He & Xuan Tian, *The Dark Side of Analyst Coverage: The Case of Innovation,*

Increased information asymmetry may, in turn, adversely affect market outcomes. Academic literature and commenters have linked higher information asymmetry to lower liquidity, higher transaction costs, reduced price informativeness, and a higher cost of capital.²⁷⁴ Some commenters also expressed concern that less frequent reporting could impair investors' ability to identify trends,²⁷⁵ value securities,²⁷⁶ and detect emerging problems in a timely manner,²⁷⁷ particularly for smaller or less followed issuers. Some commenters argued that the elimination of quarterly reporting may increase stock price volatility, particularly around earnings announcements.²⁷⁸ Less frequent

109 J. Fin. Econ. 856 (2013) (finding that firms covered by a larger number of analysts generate fewer patents and patents with lower impact, consistent with the hypothesis that analysts exert too much pressure on managers to meet short-term goals, impeding firms' investment in long-term innovative projects).

²⁷⁴ See, e.g., Easley and O'Hara (2004); Christine A. Botosan, *Disclosure and the Cost of Capital: What Do We Know?*, 36 Acct. Bus. Rsch. 31 (2006 Special Issue) (stating that greater disclosure reduces cost of capital); Douglas W. Diamond & Robert E. Verrecchia, *Disclosure, Liquidity and the Cost of Capital*, 46 J. Fin. 1325 (1991) (showing that revealing public information to reduce information asymmetry can reduce a firm's cost of capital by attracting increased demand from large investors due to increased liquidity of its securities); Richard Lambert, et al., *Accounting Information, Disclosure and the Cost of Capital*, 45 J. Acct. Rsch. 385 (2007) (showing, in a conceptual framework, that "increasing the quality of mandated disclosures should in general move the cost of capital closer to the risk-free rate" and should "generally reduce the cost of capital for each firm in the economy" and further noting that "the benefits of mandatory disclosures are likely to differ across firms.").

²⁷⁵ See, e.g., letters from Hank Mishima (Jan. 20, 2019) ("Trends in performance can be discovered more easily [with quarterly statements] than reports with less frequency. Less frequent statements are potentially detrimental to the interests of stakeholders outside the organization like vendors and debt and equity holders to make decisions that may impact the relationship with the entity."); XBRL US (Mar. 21, 2019) ("Quantitative analysis, which relies on time series data and analyzes trends, would be negatively affected by a move to semi-annual reporting.").

²⁷⁶ See, e.g., letters from Better Markets (Mar. 21, 2019) ("[quarterly financial] reports allow for more sophisticated investors to create forecast and valuation models and make informed decisions regarding allocation of capital across their portfolios."); ICI 2019 ("Semi-annual reporting would diminish the amount and timeliness of information available to investors and inhibit their ability [to] assess the fundamental value of securities.").

²⁷⁷ See, e.g., Ernst & Young 2019 (quarterly reporting "also helps reduce risks in the corporate financial reporting system by facilitating timely identification and resolution of potential accounting and reporting issues.").

²⁷⁸ See, e.g., letters from ICI 2019 (expressing concern that "semi-annual reporting would impede price discovery and contribute to increased volatility in security prices"); R.G. Associates, Inc. (Feb. 24, 2019) ("security prices would become

Continued

Financial Reporting Can Cause Managerial Short-Termism: An Analysis of the Costs and Benefits of Increasing Reporting Frequency, 52 J. Acct. Rsch. 357 (2014).

²⁶⁷ See, e.g., Robert E. Verrecchia, *supra* note 137; Rachel M. Hayes & Russell Lundholm, *Segment Reporting to the Capital Market in the Presence of a Competitor*, 34 J. Acct. Rsch. 261 (1996); Jesse A. Ellis et al., *Proprietary Costs and the Disclosure of Information About Customers*, 50 J. Acct. Rsch. 685 (2012); Yinghua Li et al., *Trade Secrets Law and Corporate Disclosure: Causal Evidence on the Proprietary Cost Hypothesis*, 56 J. Acct. Rsch. 265 (2018).

²⁶⁸ See *infra* note 280 and accompanying text.

²⁶⁹ See *supra* note 86.

interim reports could also increase the degree to which investors rely on other required disclosures (e.g., Form 8-K, Form 4, etc.) that are issued during the quarters without quarterly interim reports, resulting in greater price movements following those disclosures and a potentially higher cost of processing information for investors.²⁷⁹

Beyond delaying the dissemination of information, a reduction in reporting frequency could also result in an overall loss in information provided to the public. Specifically, for semiannual reporters, there would be a loss in the granularity of financial information across time. Financial statements would no longer provide accounting information at the quarterly level, instead aggregating two quarters into a single semiannual number. Investors may value information on how companies change quarter over quarter and how certain quarters compare across issuers. Such information would likely be more relevant to issuers with more seasonal business operations and performance.²⁸⁰ To the extent that more granular quarterly information is valuable for investors' decision-making, losing such granularity could exacerbate the issues related to information asymmetry discussed above.

The proposed rules could also reduce comparability of financial statements both across issuers and across time. It may be difficult to compare semiannual reports to quarterly reports and even to certain semiannual reports that have different fiscal periods. For instance, a semiannual report with a fiscal year end in December would cover different

periods from a semiannual report with a fiscal year end in March. The first would report financial information for January through June and for July through December while the other would report financial information for April through September and for October through March.²⁸¹ Such lack of comparability would be more severe for semiannual reporters with seasonal variation in operations. Academic studies that examine other aspects of comparability provide evidence that reductions in comparability could lead to lower liquidity, lower investor engagement, larger analyst forecast errors, greater analyst forecast dispersion, and less institutional ownership.²⁸²

Of the 5,976 Exchange Act reporting companies that filed a domestic annual report during calendar year 2024, 4,813 (81%) ended their fiscal year in December (calendar quarter 4); 236 (4%) ended their fiscal year in September (calendar quarter 3); 253 (4%) ended their fiscal year in June (calendar quarter 2); 179 (3%) ended their fiscal year in March (calendar quarter 1); and 495 (8%) ended their fiscal year in a month that did not coincide with the end of a calendar quarter. Reduced comparability between semiannual reporters will be limited to issuers that do not have the same fiscal period and have fiscal end dates that are more or less than six months apart. For example, roughly 85% of the reporting companies have a fiscal end date in December or June. Comparability between any of these issuers that move to semiannual

reporting should not be impacted by the proposed rules. Potential impacts of reduced comparability between semiannual reports should be mitigated further to the extent that companies that are more likely to be compared to each other (e.g., firms in the same industry or sector) are more likely to have similar fiscal reporting periods.²⁸³

Reduced reporting frequency may also affect corporate accountability and financial reporting quality. Several commenters noted that interim auditor reviews associated with quarterly reporting can facilitate the early identification of accounting issues and internal control deficiencies and that less frequent reviews could delay the resolution of such issues.²⁸⁴

The information asymmetry between insiders and outside investors generally decreases following the disclosure of interim reports or associated earnings announcements.²⁸⁵ A move to semiannual reporting would generally delay the disclosure of information that would have been contained in interim reports for the first and third quarters and therefore increase the length of time for which information asymmetry between corporate insiders and outside investors is higher. A potential additional cost may arise if insiders engage in trading on the information that has not yet been released or if investors perceive that to be more likely²⁸⁶—even though trading on the

²⁸³ For example, companies in the retail industry may favor a January 31 year-end to better capture holiday sales and returns in their annual reports.

²⁸⁴ See, e.g., letters from Marcum 2019 ("An auditor's quarterly review procedures increase the likelihood that investors will receive timely information about material changes in [internal control over financial reporting]"); Center for Audit Quality (Mar. 20, 2019) ("There is a risk that a change in frequency of interim reporting could result in certain controls (e.g., financial closing and reporting controls) being performed less frequently. In addition, in instances where relevant controls fail and there are no compensating controls in place, there may be fewer opportunities to timely identify or remediate control deficiencies if these controls are performed less frequently.").

²⁸⁵ Paul M. Healy & Krishna G. Palepu, *Information Asymmetry, Corporate Disclosure and the Capital Markets: A Review of the Empirical Disclosure Literature*, 31 J. Acct. Econ. 405 (2001); Richard Frankel & Xu Li, *Characteristics of a Firm's Information Environment and the Information Asymmetry Between Insiders and Outsiders*, 37 J. Acct. & Econ. 229 (2004); Steven Huddart, et al., *Jeopardy, Non-Public Information, and Insider Trading Around SEC 10-K and 10-Q Filings*, 43 J. Acct. Econ. 3 (2007).

²⁸⁶ See, e.g., Steven J. Huddart & Bin Ke, *Informational Asymmetry and Cross-sectional Variation in Insider Trading*, 24 Contemp. Acct. Rsch. 195 (2007) (finding that the presence of better informed insiders that trade on the basis of material non-public information may lead to adverse selection problems; decrease investor confidence in the issuer, the willingness of investors to trade the issuer's shares, the liquidity of the issuer's shares, and the overall market efficiency; have negative

more volatile and incorporate a larger premium for uncertainty if interim reporting were reduced"); T. Rowe Price Associates, Inc. (Mar. 20, 2019) (expressing concern that a flexible system that allows registrants to report less frequently would produce negative effects that include "potential adverse impacts on price formation and increased volatility").

²⁷⁹ See Elizabeth Blankespoor et al., *Disclosure Processing Costs, Investors' Information Choice and Equity Market Outcomes*, 70 J. Acct. Econ. 101344 (2020) (surveying the literature on disclosure processing costs, including costs of monitoring for, acquiring, and analyzing firm disclosure).

²⁸⁰ More technically, reducing the frequency of periodic reporting to twice in a fiscal year would result in the loss of ability to observe quarterly seasonality. For firms opting not to voluntarily provide quarterly information, this would mean it would not be possible to differentiate between quarterly and half-yearly performance (e.g., six months of strong sales or just a holiday surge). This inability to differentiate is formalized in the Nyquist-Shannon Sampling Theorem, which states that in order to measure a periodic event, one must measure at least twice per period. For example, to detect a high/low sales pattern that occurs twice per year (i.e., a half-year period), semiannual reporting would not be sufficient, because it could not capture both the high and low portions of the period; to do so would require at least quarterly reporting.

²⁸¹ Such lack of comparability currently exists to the extent that companies have fiscal quarters that end in different months within a given calendar quarter. For companies that lack comparability in the timing of their quarterly interim reports, the periods covered in their reports should only be off by one month. In contrast, companies that lack comparability in the timing of their semiannual interim reports could cover periods that differ by up to 3 months. Further, roughly 92% of our population of affected reporting companies ended their fiscal year at the end of a calendar quarter (i.e., March, June, September, or December).

²⁸² See, e.g., Gus De Franco et al., *The Benefits of Financial Statement Comparability*, 49 J. Acct. Rsch. 895 (2011); Donal Byard et al., *The Effect of Mandatory IFRS Adoption on Financial Analysts' Information Environment*, 49 J. Acct. Rsch. 69 (2011); Mark Lang & Lorien Stice-Lawrence, *Textual Analysis and International Financial Reporting: Large Sample Evidence*, 60 J. Acct. Econ. 110 (2015); Kyle Peterson et al., *The Earnings Quality and Information Processing Effects of Accounting Consistency*, 90 Acct. Rev. 2483 (2015); Holger Daske et al., *Mandatory IFRS Reporting Around the World: Early Evidence on the Economic Consequences*, 46 J. Acct. Rsch. 1085 (2008); Hongping Tan et al., *Analyst Following and Forecast Accuracy After Mandated IFRS Adoptions*, 49 J. Acct. Rsch. 1307 (2011); Gwen Yu & Aida Sijamic Wahid, *Accounting Standards and International Portfolio Holdings*, 89 Acct. Rev. 1895 (2014).

basis of material non-public information would be, among other things, a violation of Exchange Act Section 10(b) and a violation of Rule 10b–5.

Moreover, as part of internal compliance, many companies monitor insider transactions as well as voluntarily implement “blackout periods” or windows during which corporate insiders are prohibited from purchasing or selling shares of the company.²⁸⁷ One study documents that that the mean (median) window for a blackout period begins roughly 46 (47) days before an earnings announcement and extends until one day after the announcement.²⁸⁸ Companies that move to semiannual reporting could choose to incorporate, preserve, or extend such blackout periods to alleviate the potential concerns described above. Some research, however, has found that companies may need to compensate corporate insiders for restricting their trading activities.²⁸⁹

Finally, companies choosing to become semiannual reporters would incur switching costs as they transition from quarterly reporting to semiannual reporting. Issuers generally have systems, procedures, and controls in place to gather, process, review, and disclose information in a Form 10–Q and relevant voluntary disclosures. Semiannual reporters would therefore incur initial switching costs to update their systems, procedures, and controls. Such costs are likely to be higher for larger firms with complex operations. Additionally, some semiannual reporters would need to expend time and resources to renegotiate contracts or

effects on capital formation (including increased cost of capital and decreased ability to raise capital) and the issuer’s ability to fund investments; and potentially distort the incentives of insiders (resulting in a loss of shareholder value)). For a comprehensive discussion of the economics of trading on the basis of material non-public information and the evidence on its implications for investors and the capital markets, see *Insider Trading Arrangements and Related Disclosures*, Release No. 33–11138, at 118–27 (Dec. 14, 2022) [87 FR 80362, 80394–97 (Dec. 29, 2022)].

²⁸⁷ J.C. Bettis, et al., *Corporate Policies Restricting Trading by Insiders*, 57 J. Fin. Econ. 191 (2000); Darren T. Roulstone, *The Relation Between Insider-Trading Restrictions and Executive Compensation*, 41 J. Acct. Rsch. 525 (2003); Inmoo Lee, et al., *Do Voluntary Corporate Restrictions on Insider Trading Eliminate Informed Insider Trading?*, 29 J. Corp. Fin. 158 (2014); Alan D. Jagolinzer, et al., *Corporate Governance and the Information Content of Insider Trades*, 49 J. Acct. Rsch. 1249 (2011); Wayne R. Guay, et al., *Determinants of Insider Trading Windows*, (Apr. 17, 2023) (unpublished manuscript), available at <https://ssrn.com/abstract=3844986> (retrieved from SSRN Elsevier database).

²⁸⁸ See Jagolinzer et al. (2011).

²⁸⁹ See, e.g., Roulstone (2003) (finding that companies that implement blackout periods pay a premium in executive compensation relative to companies that do not have similar restrictions).

other agreements that relied, at least to some degree, on quarterly reports. These could include, among other things, debt contracts that rely on quarterly financial metrics for maintenance covenants as well as incentive-based executive compensation contracts that rely on quarterly performance metrics.

2. Quarterly Reporters

(a) Potential Benefits

Issuers that elect to continue filing quarterly reports are not expected to experience material changes in their direct reporting costs or disclosure practices as a result of the proposed amendments. For these issuers, a potential benefit of the proposal is the availability of flexibility should their circumstances change in the future. The option to adjust reporting frequency may have value even if it is not exercised immediately.

Quarterly reporters may also benefit indirectly from market-level effects if the proposal alters competitive dynamics or reporting norms among peer firms. For example, if some competitors reduce reporting frequency, issuers that continue quarterly reporting may differentiate themselves by signaling a commitment to transparency, which could be valued by investors.²⁹⁰ Additionally, maintaining quarterly reporting may help these issuers meet the expectations of certain investors, analysts, or contractual partners who prefer or require more frequent disclosure.

(b) Potential Costs

The proposed rules could also alter competitive dynamics in a way that increases the relative costs for quarterly reporters. Quarterly reporters would continue to bear the direct and indirect costs associated with quarterly reporting, including internal preparation costs, external professional fees, auditor review costs, and investor relations activities while peer firms that move to semiannual reporting would experience these costs less frequently. In addition, peer firms who report semiannually could benefit from spillover effects of information provided by the quarterly reporters. Such factors could result in a competitive disadvantage for quarterly reporters as they bear the cost of certain disclosures that could inadvertently benefit their competitors. Still, these issuers may view such costs as justified by the potential benefits of more frequent disclosure, including enhanced liquidity, lower cost of capital, and

alignment with investor and analyst expectations. Some issuers, however, may effectively be constrained to continue quarterly reporting due to contractual obligations, debt covenants, bank regulatory requirements, or listing standards imposed by self-regulatory organizations.²⁹¹

The proposed rules could reduce comparability of quarterly reporters as well. It may be difficult to compare quarterly financial statements from quarterly reporters to semiannual financial statements. For example, investors would have to aggregate quarterly reports to compare with semiannual reports and may have difficulty extracting quarter-level information from the semiannual reports, depending on how the reports are structured.²⁹² This lack of comparability could increase the cost of acquiring information, which could negatively impact market factors such as liquidity, analyst following, and forecast accuracy.²⁹³

3. Hybrid Reporters

(a) Potential Benefits

Hybrid reporters—issuers that elect semiannual mandatory reporting while continuing to provide certain quarterly voluntary disclosures—would benefit from the same compliance costs savings as semiannual reporters as they would have the same reporting obligations. The effective overall cost savings for hybrid reporters would be mitigated, however, to the extent that they choose to prepare and provide additional voluntary disclosure. By forgoing Form 10–Q filings for the first and third quarters, these issuers would reduce costs and time associated with the preparation and review of full interim financial statements, but may incur (or continue to incur) costs associated with voluntarily engaging in quarterly

²⁹¹ See, e.g., Crowe 2019 (noting depository institutions may be required to file quarterly financial information under other law and may not see a reduced administrative burden from a Commission change to reporting frequency); BDO 2019 (“Certain stock exchanges and regulated industries also require quarterly reporting. Accordingly, the compliance and administrative relief intended by reducing the frequency of reporting for SEC rules may not be realized, or as significant, for all registrants.”); SIFMA 2019 (“The reporting requirements of other applicable regulatory authorities (e.g., banking regulators, stock exchanges, other SROs) currently require quarterly reporting of much of the same information that is included in a Form 10–Q. Failure to harmonize these requirements would at best effectively maintain the status quo and at worst increase costs to reporting companies or create conflicting requirements.”).

²⁹² Semiannual reporters could present quarter-level information in their reports but would not be required to do so.

²⁹³ See *supra* note 282.

²⁹⁰ See, e.g., Robert E. Verrecchia, *Essays on Disclosure*, 32 J. Acct. & Econ. 97 (Dec. 2001).

earnings communications that meet investor expectations. Practically, the impact on this group of moving to semiannual reporting under the proposed amendments while continuing to provide voluntary interim disclosures would range somewhere between the impact on the quarterly reporters and the semiannual reporters (both discussed above) depending on the amount of voluntary information provided and the degree to which the perceived reliability of the voluntary disclosure matches that of mandatory disclosure.²⁹⁴

Such issuers may preserve aspects of the quarterly information environment, potentially mitigating increases in information asymmetry relative to semiannual reporters. The hybrid approach may therefore represent a middle ground for issuers seeking to balance cost savings with market demand for more frequent information.

(b) Potential Costs

At the same time, the hybrid reporting approach may introduce distinct costs. Voluntary quarterly disclosures may differ from Form 10-Q filings in scope, standardization, structured data requirements, and associated litigation risk. For example, earnings releases are typically furnished rather than filed and are not subject to the same liability provisions as Form 10-Q filings, which some commenters suggested could affect their credibility and informational value.²⁹⁵

Like semiannual reporters, hybrid reporters would have less frequent interim auditor reviews. An independent public accountant's review of a registrant's interim financial statements required as part of quarterly reporting can facilitate the early identification of accounting misstatements and internal control deficiencies, especially for smaller firms. Less frequent reviews could delay the identification and resolution of such issues. Relative to semiannual reporters, however, this concern could be mitigated to the extent that hybrid reporters' voluntary quarterly financial

disclosures are reviewed by their independent public accountants.

Hybrid reporting may also increase processing and comparability costs for investors and information intermediaries. If quarterly voluntary information is provided in less standardized formats or on varying timelines across issuers, then analysts and investors may incur additional costs to retrieve, standardize, and compare such information. To the extent that hybrid practices become prevalent, these effects could reduce comparability across firms and over time. This cost could be mitigated if issuers establish and follow common practices with standardized voluntary disclosure across peers.

The voluntary disclosure would not be subject to XBRL requirements and therefore, unless voluntarily tagged, would not provide the benefits that derive from structured data. Research has shown XBRL requirements improve the information environment for market participants by increasing disclosure processing efficiency.²⁹⁶ Such research indicates this has led to benefits for individual companies and for the market as a whole, such as reduced information asymmetry,²⁹⁷ greater stock price reflectiveness of public disclosures,²⁹⁸ enhanced market competition,²⁹⁹ increased liquidity,³⁰⁰ decreased cost of capital,³⁰¹ more

accurate financial analysis,³⁰² enhanced artificial intelligence capabilities,³⁰³ and others.³⁰⁴ To the extent the magnitude of these effects varies with the frequency of XBRL data availability, these benefits may be reduced as a whole given the lack of quarterly XBRL-tagged financial data from semiannual and hybrid reporters.

Hybrid reporters that disclose voluntary quarterly information may not gain the same value from their disclosures as quarterly reporters gain, because markets assess the value of voluntary and mandated disclosures differently. For example, studies have argued that certain voluntary disclosures are believed by markets because they are subsequently confirmed by mandatory disclosures covering materially the same information, and thus voluntary disclosure becomes less valuable in the absence of such mandatory disclosures.³⁰⁵ Mandatory semiannual reports could serve this function, but the information provided in these mandatory reports would be delayed and potentially less precise relative to

Information Acquisition Costs and Credit Spreads, 149 J. Banking Fin. 106775 (2023).

³⁰² See, e.g., Andrew J. Felo et al., *Can XBRL Detailed Tagging of Footnotes Improve Financial Analysts' Information Environment?*, 28 Int'l. J. Acct. Info. Sys. 45 (2018); Marcus Kirk et al., *From Print to Practice: XBRL Extension Use and Analyst Forecast Properties* (Aug. 18, 2016), available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2826159 (retrieved from SSRN Elsevier database); Chunhui Liu et al., *XBRL's Impact on Analyst Forecast Behavior: An Empirical Study*, 33 J. Acct. & Pub. Pol'y 69 (2014); but see Sherwood Lane Lambert et al., *Analysts' Forecasts Timeliness and Accuracy Post-XBRL*, 27 Int'l. J. Acct. & Info. Mgmt. 151 (2019).

³⁰³ See, e.g., Marcelo Farr et al., *Can AI Be Trusted with Financial Data?* (Sept. 15, 2025), available at <https://ssrn.com/abstract=5316518> (retrieved from SSRN Elsevier database); See also Revathy Ramanan, *Why Structured Data and Definitions Vastly Outperform Unstructured PDFs in LLM Analysis*, XBRL (Dec. 19, 2024), available at <https://www.xbrl.org/why-structured-data-and-definitions-vastly-outperform-unstructured-pdfs-in-llm-analysis/>.

³⁰⁴ See, e.g., Jeong-Bon Kim et al., *Does XBRL Adoption Constrain Earnings Management? Early Evidence from Mandated U.S. Filers*, 36 Contemp. Acct. Res., 4 (2019); Jung Min Kim, *Economics of Information Search and Financial Misreporting*, 62 J. Acct. Res. 1007 (2024).

³⁰⁵ See, e.g., Frank Gigler & Thomas Hemmer, *On the Frequency, Quality, and Informational Role of Mandatory Financial Reports*, 36 J. Acct. Rsch. 117 (1998) (arguing that mandatory disclosures are valuable because they can confirm previously made voluntary disclosures, facilitating market trust in otherwise unverifiable voluntary disclosures); Lin Cheng et al., *The Commitment Effect Versus Information Effect of Disclosure—Evidence from Smaller Reporting Companies*, 88 Acct. Rev. 1239 (2013) (finding that when firms no longer have mandatory reporting requirements but continue voluntarily disclosing, they see a decrease in liquidity, consistent with the loss of mandatory confirmation resulting in less valuable voluntary disclosures).

²⁹⁶ See U.S. Sec. & Exch. Comm'n, *Semi-Annual Report to Congress Regarding Public and Internal Use of Machine-Readable Data for Corporate Disclosures* (Dec. 2025), available at <https://www.sec.gov/files/fdta-report-1-2026.pdf>.

²⁹⁷ See, e.g., Xin Luo et al., *Initial Evidence on the Market Impact of the iXBRL Adoption*, 37 Acct. Horizons 143 (2023).

²⁹⁸ See, e.g., Yuyun Huang et al., *Information Processing Costs and Stock Price Informativeness: Evidence from the XBRL Mandate*, 46 Austl. J. Mgmt. 110 (2021); Ju-Chun Yen & Tawei Wang, *The Association Between XBRL Adoption and Market Reactions to Earnings Surprises*, 29 J. Info. Sys. 51 (2015); Yi Dong et al., *Does Information-Processing Cost Affect Firm-Specific Information Acquisition? Evidence from XBRL Adoption*, 51 J. Fin. & Quant. Analysis 435 (2016); Yanan Zhang et al., *XBRL Adoption and Expected Crash Risk*, 38 J. Acct. & Pub. Pol'y 31 (2019); Jap Efendi et al., *Do XBRL Filings Enhance Informational Efficiency? Early Evidence from Post-earnings Announcement Drift*, 67 J. Bus. Rsch. 1099 (2014).

²⁹⁹ See, e.g., Bing Li et al., *The Impact of XBRL Adoption on Local Bias: Evidence from Mandated US Filers*, 39 J. Acct. & Pub. Pol'y 6 (2020).

³⁰⁰ See, e.g., Wafa Sassi et al., *The Impact of Mandatory Adoption of XBRL on Firm's Stock Liquidity: A Cross-Country Study*, 19 J. Fin. Reporting & Acct. 299 (2021).

³⁰¹ See Chae-Won Ra & Ho-Young Lee, *XBRL Adoption, Information Asymmetry, Cost of Capital, and Reporting Lags*, 10 iBusiness, 93 (2018); Syou-Ching Lai et al., *XBRL Adoption and Cost of Debt*, Int'l. J. Acct. & Info. Mgmt. 199 (2015); Tien-shih Hsieh & Jean C. Bedard, *Impact of XBRL on Voluntary Adopters' Financial Reporting Quality and Cost of Equity Capital*, 15 J. Emerging Tech. Acct. 45 (2018); Marcin Jaskowski & Daniel Retzl,

²⁹⁴ See *supra* note 60.

²⁹⁵ See, e.g., ICI 2019 (noting that "earnings releases typically are considered to be 'furnished' to the SEC and thus are not subject to liability under Section 18 of the Securities Exchange Act of 1934," that "Form 10-Q filings, on the other hand, are 'filed' with the SEC and subject to Section 18 liability," that "[a]lthough earnings releases are subject to the antifraud provisions of the securities laws, the Commission does not regulate their content or structure," and that "unlike with Form 10-Q, the information presented in earnings releases varies from issuer to issuer."). But see *supra* note 66 (discussing the parts of Form 10-Q that are not subject to Section 18 liability, including financial statements).

mandatory quarterly reports. To the extent that hybrid reporters provide voluntary disclosures that are of a higher frequency than their mandatory reporting, it could be the case that the market's ability to confirm those disclosures is diminished, thereby reducing the market's perceived value of those voluntary disclosures.

Finally, hybrid reporters would likely incur switching costs similar to those of semiannual reporters as they transition from quarterly reporting to semiannual reporting. For example, hybrid reporters may also incur initial switching costs to update their systems, procedures, and controls as well as costs to renegotiate certain contracts. The changes, however, and their respective costs may be more limited, relative to semiannual reporters, to the extent that hybrid reporters preserve existing systems and procedures for the voluntary quarterly disclosure that they provide.

To the extent that hybrid reporters voluntarily provide quarterly financial information in a Form 10-S filing, some of the costs discussed above, such as reduced comparability of information, reduced credibility of information, and less structured data, could be mitigated.

4. Factors Affecting Issuers' Decisions on Their Reporting Frequency

Issuers' reporting choices under the proposed amendments are likely to reflect a combination of firm-specific, market-based, and institutional considerations. Firm size, operating complexity, growth stage, and seasonality of business operations may influence both the perceived costs of quarterly reporting and the perceived benefits of more frequent disclosure. For instance, to the extent that the costs of providing interim reports are fixed, smaller issuers may face relatively higher compliance burdens (in a relative sense compared to larger issuers as a percentage of the issuer's revenue) and be more motivated to switch to semiannual reporting from a cost savings perspective. Conversely, investors may demand more frequent reporting from such firms as there tends to be less available public information about smaller firms and therefore higher information asymmetry.³⁰⁶ Investors'

expectations for more frequent reporting may also be driven by poorer prior performance and more uncertain operating environments.³⁰⁷

Investor base composition and analyst coverage are also expected to play an important role. Issuers with substantial institutional ownership or active analyst following may face stronger market expectations for quarterly information, whether through Form 10-Q filings or other disclosures.³⁰⁸ In contrast, issuers with more concentrated or long-term-oriented ownership may perceive less pressure to maintain quarterly reporting.

Contractual and regulatory constraints may further shape issuer decisions.³⁰⁹ Debt agreements, bank regulatory requirements, exchange listing standards, or foreign legal obligations may effectively necessitate continued quarterly reporting for certain issuers, limiting their ability to rely on the proposed flexibility, unless these agreements and requirements are modified.

Issuers may also consider how reporting frequency interacts with capital raising activities and liability frameworks. As discussed above in Section V.C.2, underwriters and investors may expect reviewed interim financial information in registered offerings, which could lead issuers that access capital markets frequently to continue quarterly reporting or to obtain voluntary auditor reviews of their quarterly financials even under a semiannual reporting regime. The proposed amendments to Rule 3-01, Rule 3-12, and Rule 8-08 of Regulation S-X would alter the age of financial statements requirements so that semiannual filers would not be required to include or incorporate by reference quarterly financial statements in a registration statement (or a proxy

statement).³¹⁰ Nonetheless, investors and underwriters may still demand quarterly financial disclosure to have more recent or granular information. Likewise, issuers participating in or planning to participate in a merger or acquisition could face similar pressures.

Finally, strategic and competitive considerations (including peer behavior and evolving market norms) may influence issuer decisions. Issuers may weigh potential reductions in disclosure of proprietary information against concerns that reduced reporting frequency could be perceived negatively by investors or analysts. Given these interacting factors, issuer responses to the proposed amendments are likely to be heterogenous and may evolve over time as market practices adjust.

5. Aggregate Monetized Benefits and Costs

Throughout this economic analysis, we have estimated monetized benefits and costs per response. In this section, we present aggregate measures of these monetized effects. These totals include only benefits and costs that are monetized in the economic analysis³¹¹ and thus do not encompass all of the proposed amendments' benefits and costs.

(a) Annual Aggregate Monetized Benefits and Costs

We report the annual aggregate monetized benefits and costs, respectively, of the proposed amendments, which are aggregated across all affected entities and instances of reporting each year. To aggregate these monetized effects, we use estimates of the number of affected filings³¹² and estimated burdens per filing under the Paperwork Reduction Act in Section VI. Consistent with these estimated burdens, there are no initial monetized costs or benefits that would accrue immediately upon adoption of the proposed rules (*i.e.*, at Time 0). Under the proposed amendments, these benefits and costs are incurred by reporting companies that elect to report on a semiannual basis and by all

³⁰⁶ "Research suggests that size proxies for the amount of prior information available about a firm." Frankel & Li, *supra* note 285 (surveying prior literature). Further, "Elliot et al. (1984) hypothesize that because fewer analysts follow smaller firms, small firms' prices do not 'completely reflect information,' and insiders can more successfully use private information." *Id.* (quoting John Elliott et al., *The Association Between Insider Trading and Information Announcements*, 15 Rand J. Econ. 521 (1984)). See also Mark Lang & Russell Lundholm, *Cross-Sectional Determinants of Analyst Ratings of*

Corporate Disclosures, 31 J. Acct. Rsch. 246 (1993) (providing evidence consistent with firm size being positively correlated with the amount and quality of information provided).

³⁰⁷ See, e.g., Shuping Chen et al., *Is Silence Golden? An Empirical Analysis of Firms that Stop Giving Quarterly Earnings Guidance*, 51 J. Acct. & Econ. 134 (2011) (studying firms that stop providing earnings guidance and showing relative to firms that continue guiding, stoppers have poorer prior performance and more uncertain operating environments. The paper also finds that stock market reacts negatively to the announcement of stopping guidance, and that stoppers subsequently experience increases in analyst forecast dispersion and decreases in analyst forecast accuracy).

³⁰⁸ Kimball Chapman & Jeremiah R. Green, *Analysts' Influence on Managers' Guidance*, 93 Acct. Rev. 45 (2018) (finding that analysts' questions during conference calls influenced future manager disclosure choices, consistent with analysts shaping managers' disclosure choices).

³⁰⁹ See sections V.C.1.c and .d (describing some of the Federal and State laws that could incentivize continued quarterly reporting by issuers).

³¹⁰ The impact of the proposed amendments to Rules 3-01, 3-12, and 8-08 of Regulation S-X on issuers of semiannual reports will depend on the timing of registration statements and proxy statements relative to the most recently filed financial statements. For instance, for semiannual filers, registration statements filed by reporting companies in the first (or third) fiscal quarter would simply need to include or incorporate by reference financial statements from the most recent annual report on Form 10-K (or semiannual report on Form 10-S).

³¹¹ See *supra* section V.D and *supra* notes 260, 261, 262.

³¹² See *supra* section V.C.2.

companies that file certain registration and reporting forms.

Because the decision to switch to semiannual reporting is voluntary and firm-specific, we are unable to predict with certainty how many reporting companies would make this change. For the purpose of computing annual aggregate monetized effects, we assume that 20 percent of all affected issuers would switch to semiannual reporting, which represents 1,195 issuers (*i.e.*, 20% of 5,976 affected issuers = 1,195 issuers).³¹³ As shown in Table 2, these issuers would save the annual direct compliance costs associated with filing three Form 10–Q’s, which we estimated earlier to be \$330,000 per issuer on average.³¹⁴ Multiplying the number of affected issuers that would switch by this cost saving per issuer, we estimate aggregate monetized cost savings (*i.e.*, benefits) across all affected issuers and filings of \$394,350,000 per year (*i.e.*, 1,195 issuers × \$330,000 per issuer = \$394,350,000). The same 1,195 issuers would instead file Form 10–S. As shown in Table 3, these issuers would thus incur annual direct compliance costs associated with filing Form 10–S, which we estimated earlier to be \$132,000 per issuer on average.³¹⁵ Multiplying the number of affected issuers that would switch by this cost per issuer, we estimate aggregate monetized costs across all affected issuers of \$157,740,000 (*i.e.*, 1,195 issuers × \$132,000 per issuer = \$157,740,000). The estimated aggregated annual monetized costs and benefits would increase or decrease depending on whether more or fewer issuers decide to report on a semiannual basis than we assumed. In addition, as shown in Table 3, all filers of Securities Act registration statements on Forms S–1, S–3, S–4, and S–11, and Exchange Act registration statements on Form 10, and annual reports on Form 10–K would incur a per filing cost of \$123 associated with completing the semiannual box. The aggregate annual costs for each form are calculated by multiplying \$123 by the estimate for the number of affected filings of each form each year.³¹⁶ Adding each of those aggregate monetized costs for each form to the aggregate monetized costs associated with filing Form 10–S results in a total estimate of \$158,821,000 aggregate annual monetized costs across all affected parties (*i.e.*, \$157,740,000 aggregate annual monetized costs for Form 10–S + \$1,081,000 total aggregate annual monetized costs for semiannual check boxes = \$158,821,000).

Table 2. Aggregate Monetized Benefits
(2025 dollars)

	Benefit per Affected Filing	Number of Affected Filings Per Year	Aggregate Annual Benefits
	(A)	(B)	(C) = (A)x(B)
Form 10-Q	\$110,000	3,585	\$394,350,000
Total			\$394,350,000

Note: See *supra* note 260 for an explanation of the \$110,000 estimated benefit per affected filing.

Table 3. Aggregate Monetized Costs
(2025 dollars)

	Cost per Affected Filing	Number of Affected Filings Per Year	Aggregate Annual Costs ^c
	(A)	(B)	(C) = (A)x(B)
Form 10-S	\$132,000 ^a	1,195	\$157,740,000
Form S-1	\$123 ^b	933	\$115,000
Form S-3	\$123 ^b	1,574	\$194,000
Form S-4	\$123 ^b	193	\$24,000
Form S-11	\$123 ^b	13	\$2,000
Form 10	\$123 ^b	87	\$11,000
Form 10-K	\$123 ^b	5,976	\$735,000
Total			\$158,821,000

Notes:

^a See *supra* note 261 for an explanation of the \$132,000 estimated cost per affected filing.

^b See *supra* note 262 for an explanation of the \$123 estimated cost per affected filing.

^c Estimates rounded to the nearest thousand.

³¹³ See *id.* for a discussion of affected parties and *infra* note 332 for a discussion of the 20 percent estimate.

³¹⁴ See *supra* Section V.D.

³¹⁵ See *supra* Section V.D.

³¹⁶ The estimates for affected filings per year are based on the number of filings in CY 2024. These estimates differ from the estimates provided in Section VI (Paperwork Reduction Act analysis), which are based on the number of annual responses for these forms reflected in the OMB inventory of currently approved information collections.

(b) Present Values and Annualized Values of Aggregate Monetized Benefits and Costs

Consistent with the requirements of Executive Order 12866, the Commission reports estimated total monetized benefits and costs for all affected entities in two additional ways specified in OMB Circular A–4.³¹⁷ 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.³¹⁸

We report (1) the present values of expected benefits and costs that are monetized in our Economic Analysis, aggregated across all affected entities, 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 time horizon represents the period over which the principal benefits and costs that are monetized in the Economic Analysis are expected to accrue.³¹⁹ 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.³²⁰ Under the proposed amendments, these benefits and costs are only incurred by reporting companies that elect to report on a semiannual basis.

Table 4 reports the present values of the aggregated monetized benefits and costs. The analysis uses annual real discount rates of 3 percent and 7 percent over a 10-year time horizon, starting in 2026.³²¹ We assume that

affected issuers would switch to semiannual reporting in the first year of the 10-year time horizon. We further assume that the number of affected issuers would remain constant over that period. We estimated in Table 2 that aggregated monetized benefits across affected issuers are \$394,350,000 per year. Over a 10-year time horizon, the present value of aggregated monetized benefits is thus \$3,413,970,906 using a 3 percent discount rate and \$2,865,051,037 using a 7 percent discount rate. For the same affected issuers, we estimated in Table 3 that aggregated monetized costs are \$158,821,000 per year. Over a 10-year time horizon, the present value of aggregated monetized costs is thus \$1,374,946,807 using a 3 percent discount rate and \$1,153,874,149 using a 7 percent discount rate.

Table 4: Present Value of Monetized Benefits and Costs over 10 years from 2026 to 2035 (2025 Dollars)

Estimated Effects	3% real discount rate	7% real discount rate
Benefits	\$3,413,970,906	\$2,865,051,037
Costs	\$1,374,946,807	\$1,153,874,149

Notes: The present values for aggregated monetized benefits represent the present values of annual aggregated benefits of \$394,350,000 per year over 10 years using each of a 3 percent and 7 percent discount rate. The present values for aggregated monetized costs represent the present values of annual aggregated costs of \$158,821,000 per year over 10 years using each of a 3 percent and 7 percent discount rate. *See* Section V.D.5.a We assume that monetized benefits and costs accrue mid-year, and we use a mid-year discount rate.

Table 5 reports annualized monetized benefits and costs using real discount rates of 3 percent and 7 percent over a 10-year horizon.³²² The lump sum present values of monetized benefits

and costs reported in Table 4 are converted in Table 5 into a constant stream of annualized benefits and costs over a 10-year time horizon, starting in 2026.³²³ Because the annual aggregated

monetized benefits and costs reported in Tables 2 and 3 are identical in every year of the 10-year time horizon and because there are no initial benefits or costs at Time 0, the annualized

³¹⁷ *See* E.O. 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 E.O. 12866); *see also* E.O. 14215 (Feb. 18, 2025), 90 FR 10447, 10448 (Feb. 24, 2025) (requiring independent agencies to comply with E.O. 12866). In addition, E.O. 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 E.O. 12866. *See* E.O. 14192 (Jan. 31, 2025), 90 FR 9065, 9066 (Feb. 6, 2025). For purposes of approximating the total cost savings and costs under E.O. 14192, the Commission uses the annualized monetized benefits and costs using a real discount rate of 7 percent. *See* Table 5 and accompanying discussion.

³¹⁸ *See* Circular A–4, at 32.

³¹⁹ *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 amendments, as well as the start year for the analysis’s time horizon, is the present year. The analysis uses calendar years and accounts for the compliance periods included in the release (*see note a* in Table 4).

³²⁰ *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”).

³²¹ 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.”).

³²² 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”).

³²³ For each discount rate, the annualized monetized benefits (costs, respectively) in Table 5 represent the constant annual stream of benefits (costs, respectively) whose present value over the time horizon equates the corresponding present value in Table 4. *See note a*, Table 5 for additional calculation details.

aggregate monetized benefits and costs in Table 5 are the same as the annual aggregate monetized benefits and costs in Table 3. Hence, across all affected issuers, we estimate that annualized

total monetized benefits are \$394,350,000 per year using a 3 percent discount rate and \$394,350,000 per year using a 7 percent discount rate. For those same affected issuers, we estimate

that annualized total monetized costs are \$158,821,000 per year using a 3 percent discount rate and \$158,821,000 per year using a 7 percent discount rate.

Table 5: Annualized Monetized Benefits and Costs over 10 years from 2026 to 2035 (2025 Dollars)

Estimated Effects	3% real discount rate	7% real discount rate
Benefits	\$394,350,000	\$394,350,000
Costs	\$158,821,000	\$158,821,000

Notes: For each discount rate, the annualized values are calculated by dividing the corresponding present values in Table 4 by the sum of discount factors over the time horizon. The discount factor in year t of the time horizon is equal to $1/(1 + \text{discount rate})^{(t-0.5)}$.

E. Anticipated Effects on Efficiency, Competition, and Capital Formation

Based on our discussion above, we expect that Exchange Act reporting companies that would switch to becoming semiannual or hybrid reporters under the proposed amendments could incur some cost savings in terms of both time and cash flows by not having to prepare and disclose Form 10-Qs for the first and third fiscal quarters. We expect these savings would be greater for those companies that would become semiannual reporters, rather than hybrid reporters, depending on the extent of voluntary quarterly disclosure provided by the hybrid reporters. To the extent any future semiannual or hybrid reporters currently face limited managerial capacity or financing constraints, some or all of the time and cash flows saved may be redirected to more productive use, thereby increasing the allocative efficiency of the companies' resources. In addition, to the extent that companies moving to semiannual reporting would feel less pressure to focus on shorter term earnings at the possible expense of long-term value creation, there could be further efficiency gains through improved managerial incentives.

The proposed amendments, however, could also lead to efficiency reductions. As discussed above,³²⁴ a switch to semiannual (or hybrid) reporting would likely increase information asymmetries, thereby reducing the informational efficiency of share prices and reducing stock market liquidity for the companies that move away from quarterly reporting. The magnitude of this effect would likely vary based on company characteristics and the degree to which the delayed disclosure would

impact investor decision-making. For instance, as discussed above, for some companies or industries, investors may mainly base their investment decisions on information that is provided in current reports, in which case a switch to semiannual reporting may only have a limited impact on information asymmetry.

To the extent there would be an increase in information asymmetries for companies choosing semiannual reporting, there could also be related spillover effects, including on the companies that would continue to report at a quarterly frequency. In particular, as discussed above, to the extent there would be a reduction in the frequency of interim financial reports under the proposal for a significant number of reporting companies, it would make it more difficult for investors and information intermediaries, such as financial analysts, to compare disclosures over time and across companies and arrive at accurate company valuations in a timely fashion, which could decrease the informational efficiency of share prices even for companies that would continue to file quarterly reports.³²⁵ To the extent a switch by companies to semiannual reporting would reduce liquidity and reduce the informational efficiency of share prices, it would, in turn, reduce investors' ability to make informed

investment and voting decisions and could have adverse effects on their ability to make efficient capital allocation decisions within their portfolios.³²⁶

The proposed amendments could also potentially affect competition. To the extent required quarterly reporting currently makes companies disclose time-sensitive proprietary business information useful to competitors earlier than they would otherwise do, or the quarterly reporting frequency gives competitors greater insight into a company's business dynamics than semiannual reporting would give, there could be competitive benefits to a company that adopts semiannual reporting. In addition, to the extent a reporting company's competitors are privately held domestic companies or foreign companies (including foreign private issuers) without mandated quarterly reporting, companies may improve their competitive position by switching to semiannual reporting if the current compliance costs of the required quarterly reporting are a competitive disadvantage. To the extent there is a fixed cost component to the quarterly reporting requirements, smaller companies may benefit disproportionately more from any cost savings associated with switching to semiannual reporting relative to larger

³²⁴ See *supra* Sections V.C.1.b and V.C.3.b.

³²⁵ Financial analysts and other investment professionals, as well as non-professional investors, may try to substitute for the reduction in reporting frequency by searching for alternative financial data to use for their company valuations but would most likely incur greater search and information processing costs. Such substitute data may also not be as reliable or comparable across companies or time as the financial information disclosed in a Form 10-Q. In addition, to the extent reduced timeliness and comparability of interim reports increases processing and other costs to financial analysts, they may stop covering certain companies altogether. See *supra* notes 251 and 252.

³²⁶ There are other potential negative externalities in terms of reduced allocative efficiency to the extent companies would adopt semiannual reporting under the proposed amendments. For example, to the extent other market participants (such as peer companies, whether publicly traded or privately held, customers, and suppliers) use and compare the information contained in the current quarterly reports made by a large number of public companies as an input for their own capital investment or other business decisions, the efficiency of these market participants' resource allocations may also be reduced if a significant number of reporting companies would adopt semiannual reporting under the proposed amendments.

industry peers (because these fixed costs represent a larger percentage of their revenues) and thereby may also get a comparatively larger competitive benefit from switching. We note that any competitive benefits from cost savings or a reduction in the frequency of disclosures of proprietary information could be mitigated if less frequent reporting leads to a higher cost of capital, as discussed above.

The proposed amendments may also have effects on capital formation. On the one hand, to the extent that companies adopt semiannual (or hybrid) reporting and the cost savings from switching from quarterly reporting can be redeployed to a more productive use such as new investments, there could be an increase in net capital formation. In addition, a reduced burden of periodic disclosures on reporting companies may encourage additional companies to raise capital through registered securities offerings in public markets. An increase in the number of companies who access public capital markets could increase capital formation to the extent it facilitates the raising of more capital than would be available to these issuers outside of public markets, for example, due to an enhancement of investor protections and a broadening of the investor base.

On the other hand, less frequent disclosures may result in a higher cost of capital if investors receive less precise information about an issuer's cash flows and how they covary with other issuers' cash flows or if there is an increased risk of information asymmetry across investors because of the increased time gaps between public disclosures. A higher cost of capital could, in turn, reduce corporate investment and thereby negatively impact capital formation. Thus, to the extent the proposed amendment would lead to higher cost of capital for semiannual or hybrid reporters, it could negatively affect capital formation. Capital formation could be further impaired to the extent companies' choice of switching to semiannual reporting would lead to the negative externalities on the broader information environment discussed above, thereby also potentially raising the cost of capital for quarterly reporters as well. Such a negative spillover effect on quarterly reporters' cost of capital could be mitigated, however, if continued quarterly reporting is viewed by investors as a credible signal of company quality, and therefore quarterly reporters may benefit from a comparatively higher degree of investor confidence compared to those

companies that would choose to become semiannual or hybrid reporters.

The aggregate effects on efficiency, competition, and capital formation will depend on how many reporting companies choose to report on a semiannual basis and how investors respond to that choice. It also depends on which types of reporting companies choose to report on a semiannual basis as the importance of more frequent periodic disclosure to investors and market participants would vary across reporting companies.

F. Reasonable Alternatives

In this section, we present certain significant alternatives and a discussion of their benefits and costs relative to the proposed rules.

1. Mandatory Semiannual Reporting; Elimination of Quarterly Reporting

As an alternative to the proposed optional semiannual reporting approach, we considered retaining the existing Form 10-Q disclosure requirements but requiring interim reporting on a semiannual rather than quarterly basis for all reporting companies.³²⁷

Compared to the proposed optional semiannual reporting approach, this alternative would provide no flexibility for reporting companies to elect the reporting frequency option—either semiannual or quarterly—that may best serve the company and its investors. This lack of flexibility could run counter to what some companies may view as the better reporting frequency to serve the company and its investors. For example, if a reporting company believed the best way to manage investor or analyst expectations or obligations under an agreement would be to report quarterly to the Commission, this ability could be frustrated under the alternative proposal consisting of mandated semiannual reporting.

Because mandated semiannual reporting would force companies to become either semiannual or hybrid reporters, with no choice of filing reports on Form 10-Q, we expect the potential costs to be larger under this alternative than under the proposal. To the extent those companies that would have incentives to remain as quarterly reporters under the proposal would have incentives to become hybrid reporters under this alternative, the expected larger costs of this alternative

relative to the proposal would be mitigated to some extent.

We expect that the benefits associated with reporting cost savings, as discussed above, would be larger under this alternative than under the proposal since no company would incur the costs associated with filing interim reports with the Commission for the company's first and third fiscal quarters. These larger benefits, however, would be reduced for those companies that would choose to become hybrid reporters under this alternative, as they may continue to provide voluntary quarterly information.

In terms of the effects on efficiency, competition, and capital formation, we expect the potential negative market externalities from less frequent reporting, as discussed in Section V.F above, to be greater under this alternative than under the proposal, because we expect a greater potential loss of information (compared to the baseline) under this alternative than under the proposal.

2. Semiannual Reporting Only for Certain Registrant Categories

As an alternative, we considered an optional semiannual reporting approach that would be available only to reporting companies in certain smaller size categories, for example reporting companies that are: (1) within one of the existing categories under Commission rules, which generally base the criteria for the category on company size—including (A) emerging growth companies, (B) smaller reporting companies, or (C) companies that are not accelerated filers or large accelerated filers—or (2) companies that meet the criteria of a new size-based category the Commission could create. Or such an alternative could consist of one or more combinations of those categories.

As compared to the proposal, an alternative that limited optional semiannual reporting to one category or a combination of categories of companies that generally indicate small company size would result in the exclusion of larger companies from optional semiannual reporting. Thus, under that alternative, larger companies would have less flexibility to opt for the reporting frequency that best serves those companies and their shareholders and would not be able to avail themselves of the benefits of cost savings and time savings that could accrue under the proposal. Even though the alternative would reduce the aggregate potential benefits from reporting cost savings compared to the proposal (by precluding large

³²⁷ See, e.g., *supra* note 62 (discussing required UK semiannual reporting and the elimination of UK quarterly reporting).

companies from filing semiannual reports), it would still provide the flexibility of reporting frequency choice and the associated potential cost savings for smaller sized reporting companies that may currently face a disproportionate cost burden of the quarterly reporting requirement, as discussed above.

The potential informational costs of the proposal stem from those companies that choose to switch to semiannual reporting, as discussed above. As compared to the proposal, an alternative that does not allow this option for larger companies would have the potential informational costs limited to smaller, potentially less economically influential companies. This difference in costs is limited by the extent to which we would expect large companies to opt to continue filing quarterly under the proposal. To the extent that larger companies may convey more information about market fundamentals, this alternative could result in less expected informational costs, compared to the proposal, because there would still be potentially valuable information spillovers from the large quarterly filers to smaller semiannual filers.

3. Form 8-K Filing Requirement When Company Decides To Change Reporting Frequency for Next Fiscal Year

Another alternative would be a requirement that a reporting company must file a report on Form 8-K within four business days of a decision that the company intends to change its frequency of reporting in connection with periodic reports that cover the next fiscal year.

As compared to the proposal, this alternative could add complexity to Commission rules as we expect that under such an alternative the Commission would need to provide for requirements concerning when a decision is considered to have been made that triggers the Form 8-K filing obligation. Once a decision to change the frequency of interim reporting has been disclosed in a Form 8-K, companies may have less flexibility to change their minds before filing the next Form 10-K as doing so would likely confuse investors or be interpreted negatively.

To the extent uncertainty about what interim reporting frequency to expect from a company for the upcoming fiscal year imposes costs on investors or other market participants,³²⁸ they may benefit from the alternative of a Form 8-K filing

obligation by receiving an earlier notice of what the company intends to do.

The alternative of a Form 8-K filing obligation would impose Form 8-K filing costs not present under the proposal that could marginally offset time and money savings for semiannual filers under the proposal.

4. Longer Filing Deadline for Form 10-S Than for Form 10-Q

Another alternative would be a longer filing deadline for Form 10-S than for Form 10-Q. Under this alternative, the disclosure requirements of Form 10-S would be the same as those of Form 10-Q (except that Form 10-S would cover a longer six-month period). One factor relevant to this alternative is whether it would take the independent public accountant a longer period of time to review financial statements covering a six-month period than a three-month period because of the longer period of time covered or because less frequent auditor review would involve a loss of economies of scale that could slow down the independent public accountant's review process.

Extending the reporting deadline for semiannual interim reports could grant semiannual reporters and independent public accountants that conduct reviews more time to effectively manage their resources. This could potentially reduce the overall cost of preparing the interim reports, reduce the likelihood of delinquent filings, and potentially reduce the risk of errors in the interim financial statements. Conversely, extending the deadline to file Form 10-S could delay the disclosure of Form 10-S even further which could incrementally increase information asymmetry and costs to investors.

5. Revisions to Form 10-Q

As another alternative to the proposed semiannual reporting, we considered revising Form 10-Q to reduce the burden on reporting companies of filing this form. Potential changes to Form 10-Q could include changes related to one of the following items or a combination of these items: required interim financial statement review by an independent public accountant, XBRL data tagging, MD&A, certain items disclosed in Part II of Form 10-Q such as Item 2 information required by Item 701 of Regulation S-K and associated referencing to any previously filed Form 8-K containing Item 701 disclosures, or year-to-date comparisons involving financial statements and MD&A.

Relative to the baseline, such revisions to Form 10-Q could reduce reporting companies' compliance costs in terms of both time and money,

thereby potentially enabling the companies to improve the allocative efficiency of their resources. Private companies could be more inclined to enter public markets if they expect lower compliance costs under this alternative, and more companies could decide to remain public for the same reason. To the extent the reduced disclosure requirements would result in less information provided publicly, however, such compliance cost savings could be offset by increased costs associated with higher information asymmetry, such as less liquidity and a higher cost of capital. There could also be other costs depending on the specific type of revisions that would be made to Form 10-Q under this alternative. For example, if the revisions would remove the requirement of financial statement review by an independent public accountant it could increase the likelihood of errors in the interim financial statements, which could be costly to both issuers and investors.

Fundamentally, the difference in benefits between this alternative and the proposal is that the alternative would lower reporting costs by reducing mandated reporting requirements, whereas the proposal would lower reporting costs by reducing mandated reporting frequency. The difference in costs would primarily be costs associated with less information disclosed to investors (and potentially also reliability of quarterly reports depending on type of revisions to Form 10-Q) under the alternative versus the costs associated with investors receiving existing disclosures less frequently under the proposal. The optionality of semiannual reporting would allow issuers to tailor reporting frequency to their own specific situation, whereas the Form 10-Q revisions under the alternative would apply to all issuers, which could make the proposal more beneficial to both issuers and investors than this alternative, all else equal. The comparative cost and benefits of this alternative versus the proposal would ultimately depend on the extent of the potential changes to Form 10-Q under the alternative and how many and what type of companies would elect semiannual reporting under the proposal. It would also depend on how many and what type of companies would choose to voluntarily provide disclosure that would no longer be required under the alternative. For example, depending on the specific type of revisions that would be done to Form 10-Q under this alternative, such a reduction in information could increase the likelihood that errors in financial

³²⁸ One such cost could be potentially increased volatility of share prices before the uncertainty about issuers' upcoming interim reporting frequency is resolved.

statements go unnoticed by investors, reduce investors' understanding of changes in the business over time, or increase information asymmetry and related costs to investors, potentially resulting in less liquidity and a higher cost of capital.

G. Request for Comment

We request comment on all aspects of our economic analysis, including the potential costs and benefits of the proposed amendments and alternatives, and whether the amendments, if adopted, would promote efficiency, competition, and capital formation. Commenters are requested to provide empirical data, estimation methodologies, and other factual support for their views, in particular, on costs and benefits estimates. In addition, we request comment on the following:

48. What would be the benefits to investors from reporting companies' flexibility to file semiannual reports on Form 10-S, instead of quarterly reports on Form 10-Q? Are there certain types of companies or industries for which such benefits would be greater than for others? Would the benefits to investors be limited to the pass-through of cost savings, or would there be other kinds of benefits, such as improved managerial incentives or reallocation of company resources to potentially more productive corporate activities?

49. What would be the costs to investors from providing reporting companies with flexibility to file semiannual reports on Form 10-S, instead of quarterly reports on Form 10-Q? Would the option for semiannual reporting increase information asymmetries in ways that impair investors' abilities to make investment and voting decisions? To the extent there are such costs or information is reduced, would other regulatory requirements (beyond those requiring interim reports) or market forces mitigate such factors?

50. What compliance cost savings would be realized by companies that would elect the proposed semiannual reporting option? Please provide any data regarding the cost of preparing quarterly reports, including employee and director time, legal counsel fees, external accounting advice or independent public accountant review fees, costs for XBRL data tagging, and other costs associated with filing Form 10-Q. To what extent would the option to file one semiannual report, rather than two quarterly reports for the same period, result in lower costs, such as independent public accountant review fees? Would semiannual filers' audit fees paid—in connection with an annual

audit of their financial statements or management's assessment of the effectiveness of internal control over financial reporting—be materially different in any way compared to the fees that would have been paid if the same company were a quarterly filer?

51. If the proposal were adopted and a reporting company were to switch from quarterly to semiannual reporting as a result, what would be the initial costs of the switch? What would be the recurring costs, if any? In connection with such a switch, would there be costs associated with procuring, developing, and testing new information technology, engaging service providers, or updating policies, procedures, and compliance systems and, if so, what would be the amount of those costs? Would there be potential costs associated with adjusting or renegotiating contracts and agreements that may rely on quarterly financial information, such as loan agreements or managerial compensation contracts, and, if so, what would be the amount of those costs?

52. What percentage of companies currently required to report quarterly on Form 10-Q would likely switch to semiannual reporting? Please provide an explanation of any percentage estimate(s), including assumptions and methodology used.

53. What general economic consequences would result from companies electing to report semiannually under the proposed flexible approach? Would semiannual filers reallocate any resources freed up from a potentially lower reporting burden to alternative uses, such as capital expenditure or other business needs?

54. Are there capital market factors that would limit a reporting company's ability to switch to semiannual reporting if the proposal were adopted? For example, is creditor demand for quarterly financial information one such potential limiting factor?

55. For semiannual filers who would not voluntarily release earnings quarterly, would stock price movements around the release of semiannual financial information be more volatile compared to movements around quarterly releases? If so, what are the reasons this would occur? If so, how would this affect investors, companies, and markets?

56. If the proposal were to reduce securities analyst coverage of Exchange Act reporting companies that elect the semiannual reporting option, what effect would this have on investors and companies? How would such a reduction in analyst coverage affect stock market price efficiency? How

would such a reduction affect liquidity of semiannual filers' securities?

57. What impact would the proposal—including the proposed option to file interim reports on a semiannual basis and the proposed financial statement rule changes, including to age of financial statement rules—have on the ability of semiannual filers to conduct public offerings? Would any cost savings generated by the less frequent interim reporting be offset by a potential perceived need to include quarterly or more recent financial information in Securities Act registration statements or prospectuses based on market practices or liability concerns? For example, would semiannual filers continue to retain independent public accountants to review their financial statements on a quarterly basis to facilitate capital-raising by the company in offerings registered under the Securities Act?

58. Would a company's valuation or cost of capital differ based on whether the company is a quarterly filer or a semiannual filer? Please explain the reasons why there would be a difference and provide any specific data. Would less frequent interim reporting negatively affect the ability of investors or other market participants to value the company's securities? If cost of capital would increase for semiannual filers, would this result from an increase in the cost of equity or cost of debt (or both)? How?

VI. Paperwork Reduction Act Analysis

A. Summary of the Collections of Information

Certain provisions of our rules and forms that would be affected by the proposed amendments contain "collection of information" requirements within the meaning of the Paperwork Reduction Act ("PRA").³²⁹ We are submitting the proposed amendments to OMB for review and approval in accordance with the PRA.³³⁰ The hours and costs associated with preparing, filing, and sending the forms and retaining records constitute reporting and cost burdens imposed by each collection of information. An agency may not conduct or sponsor, and a person is not required to comply with, a collection of information requirement unless it displays a currently valid OMB control number. The titles for the collections of information are:

- Form S-1 (OMB Control No. 3235-0065);
- Form S-3 (OMB Control No. 3235-0073);

³²⁹ 44 U.S.C. 3501 *et seq.*

³³⁰ 44 U.S.C. 3507(d); 5 CFR 1320.11.

- Form S-4 (OMB Control No. 3235-0324);
- Form S-11 (OMB Control No. 3235-0067);
- Form 10-K (OMB Control No. 3235-0063);
- Form 10-Q (OMB Control No. 3235-0070);
- Form 10 (OMB Control No. 3235-0064); and
- Form 10-S (a proposed new collection of information).

We are applying for an OMB control number for the proposed new collection of information in accordance with 44 U.S.C. 3507(j) and 5 CFR 1320.13, and OMB has not yet assigned a control

number to this new collection. The forms listed above were adopted or, in the case of proposed Form 10-S, would be adopted under the Securities Act or the Exchange Act. These forms set forth the disclosure requirements for registration statements, annual reports, quarterly reports, and proposed semiannual reports filed by registrants to provide investors with information to make informed investment decisions.³³¹ Responses to these collections of information are mandatory. Responses to these information collections are not kept confidential, and there is no mandatory retention period for the information disclosed.

A description of the proposed amendments, including the need for the information and its use, as well as a description of the likely respondents, can be found in Section III above, and a discussion of the economic effects of the proposed amendments can be found in Section V above.

B. Estimated Paperwork Burden Effects of the Proposed Amendments

The following PRA Table 1 summarizes the estimated effects of the proposed amendments on the paperwork burdens associated with the affected forms.

PRA Table 1. Estimated Paperwork Burden Effects of the Proposed Amendments*

Proposed Amendment	Affected Forms	Estimated Effect
§ 240.13a-13 and § 240.15d-13 Permit reporting companies to file semiannual interim reports on Form 10-S in lieu of filing quarterly reports on Form 10-Q	Form 10-Q	Estimated reduction of 3,585 Form 10-Q filings per year**
	Form 10-S	162.2 burden hours per response*** \$32,437 cost burden per response****
Form S-1, Form S-3, Form S-4, Form S-11, Form 10, Form 10-K Add a check box to indicate whether the registrant has elected to file semiannual reports	Form S-1 Form S-3 Form S-4 Form S-11 Form 10 Form 10-K	For all forms shown, 0.2 hour increase in burden hours per response
* In this table, the burden hours per response have been rounded to the first decimal place and the cost burden per response has been rounded to the nearest dollar. ** The estimated reduction of 3,585 Form 10-Q filings per year is calculated as: (1) in connection with proposed new Form 10-S, the Annual Responses from Column (A) of PRA Table 4 below (1,195), times (2) 3 (representing the first, second, and third fiscal quarter Form 10-Q filings that would no longer be made by a company electing semiannual reporting on Form 10-S). *** The burden hours per response for Form 10-S is calculated as: (1) the estimated Burden Hours in Column (B) of PRA Table 4 below (193,816), divided by (2) the estimated Annual Responses in Column (A) of PRA Table 4 below (1,195). **** The cost per response for Form 10-S is calculated as: (1) the estimated Cost Burden in Column (C) of PRA Table 4 below (\$38,763,204), divided by (2) the estimated Annual Responses in Column (A) of PRA Table 4 below (1,195).		

C. Incremental and Aggregate Burden and Cost Estimates

We estimate below the incremental and aggregate increase in paperwork burden as a result of the proposed amendments. These estimates represent the average burden for all respondents, both large and small. In deriving our estimates, we recognize that the burdens will likely vary among individual respondents based on a number of factors, including the size and complexity of their business. These estimates include the time and the cost

of preparing and reviewing disclosure, filing documents, and retaining records. We believe that some registrants would experience costs in excess of this average and some registrants would experience less than the average costs. Our methodologies for deriving these estimates are discussed below.

For purposes of the PRA, the burden is generally allocated between burden hours and costs. The cost burden generally reflects the portion of the burden carried by outside professionals, while the burden hours generally reflect the portion of the burden carried by the

company internally. With respect to the changes related to the inclusion of a check box on Forms S-1, S-3, S-4, S-11, 10, and 10-K, we believe the burden would typically be assumed entirely by the registrant internally and reflected as burden hours and, therefore, we have not reflected an increased cost burden associated with those proposed amendments. The following PRA Table 2 summarizes the estimated effects of the proposed amendments on the paperwork burdens associated with

³³¹ We are also proposing technical amendments to Form 8-K, Form 6-K, Form 12b-25, and Schedule 14A to include references to semiannual

reporting. We have not included these filings among the affected collections of information because we do not believe the paperwork burden

for these filings would change as a result of these technical amendments.

these affected collections of information:

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PRA Table 2. Standard Estimated Burden Allocation for Specified Collections of Information

Form	Number of Estimated Affected Responses	Estimated Burden Hour Increase or (Decrease) per Affected Response	Total Estimated Incremental Increase or (Decrease) in Burden Hours
	(A)	(B)	(C) = (A) x (B)
Form S-1	908	.2	181.60
Form S-3	1,467	.2	293.40
Form S-4	588	.2	117.60
Form S-11	14	.2	2.80
Form 10	104	.2	20.80
Form 10-K	8,292	.2	1,658.40

With respect to Form 10-Q, we expect the proposed amendments would reduce the number of annual responses proportionate to the number of registrants that elect to report semiannually. For purposes of the PRA, taking a conservative approach, we estimate that approximately 20% of reporting companies would change their reporting frequency from quarterly reporting to semiannual reporting if the proposed rules are adopted.³³² As a

³³² We derived our estimate that 20% of reporting companies would change their reporting frequency from quarterly reporting to semiannual reporting based on an analysis that took into account and

synthesized the anticipated effects of several factors, including: (1) responses answering “Yes” by 75% of 183 listed companies that responded to the survey question, “Do you believe that your company and/or your investors would benefit from moving to a semi-annual reporting model?” (Nasdaq 2019); (2) evaluation of the potential impact of the factors we discuss in Section III on companies that may be inclined to switch to semiannual reporting but may determine to continue to report quarterly, including: expectations of investors and securities analysts, disclosure practices that may be prevalent in a company’s industry, contractual obligations, and companies’ insider trading-related concerns; and (3) the possibility there will be long-run effects of the proposal if adopted whereby some reporting companies switch to semiannual reporting a significant period of time after adoption after observing effects on and experiences of other

result, we estimate that this would result in a reduction of approximately 3,585 Form 10-Q filings per year.

The following PRA Table 3 summarizes the requested paperwork burden changes to existing information collections, including the estimated total reporting burdens and costs, under the proposed amendments.

companies that report semiannually. Our estimate that 20% of reporting companies would change their reporting frequency from quarterly reporting to semiannual reporting does not include these potential long-run effects noted above, because we believed there is a level of uncertainty around such potential long-run effects that is too great to include in our estimate for paperwork burden purposes.

PRA Table 3. Requested Paperwork Burden under the Proposed Amendments

Form	Current Burden			Program Change				Revised Burden		
	Current Annual Responses	Current Hours	Current Cost Burden	Change in Number of Annual Responses	Number of Estimated Affected Responses	Estimated Increase or (Decrease) in Burden Hours*	Estimated Increase or (Decrease) in Cost Burden**	Annual Responses	Burden Hours***	Cost Burden****
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H) = (A) + (D)	(I) = (B) + (F)	(J) = (C) + (G)
Form S-1	908	145,861	\$262,550,016	0	908	181.60	\$0	908	146,043	\$262,550,016
Form S-3	1,467	168,291	\$302,923,031	0	1,467	293.40	\$0	1,467	168,584	\$302,923,031
Form S-4	588	560,988	\$675,605,379	0	588	117.60	\$0	588	561,106	\$675,605,379
Form S-11	14	2,564	\$4,614,624	0	14	2.80	\$0	14	2,567	\$4,614,624
Form 10	104	5,170	\$9,305,712	0	104	20.80	\$0	104	5,191	\$9,305,712
Form 10-K	8,292	14,056,593	\$2,773,166,578	0	8,292	1,658.40	\$0	8,292	14,058,251	\$2,773,166,578
Form 10-Q	19,419	2,624,187	\$524,837,313	(3,585)	3,585	(484,459.06)	(\$96,891,795)	15,834	2,139,728	\$427,945,518
Total	30,792	17,563,654	\$4,553,002,653	(3,585)	14,958	(482,184.46)	(\$96,891,795)	27,207	17,081,470	\$4,456,110,858

* The Estimated Increase or (Decrease) in Burden Hours in Column (F) is taken from Column (C) of PRA Table 2 above for Forms S-1, S-3, S-4, S-11, 10, and 10-K and, for Form 10-Q, is calculated as: (1) The Current Burden Hours in Column (B), divided by (2) Current Annual Responses in Column (A), times (3) the Change in Number of Annual Responses in Column (D). The Estimated Increase or (Decrease) in Burden Hours for each row in Column (F) has been rounded to the second decimal place.

** The Estimated Increase or (Decrease) in Cost Burden in Column (G) is calculated as: (1) The Current Cost Burden in Column (C), divided by (2) Current Annual Responses in Column (A), times (3) the Change in Number of Annual Responses in Column (D).

*** Burden Hours for each row in Column (I) have been rounded to the nearest whole number. The total for Column (I) has been calculated using unrounded values in connection with all row items in Column (I) and then rounding the total to the nearest whole number.

**** Cost Burden for each row in Column (J) has been rounded to the nearest whole number. The total for Column (J) has been calculated using unrounded values in connection with all row items in Column (J) and then rounding the total to the nearest whole number.

For purposes of the proposed new Form 10-S, we estimate the number of

annual responses based on the conservative estimate noted above that

approximately 20% of reporting companies will elect to report

semiannually. Additionally, while the disclosure requirements of proposed new Form 10-S for semiannual reporting would be substantially the same as the disclosure requirements in current Form 10-Q, we believe the burden of Form 10-S would be incrementally greater than Form 10-Q

because it will cover a longer period.³³³ Accordingly, we estimated the burden hour and cost burden for Form 10-S by using the current burden inventory for Form 10-Q as the starting point and have estimated that the burdens would be approximately 20% higher for Form 10-S. We specifically request comment

on the reasonableness of these estimates.

The following PRA Table 4 summarizes the requested paperwork burden for the collection of information for proposed new Form 10-S, including the estimated total reporting burdens and costs.

PRA Table 4. Requested Paperwork Burden for the New Collection of Information

Requested Paperwork Burden*			
Collection of Information	Annual Responses (A)**	Burden Hours (B)***	Cost Burden (C)****
Form 10-S	1,195	193,817	\$38,763,204
Notes: * Numbers in this table have been rounded to the nearest whole number. ** The number of Estimated Affected Responses in Column (A) for Form 10-S (1,195) is the product of: (1) 5,976 affected reporting companies (the number of registrants identified by CIK that filed a Form 10-K or an amendment thereto during calendar year 2024, as discussed <i>supra</i> note 206 and accompanying text), times (2) 0.2 (representing the percentage of affected reporting companies we estimate would elect to report semiannually). *** The number of Burden Hours in Column (B) is calculated as: (1) the unrounded number in connection with Annual Responses from Column (A) (1,195.2), times (2) the number of burden hours per Form 10-Q, which is calculated by dividing the Current Burden Hours for Form 10-Q in Column (B) of PRA Table 3 above (2,624,187) by Current Annual Responses for Form 10-Q in Column (A) of PRA Table 3 above (19,419)), times (3) 1.2 (representing the incrementally greater burden of Form 10-S we estimate as compared to Form 10-Q). **** The cost burden hours in Column (C) is calculated as: (1) the unrounded number in connection with Annual Responses from Column (A) (1,195.2), times (2) \$27,027 (the cost burden number per Form 10-Q, which is calculated by dividing the Current Cost Burden for Form 10-Q in Column (C) of PRA Table 3 above (\$524,837,313) by Current Annual Responses for Form 10-Q in Column (A) of PRA Table 3 above (19,419)), times (3) 1.2 (representing the incrementally greater burden of Form 10-S we estimate as compared to Form 10-Q).			

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D. Request for Comment

Pursuant to 44 U.S.C. 3506(c)(2)(B), we request comment in order to:

- Evaluate whether the proposed changes to the collections of information are necessary for the proper performance of the functions of the Commission, including whether the information will have practical utility;
- Evaluate the accuracy of our estimates of the additional burden hours that would result from adoption of the proposed amendments and new Form 10-S;
- Determine whether there are ways to enhance the quality, utility, and clarity of the information to be collected;
- Evaluate whether there are ways to minimize the burden of the collections of information on those who respond, including through the use of automated collection techniques or other forms of information technology; and

- Evaluate whether the proposed amendments and new Form 10-S would have any effects on any other collection of information not previously identified in this section.

Any member of the public may direct to us any comments concerning the accuracy of these burden estimates and any suggestions for reducing these burdens. Persons submitting comments on the collection of information requirements should direct their comments to the OMB Desk Officer for the Securities and Exchange Commission, MBX.OMB.OIRA.SEC_desk_officer@omb.eop.gov, and should send a copy to, Vanessa A. Countryman, Secretary, U.S. Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090, with reference to File No. S7-2026-15. Requests for materials submitted to OMB by the Commission with regard to the collection of information should be in writing, refer to File No. S7-2026-15

and be submitted to the U.S. Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington DC 20549-2736. OMB is required to make a decision concerning the collections of information between 30 and 60 days after publication of this release. Consequently, a comment to OMB is best assured of having its full effect if OMB receives it within 30 days of publication.

VII. 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),³³⁴ 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 or is likely to result in:

³³³ Because Form 10-S would cover a six-month period while Form 10-Q covers a three-month period, a semiannual filer may take more time to review the applicable period for any disclosure required to be made in Form 10-S (than for Form 10-Q). Also, the longer period covered in Form 10-

S may mean, depending on a semiannual filer's facts and circumstances—with respect to the same line items that might otherwise be disclosed in Form 10-Q if the registrant were a quarterly filer—that there are more instances of these line items to disclose in a Form 10-S, requiring the semiannual

filer to spend more time preparing these disclosures in a Form 10-S than would be spent to prepare similar disclosures in a single Form 10-Q.

³³⁴ See 5 U.S.C. chapter 8.

- 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.³³⁵

To help inform OMB's determination whether any final rule that results from the proposal would be a "major rule," we solicit 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.

We request those submitting comments to provide data and other factual support for their views to the extent possible.

VIII. Initial Regulatory Flexibility Act Analysis

The Regulatory Flexibility Act³³⁶ requires an agency, 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 proposal on small entities, unless the Commission certifies that the proposal, if adopted, would not have a significant economic impact on a substantial number of small entities.³³⁷ This IRFA has been prepared in accordance with the Regulatory Flexibility Act. It relates to the proposed amendments and new Form 10-S described in Section III above.

A. Reasons for, and Objectives of, the Proposed Action

The proposed amendments and new Form 10-S would provide Exchange Act reporting companies with the option of filing interim reports on a semiannual basis rather than on a quarterly basis. Semiannual reports would be filed on new Form 10-S in lieu of quarterly reports on Form 10-Q. We are also proposing various amendments to Regulation S-X, including age of financial statement requirements, that will help enable the proposed option to report semiannually and simplify these requirements. We are also proposing to add a check box to indicate whether the registrant has elected to file semiannual reports pursuant to Exchange Act Rule 13a-13(b) or 15d-13(b) to the cover page of Forms S-1, S-3, S-4, S-11, 10, and 10-K. We are also proposing technical

changes, including to various rules that currently refer to quarterly reporting to refer to semiannual reporting or to Form 10-S and to correct references to rescinded forms.

The proposal, if adopted, would provide an Exchange Act reporting company with the flexibility to determine the frequency of interim reporting that best suits its particular circumstances. Companies that decide to report on a semiannual basis may reduce interim reporting compliance costs of time and money. Companies that elect semiannual interim reporting would incur these interim reporting costs only one time in connection with each fiscal year instead of three times in connection with each fiscal year pursuant to quarterly reporting. Providing such regulatory flexibility could reduce the regulatory burden of being a public company, which could potentially influence a company's decision to become a public company and encourage more companies to become public companies.

The proposed changes to Regulation S-X will conform the financial statement requirements in periodic reports to the semiannual reporting frequency of semiannual filers. The proposed changes to Regulation S-X concerning age of financial statement requirements would also help ensure that, among other things, when semiannual filers file registration statements, their financial statements in those registration statements are not considered "stale" under existing rules built along a quarterly framework and would revise those age requirements for registrants that would be semiannual filers to fit with their reporting schedule. The proposed changes to the age of financial statement rules would also simplify existing rules, including by combining and centralizing the age requirements in a single rule and by using plain wording and plain methods of counting the age of financial statements in order to reduce the complexity of existing rules.

The reasons for, and objectives of, the proposed amendments are discussed in more detail in Section III above.

B. Legal Basis

We are proposing amendments and new Form 10-S under the authority set forth in Sections 2(a), 4(a), 7, 10, 19(a), and 28 of the Securities Act; Sections 3, 12, 13, 14, 15, 23(a), and 36 of the Exchange Act; and Section 319(a) of the Trust Indenture Act of 1939.

C. Small Entities Subject to the Proposed Rules and Amendments

The proposed amendments and new Form 10-S would apply to registrants that are small entities. The Regulatory Flexibility Act defines "small entity" to mean "small business," "small organization," or "small governmental jurisdiction."³³⁸ The regulation at 17 CFR 240.0-10(a) (Rule 0-10(a) under the Exchange Act) defines a registrant, other than an investment company, to be a "small business" or "small organization" for purposes of the Regulatory Flexibility Act if it had total assets of \$5 million or less on the last day of its most recent fiscal year. The regulation at 17 CFR 270.0-10(a) (Rule 0-10(a) under the Investment Company Act of 1940 ("Investment Company Act")) defines the terms "small business" or "small organization" for purposes of the Regulatory Flexibility Act as an investment company that, together with other investment companies in the same group of related investment companies, had net assets of \$50 million or less as of the end of its most recent fiscal year.³³⁹ The regulation at 17 CFR 230.157 (Rule 157 under the Securities Act) defines a registrant, other than an investment company, to be a "small business" or "small organization" for purposes of the Regulatory Flexibility Act if it had total assets of \$5 million or less on the last day of its most recent fiscal year and is engaged or proposing to engage in an offering of securities not exceeding \$5 million.

In connection with Exchange Act Rule 0-10(a), we estimate that there are approximately 705 registrants with a class of securities registered under Section 12 of the Exchange Act that file reports on Form 10-Q and on Form 10-K that are small entities.³⁴⁰ We expect that the proposed amendments that provide the option to report semiannually on Form 10-S in lieu of quarterly on Form 10-Q and the related proposed amendments to Regulation S-X will affect some reporting companies

³³⁸ 5 U.S.C. 601(6).

³³⁹ Business development companies currently file Form 10-Q quarterly reports and Form 10-K annual reports. *See supra* note 6.

³⁴⁰ Our estimate is based on the number of registrants (excluding business development companies, face-amount certificate companies, and asset-backed securities issuers) that filed a Form 10-K in calendar year 2024 and had total assets of \$5 million or less on the last day of the fiscal year covered in that Form 10-K filing. We provide an estimate for business development companies and face-amount certificate companies that would be small entities under the Commission's Investment Company Act small entity definitions below. We excluded asset-backed securities issuers because, although they file Form 10-K, they do not file Form 10-Q.

³³⁵ *See* 5 U.S.C. 804(2) (defining "major rule").

³³⁶ 5 U.S.C. 601 *et seq.*

³³⁷ 5 U.S.C. 603(a); 5 U.S.C. 605(b).

that elect to report semiannually and are small entities under the definitions of small entity under the Exchange Act for purposes of the Regulatory Flexibility Act. In addition, we are proposing to add a check box to indicate whether the registrant has elected to file semiannual reports pursuant to Exchange Act Rules 13a–13(b) or 15d–13(b) to the cover page of Form 10 and 10–K. The proposed amendments to Forms 10 and 10–K to provide this check box will affect registrants that file registration statements on Form 10 or annual reports on Form 10–K, including registrants that are small entities under the definition of small entity under the Exchange Act for purposes of the Regulatory Flexibility Act.

In connection with Investment Company Act Rule 0–10(a), we estimate that there are approximately seven business development companies and one face-amount certificate company that file reports on Form 10–Q and Form 10–K that are small entities. We expect that the proposed amendments that provide the option to report semiannually on Form 10–S in lieu of quarterly on Form 10–Q and the related proposed amendments to Regulation S–X will affect some of these entities that elect to report semiannually and are small entities under the definition of small entity under the Investment Company Act for purposes of the Regulatory Flexibility Act. In addition, we are proposing to add a check box to indicate whether the registrant has elected to file semiannual reports pursuant to Exchange Act Rules 13a–13(b) or 15d–13(b) to Forms 10 and 10–K. The proposed amendments to Forms 10 and 10–K to provide this check box will affect entities that file registration statements on Form 10 and annual reports on Form 10–K, including registrants that are small entities under the definition under the Investment Company Act for purposes of the Regulatory Flexibility Act.

We estimate that there are 137 registrants that are small entities for purposes of Securities Act Rule 157.³⁴¹ We are proposing amendments to Regulation S–X to facilitate semiannual

reporting (which would affect financial statements in registration and proxy statements as described above). We are proposing to add a check box to indicate whether the registrant has elected to file semiannual reports pursuant to Exchange Act Rules 13a–13(b) or 15d–13(b) to the cover page of Forms S–1, S–3, S–4, and S–11. The proposed amendments to Regulation S–X and to these forms will affect registrants filing registration statements on these forms, including registrants that are small entities under the definition of small entity under the Securities Act for purposes of the Regulatory Flexibility Act.

D. Reporting, Recordkeeping, and Other Compliance Requirements

We expect that the proposal, which would provide Exchange Act reporting companies with the option of filing interim reports on a semiannual basis on new Form 10–S rather than filing Form 10–Q on a quarterly basis and would provide for related amendments to Regulation S–X, will have a significant effect on reporting, recordkeeping, and other compliance burdens for registrants, including small entities, if adopted. To comply with existing Form 10–Q filing obligations, registrants commonly incur costs, including those related to the retention of professional advisors such as lawyers and accountants, who would provide some of the types of professional skills necessary for the preparation of the report. If the proposal is adopted, Exchange Act reporting companies will have the option to file one semiannual report on Form 10–S for each fiscal year in lieu of filing three quarterly reports on Form 10–Q each fiscal year. As a result, if the proposal is adopted, we expect interim reporting compliance costs for registrants that are Exchange Act reporting companies that elect to file interim reports semiannually (instead of quarterly) will be significantly reduced. We generally expect that the cost reduction and benefit would be greater in absolute terms for larger companies than for smaller companies, because larger companies may spend more time preparing their Form 10–Q reports currently than smaller companies due to larger companies' scope of operations and because larger companies may incur greater costs to retain outside professionals for similar reasons. We generally expect, however, that the cost reduction and benefit would be greater in a relative sense for smaller companies than for larger companies, because the fixed costs of preparing periodic reports for smaller companies represent a

greater percentage of revenue than for larger companies.

The proposed changes to Regulation S–X would revise the age of financial statement requirements for registrants that would be semiannual filers to fit with their reporting schedule. We expect that these proposed Regulation S–X amendments would reduce registrant costs compared to the absence of such amendments, because, in connection with registration and proxy statements, in the absence of such amendments, semiannual filers would be required to file quarterly financial statements in the registration or proxy statement that they would not be required to file otherwise under the current Exchange Act periodic reporting system. For the same reasons discussed above in connection with proposed optional semiannual reporting, we believe the cost reduction and benefit would be greater in an absolute sense for larger companies than for smaller companies but that the cost reduction and benefit in a relative sense would be greater for smaller companies than for larger companies.

We are also proposing to add a check box to indicate whether the registrant has elected to file semiannual reports pursuant to Exchange Act Rules 13a–13(b) or 15d–13(b) to the cover page of Forms S–1, S–3, S–4, S–11, 10, and 10–K. If the proposal is adopted, we expect the addition of these form check boxes will result in an incremental increase in the time all registrants, including small entities, spend on preparing these forms for filing with the Commission. We generally expect that this incremental increase will be the same for larger companies and for smaller companies.

Among small entities, we expect that the economic benefits and costs of the proposal may be based on factors including the nature of their business, which makes it difficult to project the economic impact on small entities with precision. The proposed amendments and new Form 10–S are discussed in detail in Section III above. We discuss the economic effects, including the estimated costs and burdens, of the proposed amendments and new Form 10–S on all registrants, including small entities, in Section V above and discuss the paperwork burden on all registrants, including small entities, in Section VI above.

E. Duplicative, Overlapping or Conflicting Federal Rules

We do not believe the proposed amendments and new Form 10–S would duplicate, overlap, or conflict with other existing Federal rules. Proposed Form 10–S for semiannual reports would be

³⁴¹ Our estimate is based on—out of the universe of registrants that have filed on Form 10–K for the calendar year 2024 and had total assets of \$5 million or less on the last day of the fiscal year covered by the Form 10–K—the number of those registrants that filed a registration statement on Form S–1, S–3, or S–11 in calendar year 2024. For our estimate, we have assumed the number of issuers that actually filed such registration statements in 2024 provides a good estimate of affected registrants who would be required to complete the check box on the cover page of these forms and that, depending on the capital needs of the registrant, it is possible that any future offerings using such forms could be for \$5 million or less.

substantially similar to existing Form 10-Q, as discussed in Section III above, but reporting companies would file only one form or the other for purposes of interim reporting, depending on whether they elect to file interim reports semiannually or file quarterly.

F. Significant Alternatives

The Regulatory Flexibility Act directs us to consider alternatives that would accomplish our stated objectives, while minimizing any significant adverse impact on small entities. In connection with the proposal, we considered the following alternatives:

- Establishing different compliance or reporting requirements or timetables that take into account the resources available to small entities;
- Clarifying, consolidating, or simplifying compliance and reporting requirements under the rules for small entities;
- Using performance rather than design standards; and
- Exempting small entities from all or part of the requirements.

The proposal would provide Exchange Act reporting companies with the option of filing interim reports on a semiannual basis on new Form 10-S rather than filing Form 10-Q on a quarterly basis and make related changes to financial statement requirements in Regulation S-X. As discussed above, if the proposal is adopted, we expect interim reporting compliance costs for registrants that are Exchange Act reporting companies that elect to file interim reports semiannually (instead of quarterly) will be significantly reduced. We have not proposed to apply different compliance and reporting requirements or timetables for small entities or to exempt small entities from the proposal, because we believe small entities, as with all reporting companies, should be able to avail themselves of the benefits of the proposal in terms of cost reduction. The proposed option to report semiannually would consolidate existing reporting requirements (by replacing three quarterly reports with one semiannual report for semiannual filers). The proposed option to report semiannually may add incremental complexity to existing rules by allowing for a choice of options. We believe this complexity is minimal and is a necessary part of the beneficial flexibility we propose providing to all registrants, including small entities, with respect to interim reporting. While the proposal would result in this marginal increase in complexity, we have proposed creating the optional semiannual reporting system in a

manner we believe will be simple for registrants to understand. In particular the proposed approach would feature simplicity by: (1) maintaining existing quarterly reporting rules as the default approach but adding an option to report semiannually in lieu thereof, and (2) requiring the same disclosure in semiannual Form 10-S as in quarterly Form 10-Q (except Form 10-S would cover a six-month period). This simplicity would mean registrants would not need to adapt to an entirely different reporting system (although they would need to become familiar with the potential new semiannual reporting option). We do not believe further simplification, clarification, or consolidation for small entities is needed.

Filing interim reports semiannually on Form 10-S with the Commission through its EDGAR system is a design standard that provides uniformity that enables comparison across registrants and centralizes the information in a way that makes it readily and freely accessible to the investing public. The alternative of a performance standard would not result in uniform, comparable information across registrants and, therefore, in this case, would not accomplish our objective of allowing for more flexibility while still providing information necessary for the protection of investors.

As described in detail above, the proposed changes to Regulation S-X would conform the financial statement requirements in periodic reports to the semiannual reporting frequency of semiannual filers and change the age of financial statement requirements for semiannual filers in connection with registration and proxy statements to fit with their reporting schedule. We have not proposed to apply different compliance and reporting requirements or timetables for small entities or to exempt small entities from the proposed changes to Regulation S-X, because we believe small entities, as with all reporting companies, should be able to avail themselves of the benefits of the proposal in terms of cost reduction. The proposed changes to Regulation S-X age of financial statement rules would clarify, consolidate, and simplify existing rules, including by combining and centralizing the age requirements in a single rule and by using plain wording and plain methods of counting the age of financial statements in order to reduce the complexity of existing rules. We believe these design standards are appropriate for all registrants, including small entities, because this required financial information provides uniformity that enables comparison

across registrants and enables the investing public to understand the financial position and performance of the registrant based on consistent principles.

The proposed changes to registrant forms would add a check box to indicate whether the registrant has elected to file semiannual reports pursuant to Exchange Act Rule 13a-13(b) or 15d-13(b) to the cover page of Forms S-1, S-3, S-4, S-11, 10, and 10-K. We have not proposed different compliance or reporting requirements or different timetables, proposed provisions that would consolidate compliance and reporting requirements, or proposed exemptions related to these check boxes for small entities, because we believe uniformity across all registrants is necessary to inform investors about the frequency of the company's disclosure, which may affect their investment decisions. We believe these check boxes will be simple and will be clear for all registrants, including small entities: these proposed form amendments are limited to one, short sentence asking whether the registrant has elected to report semiannually and a check box that the registrant would be required to check if the registrant has so elected.

We do not believe there are existing requirements in other rules or forms that could be consolidated in connection with the addition of the proposed new check box. We believe the check box is a design standard that is appropriate for all registrants, including small entities, because it is a simple, clear, and minimally burdensome method to convey the information in a way that can be easily stored and retrieved by the Commission and the public and is simple to find on the cover of the filed form. Unlike a performance standard, the check box would provide a consistent approach at minimal cost.

G. Request for Comment

We encourage the submission of comments with respect to any aspect of this IRFA. In particular, we request comments regarding:

- The number of small entities that may be affected by the proposal;
- The existence or nature of the potential impact of the proposal on small entities discussed in the analysis;
- How the proposal could further lower the burden on small entities; and
- How to quantify the impact of the proposal.

We request that commenters describe the nature of any impact and provide empirical data supporting the extent of the impact. Comments will be considered in the preparation of the Final Regulatory Flexibility Analysis if

the proposal is adopted and will be placed in the same public file as other comments on the proposal.

Statutory Authority

We are proposing the rule and form amendments contained in this document under the authority set forth in Sections 2(a), 4(a), 7, 10, 19(a), and 28 of the Securities Act; Sections 3, 12, 13, 14, 15, 23(a), and 36 of the Exchange Act; and Section 319(a) of the Trust Indenture Act of 1939.

List of Subjects

17 CFR Part 200

Administrative practice and procedure, Authority delegations (Government agencies), Electronic filing, Reporting and recordkeeping requirements, Securities.

17 CFR Part 210

Accountants, Accounting, Banks, Banking, Employee benefit plans, Holding companies, Insurance companies, Investment companies, Oil and gas exploration, Reporting and recordkeeping requirements, Securities, Utilities.

17 CFR Parts 229 and 249

Investment companies, Reporting and recordkeeping requirements, Securities.

17 CFR Parts 230 and 239

Reporting and recordkeeping requirements, Securities.

17 CFR Part 232

Administrative practice and procedure, Electronic filing, Investment companies, Reporting and recordkeeping requirements, Securities.

17 CFR Part 240

Administrative practice and procedure, Brokers, Confidential business information, Fraud, Reporting and recordkeeping requirements, Securities, Swaps.

17 CFR Part 260

Reporting and recordkeeping requirements, Securities, Trusts and trustees.

Text of Proposed Amendments

PART 200—ORGANIZATION; CONDUCT AND ETHICS; AND INFORMATION AND REQUESTS

■ 1. The authority citation for part 200 continues to read as follows:

Authority: 5 U.S.C. 552, 552a, 552b, and 557; 11 U.S.C. 901 and 1109(a); 15 U.S.C. 77c, 77e, 77f, 77h, 77j, 77o, 77q, 77s, 77u, 77z-3, 77ggg(a), 77hhh, 77sss, 77uuu, 78b, 78c(b), 78d, 78d-1, 78d-2, 78e, 78f, 78g,

78h, 78i, 78k, 78k-1, 78l, 78m, 78n, 78o, 78o-4, 78q, 78q-1, 78t-1, 78u, 78w, 78ll(d), 78mm, 78eee, 80a-8, 80a-20, 80a-24, 80a-29, 80a-37, 80a-41, 80a-44(a), 80a-44(b), 80b-3, 80b-4, 80b-5, 80b-9, 80b-10(a), 80b-11, 7202, and 7211 *et seq.*; 29 U.S.C. 794; 44 U.S.C. 3506 and 3507; Reorganization Plan No. 10 of 1950 (15 U.S.C. 78d); sec. 8G, Pub. L. 95-452, 92 Stat. 1101 (5 U.S.C. App.); sec. 913, Pub. L. 111-203, 124 Stat. 1376, 1827; sec. 3(a), Pub. L. 114-185, 130 Stat. 538; E.O. 11222, 30 FR 6469, 3 CFR, 1964-1965 Comp., p. 36; E.O. 12356, 47 FR 14874, 3 CFR, 1982 Comp., p. 166; E.O. 12600, 52 FR 23781, 3 CFR, 1987 Comp., p. 235; Information Security Oversight Office Directive No. 1, 47 FR 27836; and 5 CFR 735.104 and 5 CFR parts 2634 and 2635, unless otherwise noted.

* * * * *

■ 2. Amend § 200.800(b) by:

- a. Adding “Form 10-S” after “Form 10-Q” in the “Information collection requirement” column in the table; and
- b. Adding “249.308b” after “249.308a” in the column for “17 CFR part or section where identified and described” in the table.

PART 210—FORM AND CONTENT OF AND REQUIREMENTS FOR FINANCIAL STATEMENTS, SECURITIES ACT OF 1933, SECURITIES EXCHANGE ACT OF 1934, INVESTMENT COMPANY ACT OF 1940, INVESTMENT ADVISERS ACT OF 1940, AND ENERGY POLICY AND CONSERVATION ACT OF 1975

■ 3. The authority citation for part 210 continues to read as follows:

Authority: 15 U.S.C. 77f, 77g, 77h, 77j, 77s, 77z-2, 77z-3, 77aa(25), 77aa(26), 77nn(25), 77nn(26), 78c, 78j-1, 78l, 78m, 78n, 78o(d), 78q, 78u-5, 78w, 78ll, 78mm, 80a-8, 80a-20, 80a-29, 80a-30, 80a-31, 80a-37(a), 80b-3, 80b-11, 7202 and 7262, and sec. 102(c), Pub. L. 112-106, 126 Stat. 310 (2012), unless otherwise noted.

* * * * *

■ 4. Revise and republish § 210.3-01 to read as follows:

§ 210.3-01 Consolidated balance sheets and age thereof.

(a) This section sets forth requirements for the registrant and its predecessors for the balance sheets and the ages of annual balance sheets and of any interim balance sheet based on the filing date. In a registration or proxy statement, the date of the most recent balance sheet must be updated to comply with this section's requirements as if the effective date of the registration statement, or proposed mailing date in the case of a proxy statement, were the filing date. The periods for which consolidated statements of comprehensive income and cash flows and changes in stockholders' equity and noncontrolling interests are to be provided are prescribed elsewhere in

this part (see § 210.3-02 and § 210.3-04).

(b) *Annual balance sheets.* File audited balance sheets as of the end of each of the two most recently completed fiscal years, except that, for filings other than Form 10-K:

(1) If the filing is made no more than 45 days after the end of the registrant's most recently completed fiscal year, the audited balance sheets may be as of the end of the two fiscal years preceding the most recently completed fiscal year and the filing must include an additional balance sheet as of an interim date specified in paragraph (c)(1) of this section.

(2) If the filing is made more than 45 days but no more than 59 days (for large accelerated filers, as defined in § 240.12b-2 of this chapter), 74 days (for accelerated filers, as defined in § 240.12b-2 of this chapter), or 89 days (for all other registrants) after the end of the registrant's most recently completed fiscal year, the registrant may apply paragraph (b)(1) of this section if the following conditions are met:

(i) The registrant files annual reports, quarterly or semiannual reports, and other reports pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934 and all reports due have been filed;

(ii) For the most recently completed fiscal year, for which audited financial statements are not yet available the registrant reasonably and in good faith expects to report income attributable to the registrant after income taxes; and

(iii) For at least one of the two fiscal years immediately preceding the most recently completed fiscal year, the registrant reported income attributable to the registrant after income taxes.

(3) If the registrant was not in existence as of the end of its fiscal year, file an audited balance sheet dated as of a date not more than 134 days before the date of filing.

(4) Notwithstanding the requirements of this section, the filing must be updated with audited financial statements for the most recently completed fiscal year if they become available prior to the filing date.

(c) *Interim balance sheet.* In filings other than on Form 10-K, file a balance sheet as of an interim date:

(1) If an audited balance sheet as of the end of the most recently completed fiscal year is not included in the filing:

(i) As of the end of the third fiscal quarter of the most recently completed fiscal year for quarterly filers (as defined in § 240.12b-2 of this chapter); or

(ii) As of the end of the first fiscal semiannual period of the most recently completed fiscal year for semiannual

filers (as defined in § 240.12b-2 of this chapter).

(2) If an audited balance sheet as of the end of the most recently completed fiscal year is included in a filing, as of the end of the registrant's most recently completed fiscal quarter or semiannual period for which a Form 10-Q or Form 10-S has been filed or is required to be filed on or before the filing date. A registrant that is not subject to Exchange Act Section 13(a) or 15(d) must apply this paragraph as if it were required to file Form 10-Q or Form 10-S.

(3) Any interim balance sheet provided in accordance with the requirements of this section may be unaudited and need not be presented in greater detail than is required by § 210.10-01.

(d) For filings by registered management investment companies, the requirements of § 210.3-18 shall apply in lieu of the requirements of this section.

(e)

(1) Any foreign private issuer, other than a registered management investment company or an employee plan, may file the financial statements required by Item 8.A of Form 20-F (§ 249.220 of this chapter) in lieu of the financial statements specified in this rule.

(2) Financial statements of a foreign business which are furnished pursuant to § 210.3-05 or § 210.3-09 because it is an acquired business or a 50 percent or less owned person may be of the age specified in Item 8.A of Form 20-F.

■ 5. Remove and reserve § 210.3-12.

■ 6. Amend § 210.8-03 by:

■ a. Redesignating paragraph (b) as paragraph (c) and revising newly redesignated paragraphs (c)(2) and (c)(5);

■ b. Redesignating paragraph (a) as paragraph (b) and revising newly redesignated paragraph (b)(5);

■ c. Redesignating the introductory text as paragraph (a) and revising the newly redesignated paragraph (a); and

■ d. Removing Instruction 1.

The renumbered and revised paragraphs read as follows:

§ 210.8-03 Interim financial statements.

(a)

(1) Interim financial statements may be unaudited; however, before filing, interim financial statements included in quarterly reports on Form 10-Q (§ 249.308a of this chapter) or semiannual reports on Form 10-S (§ 249.308b of this chapter) must be reviewed by an independent public accountant using applicable professional standards and procedures for conducting such reviews, as may be

modified or supplemented by the Commission. If, in any filing, the issuer states that interim financial statements have been reviewed by an independent public accountant, a report of the accountant on the review must be filed with the interim financial statements.

(2) For quarterly filers, as defined in § 240.12b-2 of this chapter, interim represents a fiscal quarterly period, except when the section addresses a year-to-date interim period. Interim financial statements in a Form 10-Q must include a balance sheet as of the end of the issuer's most recently completed fiscal quarter for which the report is being filed, a balance sheet as of the end of the most recently completed fiscal year, and statements of comprehensive income and statements of cash flows for the interim period up to the date of such balance sheet and the comparable period of the preceding fiscal year. For quarterly filers, as defined in § 240.12b-2 of this chapter, where §§ 210.8-01 through 210.8-08 (Article 8 of this part) are applicable to a Form 10-Q (§ 249.308a of this chapter) and the interim period is for the second or third fiscal quarter, statements of comprehensive income must also be provided for the most recent interim quarter and the comparable quarter of the preceding fiscal year.

(3) For semiannual filers, as defined in § 240.12b-2 of this chapter, interim represents a fiscal semiannual period. Interim financial statements in a Form 10-S must include a balance sheet as of the end of the issuer's first fiscal semiannual period, balance sheet as of the end of the preceding fiscal year, and statements of comprehensive income and statements of cash flows for the interim period up to the date of such balance sheet and the comparable period of the preceding fiscal year.

(b) * * *

(5) Provide the information required by § 210.3-04 for the current and comparative year-to-date periods, with subtotals for each quarterly period when the registrant is a quarterly filer (as defined in § 240.12b-2).

(c) * * *

(2) *Adjustments.* Interim financial statements must include all adjustments that, in the opinion of management, are necessary in order to make the financial statements not misleading. An affirmative statement that the financial statements have been so adjusted must be included with the interim financial statements.

* * * * *

(5) *Material accounting changes.* The registrant's independent accountant must provide a letter in the first Form

10-Q (§ 249.308a of this chapter) or Form 10-S (§ 249.308b of this chapter) filed after the change indicating whether or not the change is to a preferable method. Disclosure must be provided of any retroactive change to prior period financial statements, including the effect of any such change on income and income per share.

* * * * *

■ 7. Amend § 210.8-08 by:

■ a. Removing the introductory text; and

■ b. Revising paragraphs (a) and (b).

The revisions read as follows:

§ 210.8-08 Age of financial statements.

(a) *Annual financial statements.* In filings other than on Form 10-K, file audited annual financial statements for the registrant and its predecessors required by § 210.8-02, except that:

(1) If the effective date of a registration statement or mailing date of a proxy statement is no more than 45 days after the end of the most recently completed fiscal year, the filing may include audited financial statements as of the end of the two fiscal years preceding the most recently completed fiscal year and for the years then ended and interim financial statements required by paragraph (b)(1) of this section.

(2) If the effective date of a registration statement or mailing date of a proxy statement is more than 45 days but not more than 89 days after the end of the most recently completed fiscal year, the registrant may apply paragraph (a)(1) of this section if the following conditions are met:

(i) If the smaller reporting company is a reporting company, all reports due must have been filed;

(ii) For the most recently completed fiscal year, for which audited financial statements are not yet available, the smaller reporting company reasonably and in good faith expects to report income from continuing operations attributable to the registrant before income taxes; and

(iii) For at least one of the two fiscal years immediately preceding the most recently completed fiscal year, the smaller reporting company reported income from continuing operations attributable to the registrant before income taxes.

(3) Notwithstanding the requirements of this section, the filing must be updated with audited financial statements for the most recently completed fiscal year if they become available prior to the date of effectiveness of a registration statement or mailing of a proxy statement.

(b) *Interim financial statements.*

(1) In filings other than on Form 10-Q or Form 10-S, if audited financial statements for the most recently completed fiscal year are not included in the filing:

(i) file interim financial statements as of the end of the third fiscal quarter of the most recently completed fiscal year and for the nine months then ended for quarterly filers (as defined in § 240.12b-2 of this chapter),

(ii) file interim financial statements as of the end of the first fiscal semiannual period of the most recently completed fiscal year and for the semiannual period then ended for semiannual filers (as defined in § 240.12b-2 of this chapter).

(2) If audited financial statements for the most recently completed fiscal year are included in a filing other than on Form 10-K, file interim financial statements for the end of the most recently completed fiscal quarter (for quarterly filers) or semiannual period (for semiannual filers) and for the year-to-date interim period then ended for which a Form 10-Q or Form 10-S has been filed, or is required to be filed on or before the filing date. A registrant that is not subject to Exchange Act Section 13(a) or 15(d) must apply this paragraph as if it were required to file Form 10-Q or Form 10-S.

(3) Interim financial statements must be prepared and presented in accordance with § 210.8-03 of this part.

■ 8. Amend § 210.10-01 by revising paragraphs (a)(7) and (b)(1) and (6), the introductory text to paragraph (c), and paragraphs (c)(1) through (4) and (d).

The revisions read as follows:

§ 210.10-01 Interim financial statements.

(a) * * *

(7) Provide the information required by § 210.3-04 for the current and comparative year-to-date periods, with subtotals for each quarterly period when the registrant is a quarterly filer (as defined in § 240.12b-2).

(b) * * *

(1) Summarized statement of comprehensive income information shall be given separately as to each subsidiary not consolidated or 50 percent or less owned persons or as to each group of such subsidiaries or 50 percent or less owned persons for which separate individual or group statements would otherwise be required for annual periods. Such summarized information, however, need not be furnished for any such unconsolidated subsidiary or person which would not be required pursuant to § 240.13a-13 or § 240.15d-13 of this chapter to file quarterly or

semiannual financial information with the Commission if it were a registrant.

* * * * *

(6) For filings on Form 10-Q (§ 249.308a of this chapter) or Form 10-S (§ 249.308b of this chapter), a letter from the registrant's independent accountant shall be filed as an exhibit (in accordance with the provisions of 17 CFR 229.601 (Item 601 of Regulation S-K)) in the first Form 10-Q or Form 10-S after the date of an accounting change indicating whether or not the change is to an alternative principle which, in the accountant's judgment, is preferable under the circumstances; except that no letter from the accountant need be filed when the change is made in response to a standard adopted by the Financial Accounting Standards Board that requires such change.

* * * * *

(c) *Periods to be covered.* The periods for which interim financial statements are to be provided in registration statements are prescribed elsewhere in this part (see, e.g., § 210.3-01 and § 210.3-02). For quarterly filers, as defined in § 240.12b-2 of this chapter, interim represents a fiscal quarterly period, except when the section addresses a year-to-date interim period, and, for semiannual filers, as defined in § 240.12b-2 of this chapter, interim represents a fiscal semiannual period.

(1) Provide an interim balance sheet as of the end of the most recently completed fiscal quarter and a balance sheet as of the end of the most recently completed fiscal year for Form 10-Q. Provide an interim balance sheet as of the end of the first fiscal semiannual period and a balance sheet as of the end of the preceding fiscal year for Form 10-S. The balance sheet as of the end of the preceding fiscal year may be condensed to the same degree as the interim balance sheet provided. An interim balance sheet as of the end of the corresponding fiscal quarter of the preceding fiscal year for quarterly filers, or as of the end of the first fiscal semiannual period from the preceding fiscal year for semiannual filers, need not be provided unless necessary for an understanding of the impact of seasonal fluctuations on the registrant's financial condition.

(2) Provide interim statements of comprehensive income:

(i) For the most recent fiscal quarter, for the period between the end of the preceding fiscal year and the end of the most recent fiscal quarter, and for the corresponding periods of the preceding fiscal year for Form 10-Q; or

(ii) For the first fiscal semiannual period and the corresponding period of

the preceding fiscal year for Form 10-S.

(iii) Such statements may also be presented for the cumulative twelve-month period ended as of the end of the most recent fiscal quarter for Form 10-Q, or first fiscal semiannual period for Form 10-S, and for the corresponding preceding period.

(3) Provide interim statements of cash flows:

(i) For the period between the end of the preceding fiscal year and the end of the most recent fiscal quarter, and for the corresponding period of the preceding fiscal year for Form 10-Q; or

(ii) For the period between the end of the preceding fiscal year and the end of the first fiscal semiannual period and for the corresponding period of the preceding fiscal year for Form 10-S.

(iii) Such statements may also be presented for the cumulative twelve-month period ended as of the last day of the most recent fiscal quarter for Form 10-Q, or first fiscal semiannual period for Form 10-S, and for the corresponding preceding period.

(4) Registrants engaged in seasonal production and sale of a single-crop agricultural commodity may provide interim statements of comprehensive income and cash flows for the twelve-month period ended as of the last day of the most recent fiscal quarter or semiannual period and for the corresponding preceding period in lieu of the year-to-date statements specified in paragraphs (c)(2) and (3) of this section.

(d) *Interim review by independent public accountant.* Prior to filing, interim financial statements included in quarterly reports on Form 10-Q or semiannual reports on Form 10-S must be reviewed by an independent public accountant using applicable professional standards and procedures for conducting such reviews, as may be modified or supplemented by the Commission. If, in any filing, the company states that interim financial statements have been reviewed by an independent public accountant, a report of the accountant on the review must be filed with the interim financial statements.

* * * * *

■ 9. Amend § 210.11-02 by revising paragraph (c)(3) and Instruction 1 to paragraph (c)(3) to read as follows:

§ 210.11-02 Preparation requirements.

* * * * *

(c) * * *

(3) * * *

Instruction 1 to paragraph (c)(3): In circumstances where different fiscal year ends exist, § 210.3-01 may require

a registrant to include in the pro forma financial information an acquired or to be acquired foreign business historical period that would be more current than the periods included in the required historical financial statements of the foreign business.

* * * * *

■ 10. Amend § 210.15–01 by revising paragraphs (b) and (c) to read as follows:

§ 210.15–01 Acquisitions of businesses by a shell company (other than a business combination related shell company).

* * * * *

(b) *Financial statements.* When a registrant is a shell company (other than a business combination related shell company) and the financial statements of a business that will be combining with such registrant are required in a registration statement or proxy statement, such registrant must file financial statements of the business in accordance with §§ 210.3–01 through 210.3–20 and 210.10–01 (Articles 3 and 10 of Regulation S–X) as if the filing were a Securities Act registration statement for the initial public offering of the business's equity securities. The financial statements of the business may be filed pursuant to §§ 210.8–01 through 210.8–08 (Article 8) when that business would qualify to be a smaller reporting company based on its annual revenues as of the most recently completed fiscal year for which audited financial statements are available, if it were filing a registration statement alone.

(c) *Age of financial statements.* The financial statements of a business that will be acquired by a shell company (other than a business combination related shell company) must comply with the requirements in § 210.3–01 (§ 210.8–08 when that business would qualify to be a smaller reporting company based on its annual revenues as of the most recently completed fiscal year for which audited financial statements are available, if it were filing a registration statement alone) as if the financial statements were included in an initial registration statement in determining the age of financial statements of the business in the registration statement or proxy statement of the registrant.

* * * * *

PART 229—STANDARD INSTRUCTIONS FOR FILING FORMS UNDER SECURITIES ACT OF 1933, SECURITIES EXCHANGE ACT OF 1934 AND ENERGY POLICY AND CONSERVATION ACT OF 1975—REGULATION S–K

■ 11. The authority citation for part 229 continues to read as follows:

Authority: 15 U.S.C. 77e, 77f, 77g, 77h, 77j, 77k, 77s, 77z–2, 77z–3, 77aa(25), 77aa(26), 77ddd, 77eee, 77ggg, 77hhh, 77iii, 77jjj, 77nnn, 77sss, 78c, 78i, 78j, 78j–3, 78l, 78m, 78n, 78n–1, 78o, 78u–5, 78w, 78ll, 78mm, 80a–8, 80a–9, 80a–20, 80a–29, 80a–30, 80a–31(c), 80a–37, 80a–38(a), 80a–39, 80b–11 and 7201 *et seq.*; 18 U.S.C. 1350; sec. 953(b), Pub. L. 111–203, 124 Stat. 1904 (2010); and sec. 102(c), Pub. L. 112–106, 126 Stat. 310 (2012).

* * * * *

■ 12. Amend § 229.10 by revising paragraphs (f)(2)(i)(A) and (C) and (ii)(C) to read as follows:

§ 229.10 (Item 10) General.

* * * * *

(f) * * *

(2) * * *

(i) * * *

(A) Public float is measured as of the last business day of the issuer's most recently completed second fiscal quarter for a quarterly filer (as defined in § 240.12b–2 of this chapter) or first fiscal semiannual period for a semiannual filer (as defined in § 240.12b–2 of this chapter) and computed by multiplying the aggregate worldwide number of shares of its voting and non-voting common equity held by non-affiliates by the price at which the common equity was last sold, or the average of the bid and asked prices of common equity, in the principal market for the common equity;

* * * * *

(C) An issuer must reflect the determination of whether it came within the definition of smaller reporting company in its quarterly report on Form 10–Q for the first fiscal quarter of the next year for a quarterly filer or its semiannual report on Form 10–S for the next year for a semiannual filer, indicating on the cover page of that filing, and in subsequent filings for that fiscal year, whether it is a smaller reporting company, except that, if a determination based on public float indicates that the issuer is newly eligible to be a smaller reporting company, the issuer may choose to reflect this determination beginning with its third quarterly report on Form 10–Q for a quarterly filer or its annual report on Form 10–K for a semiannual filer, rather than waiting until the quarterly report for the first fiscal

quarter of the next fiscal year for a quarterly filer or the semiannual report for the first fiscal semiannual period of the next fiscal year for a semiannual filer.

* * * * *

(ii) * * *

(C) The issuer must reflect the determination of whether it came within the definition of smaller reporting company in the registration statement and must appropriately indicate on the cover page of the filing, and subsequent filings for the fiscal year in which the filing is made, whether it is a smaller reporting company. The issuer must re-determine its status at the end of its second fiscal quarter for a quarterly filer or first fiscal semiannual period for a semiannual filer and then reflect any change in status as provided in paragraph (f)(2)(i)(C) of this section. In the case of a determination based on an initial Securities Act registration statement, an issuer that was not determined to be a smaller reporting company has the option to re-determine its status at the conclusion of the offering covered by the registration statement based on the actual offering price and number of shares sold.

■ 13. Amend § 229.101 by revising paragraph (a)(3)(iii)(A) and (B) and (e)(4)(i) to read as follows:

§ 229.101 (Item 101) Description of business.

(a) * * *

(3) * * *

(iii) * * *

(A) If the registration statement is filed prior to the end of the registrant's second fiscal quarter for a quarterly filer (as defined in § 240.12b–2 of this chapter) or the end of the registrant first fiscal semiannual period for a semiannual filer (as defined in § 240.12b–2 of this chapter), a description of the registrant's plan of operation for the remainder of the fiscal year; or

(B) If the registration statement is filed subsequent to the end of the registrant's second fiscal quarter for a quarterly filer (as defined in § 240.12b–2 of this chapter) or the end of the registrant first fiscal semiannual period for a semiannual filer (as defined in § 240.12b–2 of this chapter), a description of the registrant's plan of operation for the remainder of the fiscal year and for the first six months of the next fiscal year. If such information is not available, the reasons for its not being available shall be stated. Disclosure relating to any plan shall include such matters as:

* * * * *

(e) * * *

(4)

(i) Whether you make available free of charge on or through your internet website, if you have one, your annual report on Form 10-K, quarterly reports on Form 10-Q (§ 249.308a of this chapter), semiannual reports on Form 10-S (§ 249.308b of this chapter), current reports on Form 8-K (§ 249.308 of this chapter), and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act (15 U.S.C. 78m(a) or 78o(d)) as soon as reasonably practicable after you electronically file such material with, or furnish it to, the SEC;

* * * * *

■ 14. Amend § 229.103 by revising paragraph (c)(3)(iii)(B) to read as follows:

§ 229.103 (Item 103) Legal proceedings.

* * * * *

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

(B) the registrant discloses (including any change thereto) in each annual, semiannual, and quarterly report, and

* * * * *

■ 15. Amend § 229.201 by revising paragraph (a)(1)(iii) to read as follows:

§ 229.201 (Item 201) Market price of and dividends on the registrant's common equity and related stockholder matters.

- (a) * * *
(1) * * *

(iii) Where there is no established public trading market for a class of common equity, furnish a statement to that effect and, if applicable, state the range of high and low bid information for each full quarterly period for a quarterly filer (as defined in § 240.12b-2 of this chapter) or semiannual period for a semiannual filer (as defined in § 240.12b-2 of this chapter) within the two most recent fiscal years and any subsequent interim period for which financial statements are included, or are required to be included by 17 CFR 210.3-01 through 210.3-20 (Article 3 of Regulation S-X), indicating the source of such quotations. Reference to quotations shall be qualified by appropriate explanation. For purposes of this Item the existence of limited or sporadic quotations should not of itself be deemed to constitute an "established public trading market."

* * * * *

■ 16. Amend § 229.302 by revising paragraph (a) to read as follows:

§ 229.302 (Item 302) Supplementary financial information.

(a) *Disclosure of material quarterly or semiannual changes.* When there are

one or more retrospective changes to the statements of comprehensive income for any of the quarters or semiannual periods within the two most recent fiscal years or any subsequent interim period for which financial statements are included or are required to be included by §§ 210.3-01 through 210.3-20 of this chapter (Article 3 of Regulation S-X) that individually or in the aggregate are material, provide an explanation of the reasons for such material changes and disclose, for each affected fiscal quarterly period or fiscal semiannual period and the fourth fiscal quarter or second fiscal semiannual period in the affected year, summarized financial information related to the statements of comprehensive income as specified in § 210.1-02(bb)(1)(ii) of this chapter (Rule 1-02(bb)(1)(ii) of Regulation S-X) and earnings per share reflecting such changes.

* * * * *

■ 17. Amend § 229.303 by revising paragraph (c)(2)(ii) to read as follows:

§ 229.303 (Item 303) Management's discussion and analysis of financial condition and results of operations.

* * * * *

- (c) * * *
(2) * * *

(ii) For quarterly filers (as defined in § 240.12b-2 of this chapter), discuss any material changes in the registrant's results of operations with respect to either the most recent fiscal quarter for which a statement of comprehensive income is provided and the corresponding fiscal quarter for the preceding fiscal year or, in the alternative, the most recent fiscal quarter for which a statement of comprehensive income is provided and the immediately preceding sequential fiscal quarter. For semiannual filers (as defined in § 240.12b-2 of this chapter), discuss any material changes in the registrant's results of operations with respect to the most recent fiscal semiannual period for which a statement of comprehensive income is provided and the corresponding fiscal semiannual period for the preceding fiscal year or, in the alternative, the most recent fiscal semiannual period for which a statement of comprehensive income is provided and the immediately preceding sequential fiscal quarter or semiannual period is discussed, then provide in summary form the financial information for that immediately preceding sequential fiscal quarter or semiannual period that is the subject of the discussion or identify the registrant's prior filings on EDGAR that present such information. If there is a

change in the form of presentation from fiscal period to fiscal period that forms the basis of comparison from previous fiscal periods provided pursuant to this paragraph, the registrant must discuss the reasons for changing the basis of comparison and provide both comparisons in the first filing in which the change is made.

* * * * *

■ 18. Amend § 229.308 by revising paragraph (c) to read as follows:

§ 229.308 (Item 308) Internal control over financial reporting.

* * * * *

(c) Changes in internal control over financial reporting. Disclose any change in the registrant's internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of § 240.13a-15 or 240.15d-15 of this chapter that, for quarterly filers (as defined in § 240.12b-2 of this chapter), occurred during the registrant's last fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) or that, for semiannual filers (as defined in § 240.12b-2 of this chapter), occurred during the registrant's first fiscal semiannual period (the registrant's second fiscal semiannual period in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

* * * * *

■ 19. Amend § 229.402 by revising paragraph (x)(2)(i) to read as follows:

§ 229.402 (Item 402) Executive compensation.

* * * * *

- (x) * * *
(2) * * *

(i) If, during the last completed fiscal year, the registrant awarded options to a named executive officer in the period beginning four business days before the filing of a periodic report on Form 10-Q (§ 249.308a of this chapter), Form 10-S (§ 249.308b of this chapter), or Form 10-K (§ 249.310 of this chapter), or the filing or furnishing of a current report on Form 8-K (§ 249.308 of this chapter) that discloses material nonpublic information (other than a current report on Form 8-K disclosing a material new option award grant under Item 5.02(e) of that form), and ending one business day after the filing or furnishing of such report provide the information specified in paragraph (x)(2)(ii) of this section, concerning each such award for each of the named executive officers in the following tabular format:

* * * * *

■ 20. Amend § 229.407 by revising the instructions to paragraphs (c)(2)(ix) and (c)(3) to read as follows:

§ 229.407 (Item 407) Corporate governance.

* * * * *

(c) * * *

(2) * * *

(ix) * * *

Instructions to Item 407(c)(2)(ix). 1. For purposes of paragraph (c)(2)(ix) of this Item, the percentage of securities held by a nominating security holder may be determined using information set forth in the registrant’s most recent quarterly, semiannual, or annual report, and any current report subsequent thereto, filed with the Commission pursuant to the Exchange Act (or, in the case of a registrant that is an investment company registered under the Investment Company Act of 1940, the registrant’s most recent report on Form N-CSR (§§ 249.331 and 274.128 of this chapter)), unless the party relying on such report knows or has reason to believe that the information contained therein is inaccurate.

* * * * *

(3) * * *

Instructions to Item 407(c)(3). 1. The disclosure required in paragraph (c)(3) of this Item need only be provided in a registrant’s quarterly, semiannual, or annual reports.

* * * * *

■ 21. Amend § 229.408 by revising the instructions to paragraph (a)(1) to read as follows:

§ 229.408 (Item 408) Insider trading arrangements and policies.

(a) * * *

(1) Disclose whether, for quarterly filers (as defined in § 240.12b–2 of this chapter), during the registrant’s last fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report), or for semiannual filers (as defined in § 240.12b–2 of this chapter), during the registrant’s first fiscal semiannual period (the registrant’s second fiscal semiannual period in the case of an annual report), any director or officer (as defined in § 240.16a–1(f) of this chapter) adopted or terminated:

* * * * *

- 22. Amend § 229.601 by:
- a. Adding a column for “10–S” between the column for “10–Q” and the column for “10–K” and revising the entries for rows (2), (3)(i) and (ii), (4), (6), (10), (13), (15), (18), (22), (23), (24), (31), (37) through (94), (95), (99), (101) and (104) and footnote 6 to the exhibit table in paragraph (a);
- b. Revising paragraph (a)(4), Instruction 3 to paragraph (b)(10), and paragraph (b)(4), (13), (15), (95), (99), and (101); and
- c. Revising paragraph (b)(31)(i) to add the words “or most recent fiscal semiannual period for registrants that

report semiannually (the registrant’s second fiscal semiannual period in the case of an annual report)” after the words “Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report)”;

Other than the revisions to paragraph (b)(31)(i), the additions and revisions read as follows:

§ 229.601 (Item 601) Exhibits.

- (a) * * *
- (4) If a material contract or plan of acquisition, reorganization, arrangement, liquidation or succession is executed or becomes effective during the reporting period reflected by a Form 10–Q, Form 10–S, or Form 10–K, it must be filed as an exhibit to the Form 10–Q, Form 10–S, or Form 10–K filed for the corresponding period. Any amendment or modification to a previously filed exhibit to a Form 10, 10–K, 10–Q, or 10–S document must be filed as an exhibit to a Form 10–Q or Form 10–S and to the Form 10–K. Such amendment or modification need not be filed where such previously filed exhibit would not be currently required.

* * * * *

Exhibit Table

Exhibit Table																	
	Securities Act Forms										Exchange Act Forms						
	S-1	S-3	SF-1	SF-3	S-4 ¹	S-8	S-11	F-1	F-3	F-4 ¹	10	8-K ²	10-D	10-Q	10-S	10-K	ABS-EE
* * * * *																	
(2) Plan of acquisition, reorganization, arrangement, liquidation or succession	X	X	X	X	X		X	X	X	X	X	X		X	X	X	
(3) (i) Articles of incorporation	X		X	X	X		X	X		X	X	X	X	X	X	X	
(ii) Bylaws	X		X	X	X		X	X		X	X	X	X	X	X	X	
(4) Instruments defining the rights of securities holders, including indentures, (i) through (v)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
* * * * *																	
(6) [Reserved]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
* * * * *																	
(10) Material contracts	X		X	X	X		X	X		X	X		X	X	X	X	
* * * * *																	
(13) Annual report to security holders, Form 10-S or semiannual report to security holders, Form 10-Q or quarterly report to security holders ³					X									X	X	X	
* * * * *																	
(15) Letter re unaudited interim financial information	X	X			X	X	X	X	X	X				X	X		
* * * * *																	
(18) Letter re change in accounting principles														X	X	X	
* * * * *																	
(22) Subsidiary guarantors and issuers of guaranteed securities and affiliates whose securities collateralize securities of the registrant	X	X	X	X	X		X	X	X	X	X			X	X	X	
(23) Consents of experts and counsel	X	X	X	X	X	X	X	X	X	X		⁵ X	⁵ X	⁵ X	⁵ X	⁵ X	
(24) Power of attorney	X	X	X	X	X	X	X	X	X	X	X	X		X	X	X	
* * * * *																	
(31) (i) Rule 13a-14(a)/15d-14(a) Certifications														X	X	X	
(32) Section 1350 Certifications ⁶														X	X	X	
* * * * *																	
(37) through (94) [Reserved]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
(95) Mine Safety Disclosure Exhibit														X	X	X	
* * * * *																	
(99) Additional exhibits	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
* * * * *																	
(101) Interactive Data File	X	X			X		X	X	X	X		X		X	X	X	
* * * * *																	
(104) Cover Page Interactive Data File												X		X	X	X	

* * * * *

⁶ Pursuant to §§ 240.13a-13(c)(3) and 240.15d-13(c)(3) of this chapter, asset-backed issuers are not required to file reports on Form 10-Q or Form 10-S.

* * * * *

(b) * * *

(4) * * *

(v) With respect to Forms 8-K, 10-Q, and 10-S under the Exchange Act that are filed and that disclose, in the text of

the Forms 10-Q or 10-S, the interim financial statements, or the footnotes thereto the creation of a new class of securities or indebtedness or the modification of existing rights of security holders, file all instruments defining the rights of holders of these securities or indebtedness. However, there need not be filed any instrument with respect to long-term debt not being registered which meets the exclusion set

forth in paragraph (b)(4)(iii)(A) of this Item.

* * * * *

(10) * * *

Instruction 3 to paragraph (b)(10): If a material contract is executed or becomes effective during the reporting period reflected by a Form 10-Q, Form 10-S, or Form 10-K, it must be filed as an exhibit to the Form 10-Q, Form 10-S, or Form 10-K filed for the corresponding period. See paragraph

(a)(4) of this Item. With respect to quarterly reports on Form 10-Q or semiannual reports on Form 10-S, only those contracts executed or becoming effective during the most recent period reflected in the report must be filed.

* * * * *

(13) *Annual, semiannual, or quarterly report to security holders.*

(i) The registrant's annual report to security holders for its last fiscal year or its semiannual or quarterly report to security holders, if all or a portion thereof is incorporated by reference in the filing. Such report, except for those portions thereof that are expressly incorporated by reference in the filing, is to be furnished for the information of the Commission and is not to be deemed "filed" as part of the filing. If the financial statements in the report have been incorporated by reference in the filing, the accountant's certificate must be manually signed in one copy. *See* Rule 439 (§ 230.439 of this chapter).

(ii) *Electronic filings.* If all, or any portion, of the annual, semiannual, or quarterly report to security holders is incorporated by reference into any electronic filing, all, or such portion of the annual, semiannual, or quarterly report to security holders so incorporated, must be filed in electronic format as an exhibit to the filing.

* * * * *

(15) *Letter re unaudited interim financial information.* A letter, where applicable, from the independent accountant that acknowledges awareness of the use in a registration statement of a report on unaudited interim financial information that pursuant to Rule 436(c) under the Securities Act (§ 230.436(c) of this chapter) is not considered a part of a registration statement prepared or certified by an accountant or a report prepared or certified by an accountant within the meaning of sections 7 and 11 of that Act. Such letter may be filed with the registration statement, an amendment thereto, or a report on Form 10-Q or a report on Form 10-S which is incorporated by reference into the registration statement.

* * * * *

(95) *Mine Safety Disclosure Exhibit.* A registrant that is an operator, or that has a subsidiary that is an operator, of a coal or other mine must provide the information required by Item 104 of Regulation S-K (§ 229.104 of this chapter) in an exhibit to its Exchange Act annual, semiannual, or quarterly report. For purposes of this Item:

* * * * *

(99) * * *

(ii) If pursuant to Section 11(a) of the Securities Act (15 U.S.C. 77k(a)) an issuer makes generally available to its security holders an earnings statement covering a period of at least 12 months beginning after the effective date of the registration statement, and if such earnings statement is made available by "other methods" than those specified in paragraphs (a) or (b) of § 230.158 of this chapter, it must be filed as an exhibit to the Form 10-Q, Form 10-S, or the Form 10-K, as appropriate, covering the period in which the earnings statement was released.

* * * * *

(101) * * *

(i) * * *

(A) First is required for a periodic report on Form 10-Q (§ 249.308a of this chapter), Form 10-S (§ 249.308b of this chapter), Form 20-F (§ 249.220f of this chapter), or Form 40-F (§ 249.240f of this chapter), as applicable;

* * * * *

■ 23. Amend § 229.701 by revising paragraph (e) to read as follows:

§ 229.701 (Item 701) Recent sales of unregistered securities; use of proceeds from registered securities.

* * * * *

(e) *Terms of conversion or exercise.* If the information called for by this paragraph (e) is being presented on Form 8-K, Form 10-Q, Form 10-S, Form 10-K, or Form 10-D under the Exchange Act (§ 249.308, § 249.308a, § 249.308b, § 240.310 or § 249.312 of this chapter), and where the securities sold by the registrant are convertible or exchangeable into equity securities, or are warrants or options representing equity securities, disclose the terms of conversion or exercise of the securities.

* * * * *

■ 24. Amend § 229.1010 by revising paragraph (a)(2) to read as follows:

§ 229.1010 (Item 1010) Financial statements.

(a) * * *

(2) Unaudited balance sheets, comparative year-to-date statements of comprehensive income (as defined in § 210.1-02 of this chapter) and related earnings per share data, and statements of cash flows required to be included in the company's most recent quarterly or semiannual report filed under the Exchange Act; and

* * * * *

■ 25. Amend § 229.1100 by revising paragraph (c)(2)(ii)(F) to read as follows:

§ 229.1100 (Item 1100) General.

* * * * *

(c) * * *

(2) * * *

(ii) * * *

(F) The third party is a U.S. Government-sponsored enterprise, has outstanding securities held by non-affiliates with an aggregate market value of \$75 million or more, and makes information publicly available on an annual and semiannual basis (for semiannual filers, as defined in § 240.12b-2 of this chapter) or quarterly basis (for quarterly filers, as defined in § 240.12b-2 of this chapter), including audited financial statements prepared in accordance with generally accepted accounting principles covering the same periods that would be required for audited financial statements under §§ 210.1-01 through 210.13-02 (Regulation S-X) of this chapter and non-financial information consistent with that required by this part (Regulation S-K).

* * * * *

PART 230—GENERAL RULES AND REGULATIONS, SECURITIES ACT OF 1933

■ 26. The general authority citation for part 230 continues to read, in part, as follows:

Authority: 15 U.S.C. 77b, 77b note, 77c, 77d, 77f, 77g, 77h, 77j, 77r, 77s, 77z-3, 77sss, 78c, 78d, 78j, 78l, 78m, 78n, 78o, 78o-7 note, 78t, 78w, 78ll(d), 78mm, 80a-8, 80a-24, 80a-28, 80a-29, 80a-30, and 80a-37, and Pub. L. 112-106, sec. 201(a), sec. 401, 126 Stat. 313 (2012), unless otherwise noted.

* * * * *

■ 27. Amend § 230.138 by revising paragraph (a)(2)(i)(A) to read as follows:

§ 230.138 Publications or distributions of research reports by brokers or dealers about securities other than those they are distributing.

(a) * * *

(2) * * *

(i) * * *

(A) The issuer as of the date of reliance on this section: Is required to file reports, and has filed all periodic reports required during the preceding 12 months (or such shorter time that the issuer was required to file such reports) on Forms 10-K (§ 249.310 of this chapter), 10-S (§ 249.308b of this chapter), 10-Q (§ 249.308a of this chapter), and 20-F (§ 249.220f of this chapter) pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); or

* * * * *

■ 28. Amend § 230.139 by revising paragraph (a)(1)(i)(A)(2) to read as follows:

§ 230.139 Publications or distributions of research reports by brokers or dealers distributing securities.

- (a) * * *
(1) * * *
(i) * * *
(A) * * *

(2) As of the date of reliance on this section, has filed all periodic reports required during the preceding 12 months on Forms 10-K (§ 249.310 of this chapter), 10-S (§ 249.308b of this chapter), 10-Q (§ 249.308a of this chapter), and 20-F (§ 249.220f of this chapter) pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); or

* * * * *

■ 29. Amend § 230.139b by revising paragraph (a)(1)(i)(A)(2) to read as follows:

§ 230.139b Publications or distributions of covered investment fund research reports by brokers or dealers distributing securities.

- (a) * * *
(1) * * *
(i) * * *
(A) * * *

(2) If the covered investment fund is not a registered investment company under the Investment Company Act, has been subject to the reporting requirements of section 13 or section 15(d) of the Securities Exchange Act of 1934 (the “Exchange Act”) (15 U.S.C. 78m or 78o(d)) for a period of at least 12 calendar months and has filed in a timely manner all of the reports required to be filed for the immediately preceding 12 calendar months on Forms 10-K (§ 249.310 of this chapter), 10-S (§ 249.308b of this chapter), and 10-Q (§ 249.308a of this chapter), or 20-F (§ 249.220f of this chapter) pursuant to section 13 or section 15(d) of the Exchange Act; and

* * * * *

■ 30. Amend § 230.144 by revising paragraph (c):

§ 230.144 Persons deemed not to be engaged in a distribution and therefore not underwriters.

* * * * *

- (c) * * *

Note to § 230.144(c): With respect to paragraph (c)(1), the person can rely upon:

1. A statement in whichever is the most recent report, quarterly, semiannual, or annual, required to be filed and filed by the issuer that such issuer has:

* * * * *

■ 31. Amend § 230.158 by revising paragraph (a)(1)(i), (a)(2)(i), and (b)(2) to read as follows:

§ 230.158 Definitions of certain terms in the last paragraph of section 11(a).

- (a) * * *
(1)

(i): In Item 8 of Form 10-K (§ 239.310 of this chapter), Item 1 of Part I of Form 10-S (§ 240.308b of this chapter), Item 1 of Part I of Form 10-Q (§ 240.308a of this chapter), or Rule 14a-3(b) (§ 240.14a-3(b) of this chapter) under the Securities Exchange Act of 1934;

* * * * *

- (2) * * *

(i) On Form 10-K, Form 10-S, Form 10-Q, Form 8-K (§ 249.308 of this chapter), or in the annual report to security holders pursuant to Rule 14a-3 under the Securities Exchange Act of 1934 (§ 240.14a-3 of this chapter); or

* * * * *

- (b) * * *

(2) Has filed its report or reports on Form 10-K, Form 10-S, Form 10-Q, Form 8-K, Form 20-F, Form 40-F, or Form 6-K, or has submitted to the Commission in electronic format, in accordance with the EDGAR Filer Manual, its annual report sent to security holders pursuant to Rule 14a-3(c) (§ 240.14a-3(c) of this chapter) containing such information. A registrant may use other methods to make an earning statement “generally available to its security holders” for purposes of the last paragraph of section 11(a).

* * * * *

■ 32. Amend § 230.175 by revising paragraph (b)(1) and (2) to read as follows:

§ 230.175 Liability for certain statements by issuers.

* * * * *

- (b) * * *

(1) A forward-looking statement (as defined in paragraph (c) of this section) made in a document filed with the Commission, in Part I of a quarterly report on Form 10-Q (§ 249.308a of this chapter), Part I of a semiannual report on Form 10-S (§ 249.308b of this chapter) or in an annual report to security holders meeting the requirements of Rule 14a-3(b) and (c) or 14c-3(a) and (b) under the Securities Exchange Act of 1934 (§§ 240.14a-3(b) and (c) or 240.14c-3(a) and (b) of this chapter), a statement reaffirming such forward-looking statement after the date the document was filed or the annual report was made publicly available, or a forward-looking statement made before the date the document was filed or the date the annual report was publicly available if such statement is reaffirmed in a filed document, in Part I of a quarterly report on Form 10-Q, in

Part I of a semiannual report on Form 10-S, or in an annual report made publicly available within a reasonable time after the making of such forward-looking statement; *Provided*, that

* * * * *

(2) Information that is disclosed in a document filed with the Commission, in Part I of a quarterly report on Form 10-Q (§ 249.308a of this chapter), in Part I of a semiannual report on Form 10-S, or in an annual report to shareholders meeting the requirements of Rules 14a-3(b) and (c) or 14c-3(a) and (b) under the Securities Exchange Act of 1934 (§§ 240.14a-3(b) and (c) or 240.14c-3(a) and (b) of this chapter) and that relates to:

* * * * *

■ 33. Amend § 230.405 by:

■ a. Adding in alphabetical order a definition for the terms “quarterly filer” and “semiannual filer”; and

■ b. Revising paragraph (3)(i)(A) and (C) and (ii)(C) of the definition of “smaller reporting company”.

The additions and revisions read as follows:

§ 230.405 Definitions of terms.

* * * * *

Quarterly filer. A registrant that is required to file quarterly reports on Form 10-Q, pursuant to § 240.13a-13(a) of this part.

* * * * *

Semiannual filer. A registrant that is required to file semiannual reports on Form 10-S, pursuant to § 240.13a-13(b) of this part.

* * * * *

Smaller reporting company.

* * * * *

- (3) * * *

- (i) * * *

(A) Public float is measured as of the last business day of the issuer’s most recently completed second fiscal quarter for a quarterly filer or first fiscal semiannual period for a semiannual filer and computed by multiplying the aggregate worldwide number of shares of its voting and non-voting common equity held by non-affiliates by the price at which the common equity was last sold, or the average of the bid and asked prices of common equity, in the principal market for the common equity;

(C) An issuer must reflect the determination of whether it came within the definition of smaller reporting company in its quarterly report on Form 10-Q for the first fiscal quarter of the next year for a quarterly filer or its semiannual report on Form 10-S for the next year for a semiannual filer, indicating on the cover page of that filing, and in subsequent filings for that

fiscal year, whether it is a smaller reporting company, except that, if a determination based on public float indicates that the issuer is newly eligible to be a smaller reporting company, the issuer may choose to reflect this determination beginning with its third quarterly report on Form 10-Q for a quarterly filer or its annual report on Form 10-K for a semiannual filer, rather than waiting until the quarterly report for the first fiscal quarter of the next fiscal year for a quarterly filer or the semiannual report for the first fiscal semiannual period of the next fiscal year for a semiannual filer.

* * * * *

(ii) * * *

(C) The issuer must reflect the determination of whether it came within the definition of smaller reporting company in the registration statement and must appropriately indicate on the cover page of the filing, and subsequent filings for the fiscal year in which the filing is made, whether it is a smaller reporting company. The issuer must re-determine its status at the end of its second fiscal quarter for a quarterly filer or at the end of its first fiscal semiannual period for a semiannual filer and then reflect any change in status as provided in paragraph (3)(i)(C) of this definition. In the case of a determination based on an initial Securities Act registration statement, an issuer that was not determined to be a smaller reporting company has the option to re-determine its status at the conclusion of the offering covered by the registration statement based on the actual offering price and number of shares sold.

* * * * *

■ 34. Amend § 230.485 by revising paragraph (b)(i)(1) to read as follows:

§ 230.485 Effective date of post-effective amendments filed by certain registered investment companies or issuers offering registered non-variable annuities.

* * * * *

(b) * * *

(1) * * *

(i) Bringing the financial statements up to date under section 10(a)(3) of the Securities Act of 1933 [15 U.S.C. 77j(a)(3)] or Rules 3-01 or 3-18 of Regulation S-X [17 CFR 210.3-01 and 210.3-18];

* * * * *

PART 232—REGULATION S—GENERAL RULES AND REGULATIONS FOR ELECTRONIC FILINGS

■ 35. The general authority citation for part 232 continues to read, in part, as follows:

Authority: 15 U.S.C. 77c, 77f, 77g, 77h, 77j, 77s(a), 77z-3, 77sss(a), 78c(b), 78l, 78m, 78n, 78n-1, 78o(d), 78w(a), 78ll, 80a-6(c), 80a-8, 80a-29, 80a-30, 80a-37, 7201 *et seq.*; and 18 U.S.C. 1350, unless otherwise noted.

* * * * *

■ 36. Amend § 232.11 by deleting both the first and second definitions of “related official filing” and, in their place, adding a single revised definition of “related official filing” to read as follows:

§ 232.11 Definition of terms used in this part.

* * * * *

Related Official Filing. The term *Related Official Filing* means the ASCII or HTML format part of the official filing with which all or part of an Interactive Data File appears as an exhibit or, in the case of a filing on Form N-1A (§§ 239.15A and 274.11A of this chapter), Form N-2 (§§ 239.14 and 274.11a-1 of this chapter), Form N-3 (§§ 239.17a and 274.11b of this chapter), Form N-4 (§§ 239.17b and 274.11c of this chapter), Form N-6 (§§ 239.17c and 274.11d of this chapter), Form N-8B-2 (§ 274.12 of this chapter), Form S-6 (§ 239.16 of this chapter), and Form N-CSR (§ 274.128 of this chapter), and, to the extent required by § 232.405 (Rule 405 of Regulation S-T) for a business development company as defined in Section 2(a)(48) of the Investment Company Act of 1940 (15 U.S.C. 80a-2(a)(48)), Form 10-K (§ 249.310 of this chapter), Form 10-S (§ 249.308b of this chapter), Form 10-Q (§ 249.308a of this chapter), and Form 8-K (§ 249.308 of this chapter), the ASCII or HTML format part of an official filing that contains the information to which an Interactive Data File corresponds.

* * * * *

■ 37. Amend § 232.303 by revising paragraph (b) to read as follows:

§ 232.303 Incorporation by reference.

* * * * *

(b) If a filer incorporates by reference into an electronic filing any portion of an annual, semiannual, or quarterly report to security holders, it must also file the portion of the annual, semiannual, or quarterly report to security holders in electronic format as an exhibit to the filing, as required by Regulation S-K Item 601(b)(13) (§ 229.601(b)(13) of this chapter). If a foreign private issuer incorporates by

reference into an electronic filing any portion of an annual or other report to security holders, or of a Form 6-K report (§ 249.306 of this chapter) filed or submitted in paper, it also must file the incorporated portion in electronic format as an exhibit to the filing. The requirements of this paragraph do not apply to incorporation by reference by an investment company from an annual, semiannual, or quarterly report to security holders.

■ 38. Amend § 232.405 by revising Note 1 to read as follows:

§ 232.405 Interactive Data File submissions.

* * * * *

Note 1 to § 232.405: Section 229.601(b)(101) of this chapter (Item 601(b)(101) of Regulation S-K) specifies the circumstances under which an Interactive Data File must be submitted and the circumstances under which it is permitted to be submitted, with respect to §§ 239.11 of this chapter (Form S-1), 239.13 of this chapter (Form S-3), 239.25 of this chapter (Form S-4), 239.18 of this chapter (Form S-11), 239.31 of this chapter (Form F-1), 239.33 of this chapter (Form F-3), 239.34 of this chapter (Form F-4), 249.310 of this chapter (Form 10-K), 249.308b of this chapter (Form 10-S), 249.308a of this chapter (Form 10-Q) and 249.308 of this chapter (Form 8-K). General Instruction F of § 249.311 of this chapter (Form 11-K) specifies the circumstances under which an Interactive Data File must be submitted, and the circumstances under which it is permitted to be submitted, with respect to Form 11-K. Paragraph (101) of Part II—Information not Required to be Delivered to Offerees or Purchasers of § 239.40 of this chapter (Form F-10) specifies the circumstances under which an Interactive Data File must be submitted and the circumstances under which it is permitted to be submitted, with respect to Form F-10. Paragraph 101 of the Instructions as to Exhibits of § 249.220f of this chapter (Form 20-F) specifies the circumstances under which an Interactive Data File must be submitted and the circumstances under which it is permitted to be submitted, with respect to Form 20-F. Paragraph B.(15) of the General Instructions to § 249.240f of this chapter (Form 40-F) and Paragraph C.(6) of the General Instructions to § 249.306 of this chapter (Form 6-K) specify the circumstances under which an Interactive Data File must be submitted and the circumstances under which it is permitted to be submitted, with respect to §§ 249.240f (Form 40-F) and 249.306 (Form 6-K) of this chapter. Note D.5 of

§ 240.14a–101 of this chapter (Schedule 14A) and Item 1 of § 240.14c–101 of this chapter (Schedule 14C) specify the circumstances under which an Interactive Data File must be submitted with respect to Schedules 14A and 14C. General Instruction L of § 240.14d–100 of this chapter (Schedule TO) specifies the circumstances under which an Interactive Data File must be submitted with respect to Schedule TO. Section 240.13a–21 of this chapter (Rule 13a–21 under the Exchange Act) and General Instruction I to § 249.333 of this chapter (Form F–SR) specify the circumstances under which an Interactive Data File must be submitted, with respect to Form F–SR. §§ 242.829 and 242.831 of this chapter (Rules 829 and 831 of Regulation SE) and the Registration Instructions to § 249.1701 of this chapter (Form SBSEF), as applicable, specify the circumstances under which an Interactive Data File must be submitted with respect to filings made under Regulation SE. Item 601(b)(101) of Regulation S–K, paragraph (101) of Part II—Information not Required to be Delivered to Offerees or Purchasers of Form F–10, paragraph 101 of the Instructions as to Exhibits of Form 20–F, paragraph B.(15) of the General Instructions to Form 40–F, and paragraph C.(6) of the General Instructions to Form 6–K all prohibit submission of an Interactive Data File by an issuer that prepares its financial statements in accordance with 17 CFR 210.6–01 through 210.6–11 (Article 6 of Regulation S–X). For an issuer that is a management investment company or separate account registered under the Investment Company Act of 1940 (15 U.S.C. 80a *et seq.*), a registered non-variable annuity issuer as defined in Rule 405 under the Securities Act (17 CFR 230.405), a business development company as defined in Section 2(a)(48) of the Investment Company Act of 1940 (15 U.S.C. 80a–2(a)(48)), or a unit investment trust as defined in Section 4(2) of the Investment Company Act of 1940 (15 U.S.C. 80a–4), General Instruction C.3.(g) of Form N–1A (§§ 239.15A and 274.11A of this chapter), General Instruction I of Form N–2 (§§ 239.14 and 274.11a–1 of this chapter), General Instruction C.3.(h) of Form N–3 (§§ 239.17a and 274.11b of this chapter), General Instruction C.3.(h) of Form N–4 (§§ 239.17b and 274.11c of this chapter), General Instruction C.3.(h) of Form N–6 (§§ 239.17c and 274.11d of this chapter), General Instruction 2.(l) of Form N–8B–2 (§ 274.12 of this chapter), General Instruction 5 of § 239.16 of this chapter (Form S–6), and General Instruction C.4 of Form N–CSR

(§§ 249.331 and 274.128 of this chapter), as applicable, specifies the circumstances under which an Interactive Data File must be submitted. For entities subject to §§ 240.15fk–1, 240.17a–5, 240.17a–12, 240.17h–2T, or 240.18a–7 of this chapter (Rule 15fk–1, 17a–5, 17a–12, 17h–2T, or 18a–7 under the Exchange Act), §§ 240.15fk–1(c)(2)(ii)(A), 240.17a–5(d)(6)(i), 240.17a–5(k)(2), 240.17a–12(b)(6), 240.17a–12(k), 240.17a–12(l), 240.17a–12(m), 240.17h–2T(a)(2), and 240.18a–7(c)(6) of this chapter (Rules 15fk–1(c)(2)(ii)(A), 17a–5(d)(6)(i), 17a–5(k)(2), 17a–12(b)(6), 17a–12(k), 17a–12(l), 17a–12(m), 17h–2T(a)(2), and 18a–7(c)(6) under the Exchange Act), as applicable, specify the circumstances under which an Interactive Data File must be submitted. For an exchange as defined in 15 U.S.C. 78c(a)(1) (Section 3(a)(1) of the Exchange Act), General Instruction A of § 249.1 of this chapter (Form 1) specifies the circumstances under which an Interactive Data File must be submitted. For a clearing agency as defined in 15 U.S.C. 78c(a)(23)(A) (Section 3(a)(23)(A) of the Exchange Act), General Instruction A of § 249.200b of this chapter (Form CA–1) specifies the circumstances under which an Interactive Data File must be submitted with respect to § 249.200b of this chapter (Form CA–1), and § 240.17ad–27(d) of this chapter (Rule 17ad–27(d) under the Exchange Act) specify the circumstances under which an Interactive Data File must be submitted with respect to the reports required under § 249.200b of this chapter (Form CA–1) and § 240.17ad–27 of this chapter (Rule 17ad–27 under the Exchange Act).

■ 39. Revise § 232.406 to read as follows:

§ 232.406 Cover Page XBRL Data Tagging.

Electronic filers submitting Forms 10–K (§ 249.310 of this chapter), 10–S (§ 249.308b of this chapter), 10–Q (§ 249.308a of this chapter), 8–K (§ 249.308 of this chapter), 20–F (§ 249.220f of this chapter) or 40–F (§ 249.240f of this chapter) who are required to submit Interactive Data Files (§ 232.11) in Inline XBRL format in accordance with this Regulation S–T must tag in Inline XBRL electronic format, in the manner provided by the EDGAR Filer Manual, all of the information provided by the electronic filer that is required on the cover page of these forms.

PART 239—FORMS PRESCRIBED UNDER THE SECURITIES ACT OF 1933

■ 40. The general authority citation for part 239 continues to read, in part, as follows:

Authority: 15 U.S.C. 77c, 77f, 77g, 77h, 77j, 77s, 77z–2, 77z–3, 77sss, 78c, 78l, 78m, 78n, 78o(d), 78o–7 note, 78u–5, 78w(a), 78ll, 78mm, 80a–2(a), 80a–3, 80a–8, 80a–9, 80a–10, 80a–13, 80a–24, 80a–26, 80a–29, 80a–30, 80a–37, and sec. 71003 and sec. 84001, Pub. L. 114–94, 129 Stat. 1321, unless otherwise noted.

* * * * *

■ 41. Amend Form S–1 (referenced in § 239.11) by:

- a. Adding on the form cover page the text “Indicate by check mark if the registrant has elected to file semiannual reports pursuant to Rule 13a–13(b) or Rule 15d–13(b) of the Act. ☐”; and
- b. Revising Item 11A.

Note: The additions and revisions to Form S–1 read as shown in Appendix A to this document. The text of Form S–1 does not, and the text of the amendments to Form S–1 will not, appear in the Code of Federal Regulations.

■ 42. Amend Form S–3 (referenced in § 239.13) by:

- a. Adding on the form cover page the text “Indicate by check mark if the registrant has elected to file semiannual reports pursuant to Rule 13a–13(b) or Rule 15d–13(b) of the Act. ☐”; and
- b. Revising Item 11(a).

Note: The additions and revisions to Form S–3 read as shown in Appendix B to this document. The text of Form S–3 does not, and the text of the amendments to Form S–3 will not, appear in the Code of Federal Regulations.

■ 43. Amend Form S–11 (referenced in § 239.18) by:

- a. Adding on the form cover page the text “Indicate by check mark if the registrant has elected to file semiannual reports pursuant to Rule 13a–13(b) or Rule 15d–13(b) of the Act. ☐”; and
- b. Revising Item 28A.

Note: The additions and revisions to Form S–11 read as shown in Appendix C to this document. The text of Form S–11 does not, and the text of the amendments to Form S–11 will not, appear in the Code of Federal Regulations.

■ 44. Amend Form S–4 (referenced in § 239.25) by:

- a. Adding on the form cover page the text “Indicate by check mark if the registrant has elected to file semiannual reports pursuant to Rule 13a–13(b) or Rule 15d–13(b) of the Act. ☐”; and
- b. Revising Item 10, 12, 13, 16, and 17.

Note: The additions and revisions to Form S–4 read as shown in Appendix D to this document. The text of Form S–4 does not,

and the text of the amendments to Form S-4 will not, appear in the Code of Federal Regulations.

- 45. Amend Form F-1 (referenced in § 239.31) by revising Item 4A and 5.

Note: The revisions to Form F-1 read as shown in Appendix E to this document. The text of Form F-1 does not, and the text of the amendments to Form F-1 will not, appear in the Code of Federal Regulations.

- 46. Amend Form F-3 (referenced in § 239.33) by revising Item 5 and 6.

Note: The revisions to Form F-3 read as shown in Appendix F to this document. The text of Form F-3 does not, and the text of the amendments to Form F-3 will not, appear in the Code of Federal Regulations.

- 47. Amend Form F-4 (referenced in § 239.34) by revising Item 10, 11, 12, 13, and 17.

Note: The revisions to Form F-4 read as shown in Appendix G to this document. The text of Form F-4 does not, and the text of the amendments to Form F-4 will not, appear in the Code of Federal Regulations.

- 48. Amend Form F-10 (referenced in § 239.40) by revising Part II.

Note: The revisions to Form F-10 read as shown in Appendix H to this document. The text of Form F-10 does not, and the text of the amendments to Form F-10 will not, appear in the Code of Federal Regulations.

PART 240—GENERAL RULES AND REGULATIONS, SECURITIES EXCHANGE ACT OF 1934

- 49. The general authority citation for part 240 continues to read, in part, 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, 78l, 78m, 78n, 78n-1, 78o, 78o-4, 78o-10, 78p, 78q, 78q-1, 78s, 78u-5, 78w, 78x, 78dd, 78ll, 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; Pub. L. 111-203, 939A, 124 Stat. 1887 (2010); and sec. 503 and 602, Pub. L. 112-106, 126 Stat. 326 (2012), unless otherwise noted.

* * * * *

- 50. Amend § 240.3a55-1 by revising paragraph (d)(7) to read as follows:

§ 240.3a55-1 Method for determining market capitalization and dollar value of average daily trading volume; application of the definition of narrow-based security index.

* * * * *

(d) * * *

(7) Outstanding shares of a security means the number of outstanding shares of such security as reported on the most recent Form 10-K, Form 10-Q, Form

10-S, or Form 20-F (17 CFR 249.310, 249.308a, 249.308b, or 249.220f) filed with the Commission by the issuer of such security, including any change to such number of outstanding shares subsequently reported by the issuer on a Form 8-K (17 CFR 249.308).

* * * * *

- 51. Amend § 240.3b-6 by revising paragraph (b)(1) and (2) to read as follows:

§ 240.3b-6 Liability for certain statements by issuers.

* * * * *

(b) * * *

(1) A forward-looking statement (as defined in paragraph (c) of this section) made in a document filed with the Commission, in Part I of a quarterly report on Form 10-Q (§ 249.308a of this chapter), in Part I of a semiannual report on Form 10-S (§ 249.308b of this chapter), or in an annual report to security holders meeting the requirements of Rules 14a-3(b) and (c) or 14c-3(a) and (b) (§ 240.14a-3(b) and (c) or § 240.14c-3(a) and (b)), a statement reaffirming such forward-looking statement after the date the document was filed or the annual report was made publicly available, or a forward-looking statement made before the date the document was filed or the date the annual report was made publicly available if such statement is reaffirmed in a filed document, in Part I of a quarterly report on Form 10-Q, in Part I of a semiannual report on Form 10-S, or in an annual report made publicly available within a reasonable time after the making of such forward-looking statement; *Provided*, that:

* * * * *

(2) Information that is disclosed in a document filed with the Commission in Part I of a quarterly report on Form 10-Q (§ 249.308a of this chapter), in Part I of a semiannual report on Form 10-S (§ 249.308b of this chapter), or in an annual report to security holders meeting the requirements of Rules 14a-3(b) and (c) or 14c-3(a) and (b) under the Act (§ 240.14a-3(b) and (c) or § 240.14c-3(a) and (b) of this chapter) and that relates to:

* * * * *

- 52. Amend § 240.10b5-1 by revising paragraph (c)(1)(ii)(B)(1)(ii) to read as follows:

§ 240.10b5-1 Trading “on the basis of” material nonpublic information in insider trading cases.

* * * * *

(c)

(1) * * *

(ii) * * *

(B) * * *

(1) * * *

(ii) Two business days following the disclosure of the issuer's financial results in a Form 10-Q (§ 249.308a of this chapter), Form 10-S (§ 249.308b of this chapter), or Form 10-K (§ 249.310 of this chapter) for the completed fiscal quarter in which the plan was adopted or, for foreign private issuers, in a Form 20-F (§ 249.220f of this chapter) or Form 6-K (§ 249.306 of this chapter) that discloses the issuer's financial results (but, in any event, this required cooling-off period is subject to a maximum of 120 days after adoption of the contract, instruction, or plan); or

* * * * *

- 53. Amend § 240.12b-2 by:

- a. Revising paragraph (1)(i), 2(i), and (3)(i) through (iv) of the definition of “accelerated filer and large accelerated filer”;
 ■ b. Adding definitions in alphabetical order for “quarterly filer” and “semiannual filer”; and
 ■ c. Revising paragraph (3)(i)(A) and (C) and (ii)(C) of the definition “smaller reporting company”.

The additions and revisions read as follows:

§ 240.12b-2 Definitions.

* * * * *

Accelerated filer and large accelerated filer—

* * * * *

(1) *Accelerated filer.* * * *

(i) The issuer had an aggregate worldwide market value of the voting and non-voting common equity held by its non-affiliates of \$75 million or more, but less than \$700 million, as of the last business day of the issuer's most recently completed second fiscal quarter for quarterly filers or first fiscal semiannual period for semiannual filers;

* * * * *

(2) *Large accelerated filer.* * * *

(i) The issuer had an aggregate worldwide market value of the voting and non-voting common equity held by its non-affiliates of \$700 million or more, as of the last business day of the issuer's most recently completed second fiscal quarter for quarterly filers or first fiscal semiannual period for semiannual filers;

* * * * *

(3) *Entering and exiting accelerated filer and large accelerated filer status.*

(i) The determination at the end of the issuer's fiscal year for whether a non-accelerated filer becomes an accelerated filer, or whether a non-accelerated filer or accelerated filer becomes a large accelerated filer, governs the deadlines for the annual report to be filed for that fiscal year, the quarterly or semiannual

reports, as applicable, and annual reports to be filed for the subsequent fiscal year and all annual reports and quarterly or semiannual reports, as applicable, to be filed thereafter while the issuer remains an accelerated filer or large accelerated filer.

(ii) Once an issuer becomes an accelerated filer, it will remain an accelerated filer unless: The issuer determines, at the end of a fiscal year, that the aggregate worldwide market value of the voting and non-voting common equity held by its non-affiliates was less than \$60 million, as of the last business day of the issuer's most recently completed second fiscal quarter for quarterly filers or first fiscal semiannual period for semiannual filers; or it determines that it is eligible to use the requirements for smaller reporting companies under the revenue test in paragraph (2) or (3)(iii)(B) of the "smaller reporting company" definition in this section, as applicable. An issuer that makes either of these determinations becomes a non-accelerated filer. The issuer will not become an accelerated filer again unless it subsequently meets the conditions in paragraph (1) of this definition.

(iii) Once an issuer becomes a large accelerated filer, it will remain a large accelerated filer unless: It determines, at the end of a fiscal year, that the aggregate worldwide market value of the voting and non-voting common equity held by its non-affiliates ("aggregate worldwide market value") was less than \$560 million, as of the last business day of the issuer's most recently completed second fiscal quarter for quarterly filers or first semiannual period for semiannual filers or it determines that it is eligible to use the requirements for smaller reporting companies under the revenue test in paragraph (2) or (3)(iii)(B) of the "smaller reporting company" definition in this section, as applicable. If the issuer's aggregate worldwide market value was \$60 million or more, but less than \$560 million, as of the last business day of the issuer's most recently completed second fiscal quarter for quarterly filers or first fiscal semiannual period for semiannual filers, and it is not eligible to use the requirements for smaller reporting companies under the revenue test in paragraph (2) or (3)(iii)(B) of the "smaller reporting company" definition in this section, as applicable, it becomes an accelerated filer. If the issuer's aggregate worldwide market value was less than \$60 million, as of the last business day of the issuer's most recently completed second fiscal quarter for quarterly filers or first fiscal semiannual period for semiannual filers,

or it is eligible to use the requirements for smaller reporting companies under the revenue test in paragraph (2) or (3)(iii)(B) of the "smaller reporting company" definition in this section, it becomes a non-accelerated filer. An issuer will not become a large accelerated filer again unless it subsequently meets the conditions in paragraph (2) of this definition.

(iv) The determination at the end of the issuer's fiscal year for whether an accelerated filer becomes a non-accelerated filer, or a large accelerated filer becomes an accelerated filer or a non-accelerated filer, governs the deadlines for the annual report to be filed for that fiscal year, the quarterly or semiannual and annual reports to be filed for the subsequent fiscal year and all annual and quarterly or semiannual reports to be filed thereafter while the issuer remains an accelerated filer or non-accelerated filer.

* * * * *

Quarterly filer. A registrant that is required to file quarterly reports on Form 10-Q, pursuant to § 240.13a-13(a) of this part.

* * * * *

Semiannual filer. A registrant that is required to file semiannual reports on Form 10-S, pursuant to § 240.13a-13(b) of this part.

* * * * *

Smaller reporting company.

* * * * *

(3) * * *

(i) * * *

(A) Public float is measured as of the last business day of the issuer's most recently completed second fiscal quarter for a quarterly filer or first fiscal semiannual period for a semiannual filer and computed by multiplying the aggregate worldwide number of shares of its voting and non-voting common equity held by non-affiliates by the price at which the common equity was last sold, or the average of the bid and asked prices of common equity, in the principal market for the common equity;

* * * * *

(C) An issuer must reflect the determination of whether it came within the definition of smaller reporting company in its quarterly report on Form 10-Q for the first fiscal quarter of the next year for a quarterly filer or semiannual report on Form 10-S for the next year for a semiannual filer, indicating on the cover page of that filing, and in subsequent filings for that fiscal year, whether it is a smaller reporting company, except that, if a determination based on public float indicates that the issuer is newly eligible to be a smaller reporting

company, the issuer may choose to reflect this determination beginning with its third quarterly report on Form 10-Q for a quarterly filer or its annual report on Form 10-K for a semiannual filer, rather than waiting until the quarterly report for the first fiscal quarter of the next fiscal year for a quarterly filer or the semiannual report for the first fiscal semiannual period of the next fiscal year for a semiannual filer.

* * * * *

(ii) * * *

(C) The issuer must reflect the determination of whether it came within the definition of smaller reporting company in the registration statement and must appropriately indicate on the cover page of the filing, and subsequent filings for the fiscal year in which the filing is made, whether it is a smaller reporting company. The issuer must re-determine its status at the end of its second fiscal quarter for a quarterly filer or at the end of its first fiscal semiannual period for a semiannual filer and then reflect any change in status as provided in paragraph (3)(i)(C) of this definition. In the case of a determination based on an initial Securities Act registration statement, an issuer that was not determined to be a smaller reporting company has the option to re-determine its status at the conclusion of the offering covered by the registration statement based on the actual offering price and number of shares sold.

■ 54. Amend § 240.12b-25 by revising paragraph (a) and (b)(2)(ii) to read as follows:

§ 240.12b-25 Notification of inability to timely file all or any required portion of a Form 10-K, 20-F, 11-K, N-CEN, N-CSR, 10-S, 10-Q, or 10-D.

(a) If all or any required portion of an annual or transition report on Form 10-K, 20-F or 11-K (17 CFR 249.310, 249.220f or 249.311), a semiannual or transition report on Form 10-S (17 CFR 249.308b), a quarterly or transition report on Form 10-Q (17 CFR 249.308a), or a distribution report on Form 10-D (17 CFR 249.312) required to be filed pursuant to Section 13 or 15(d) of the Act (15 U.S.C. 78m or 78o(d)) and rules thereunder, or if all or any required portion of a semi-annual, annual or transition report on Form N-CSR (17 CFR 249.331; 17 CFR 274.128) or Form N-CEN (17 CFR 249.330; 17 CFR 274.101) required to be filed pursuant to Section 13 or 15(d) of the Act or section 30 of the Investment Company Act of 1940 (15 U.S.C. 80a-29) and the rules thereunder, is not filed within the time period prescribed for such report, the

registrant, no later than one business day after the due date for such report, shall file a Form 12b-25 (17 CFR 249.322) with the Commission which shall contain disclosure of its inability to file the report timely and the reasons therefore in reasonable detail.

(b) * * *
(2) * * *

(ii) The subject annual report, semiannual report or transition report on Form 10-K, 20-F, 11-K, N-CEN, or N-CSR, or portion thereof, will be filed no later than the fifteenth calendar day following the prescribed due date; or the subject quarterly report or transition report on Form 10-Q, subject semiannual report or transition report on Form 10-S or distribution report on Form 10-D, or portion thereof, will be filed no later than the fifth calendar day following the prescribed due date; and

* * * * *

■ 55. Amend § 240.13a-10 by revising paragraph (c), (d), (e), (f) and (j) to read as follows:

§ 240.13a-10 Transition reports.

* * * * *

(c) If the transition period covers a period of less than six months, in lieu of the report required by paragraph (b) of this section, a quarterly filer (as defined in § 240.12b-2 of this chapter) may file a report for the transition period on Form 10-Q (§ 249.308a of this chapter) and a semiannual filer (as defined in § 240.12b-2 of this chapter) may file a report for the transition period on Form 10-S (§ 249.308b of this chapter) not more than the number of days specified in paragraph (j) of this section after either the close of the transition period or the date of the determination to change the fiscal closing date, whichever is later. The report on Form 10-Q or Form 10-S shall cover the period from the close of the last fiscal year end and shall indicate clearly the period covered. The financial statements filed therewith need not be audited but, if they are not audited, the issuer shall file with the first annual report for the newly adopted fiscal year separate audited statements of income and cash flows covering the transition period. The notes to financial statements for the transition period included in such first annual report may be integrated with the notes to financial statements for the full fiscal period. A separate audited balance sheet as of the end of the transition period shall be filed in the annual report only if the audited balance sheet as of the end of the fiscal year prior to the transition period is not filed. Schedules need not be filed in transition reports on Form 10-Q or Form 10-S.

(d) * * *
(2) * * *

(ii) The first report required to be filed by the issuer for the newly adopted fiscal year after the date of the determination to change the fiscal year end is a quarterly report on Form 10-Q or semiannual report on Form 10-S; and

(iii) Information on the transition period is included in the quarterly filer's report on Form 10-Q for the first quarterly period (except the fourth quarter) of the newly adopted fiscal year that ends after the date of the determination to change the fiscal year or in the semiannual filer's report on Form 10-S for the first semiannual period of the newly adopted fiscal year after the date of the determination to change the fiscal year. The information covering the transition period required by Part II and Item 2 of Part I may be combined with the information regarding the quarter or semiannual period. However, the financial statements required by Part I, which may be unaudited, shall be furnished separately for the transition period.

(e) A quarterly filer that changes its fiscal year end shall apply paragraph (e)(1) of this section. A semiannual filer that changes its fiscal year end shall apply paragraph (e)(2) of this section.

(1) A quarterly filer shall:

(i) File a quarterly report on Form 10-Q within the time period specified in General Instruction A.1. to that form for any quarterly period (except the fourth quarter) of the old fiscal year that ends before the date on which the issuer determined to change its fiscal year end, except that the issuer need not file such quarterly report if the date on which the quarterly period ends also is the date on which the transition period ends;

(ii) File a quarterly report on Form 10-Q within the time specified in General Instruction A.1. to that form for each quarterly period of the old fiscal year within the transition period. In lieu of a quarterly report for any quarter of the old fiscal year within the transition period, the issuer may file a quarterly report on Form 10-Q for any period of three months within the transition period that coincides with a quarter of the newly adopted fiscal year if the quarterly report is filed within the number of days specified in paragraph (j) of this section after the end of such three-month period, provided the issuer thereafter continues filing quarterly reports on the basis of the quarters of the newly adopted fiscal year;

(iii) Commence filing quarterly reports for the quarters of the new fiscal year no later than the quarterly report for the first quarter of the new fiscal

year that ends after the date on which the issuer determined to change the fiscal year end; and

(iv) Unless such information is or will be included in the transition report, or the first annual report on Form 10-K for the newly adopted fiscal year, include in the initial quarterly report on Form 10-Q for the newly adopted fiscal year information on any period beginning on the first day subsequent to the period covered by the issuer's final quarterly report on Form 10-Q or annual report on Form 10-K for the old fiscal year. The information covering such period required by Part II and Item 2 of Part I may be combined with the information regarding the quarter. However, the financial statements required by Part I, which may be unaudited, shall be furnished separately for such period.

(2) A semiannual filer shall:

(i) File a semiannual report on Form 10-S within the time period specified in General Instruction A.1. to that form for its first fiscal semiannual period of the old fiscal year that ends before the date on which the issuer determined to change its fiscal year end, except that the issuer need not file such semiannual report if the date on which the fiscal semiannual period ends also is the date on which the transition period ends;

(ii) File a semiannual report on Form 10-S within the time specified in General Instruction A.1. to that form for the first fiscal semiannual period of the old fiscal year within the transition period. In lieu of a semiannual report for the first fiscal semiannual period of the old fiscal year within the transition period, the issuer may file a semiannual report on Form 10-S for the first fiscal semiannual period within the transition period that coincides with the first fiscal semiannual period of the newly adopted fiscal year if the semiannual report is filed within the number of days specified in paragraph (j) of this section after the end of such semiannual period, provided the issuer thereafter continues filing semiannual reports on the basis of the fiscal semiannual periods of the newly adopted fiscal year;

(iii) Commence filing semiannual reports for the first fiscal semiannual period of the new fiscal year no later than the semiannual report for the first fiscal semiannual period of the new fiscal year that ends after the date on which the issuer determined to change the fiscal year end.

Note to paragraphs (c) and (e):

If it is not practicable or cannot be cost-justified to furnish in a transition report on Form 10-Q or Form 10-S or a quarterly or semiannual report for the newly adopted fiscal year financial statements for corresponding periods of

the prior year where required, financial statements may be furnished for the quarters or semiannual period of the preceding fiscal year that most nearly are comparable if the issuer furnishes an adequate discussion of seasonal and other factors that could affect the comparability of information or trends reflected, an assessment of the comparability of the data, and a representation as to the reason recasting has not been undertaken.

(f) Every successor issuer with securities registered under Section 12 of this Act that has a different fiscal year from that of its predecessor(s) shall file a transition report pursuant to this section, containing the required information about each predecessor, for the transition period, if any, between the close of the fiscal year covered by the last annual report of each predecessor and the date of succession. The report shall be filed for the transition period on the form appropriate for annual reports of the issuer not more than the number of days specified in paragraph (j) of this section after the date of the succession, with financial statements in conformity with the requirements set forth in paragraph (b) of this section. If the transition period covers a period of less than six months, in lieu of a transition report on the form appropriate for the issuer's annual reports, the report may be filed for the transition period on Form 10-Q and Form 10-S not more than the number of days specified in paragraph (j) of this section after the date of the succession, with financial statements in conformity with the requirements set forth in paragraph (c) of this section. Notwithstanding the foregoing, if the transition period covers a period of one month or less, the successor issuer need not file a separate transition report if the information is reported by the successor issuer in conformity with the requirements set forth in paragraph (d) of this section.

* * * * *

(j)

(1) For transition reports to be filed on the form appropriate for annual reports of the issuer, the number of days shall be:

(i) 60 days for large accelerated filers (as defined in § 240.12b-2);

(ii) 75 days for accelerated filers (as defined in § 240.12b-2); and

(iii) 90 days for all other issuers; and

(2) For transition reports to be filed on Form 10-Q (§ 249.308a of this chapter) or Form 10-S (§ 249.308b of this chapter) the number of days shall be:

(i) 40 days for large accelerated filers and accelerated filers (as defined in § 240.12b-2); and

(ii) 45 days for all other issuers.

* * * * *

■ 56. Revise § 240.13a-13 to read as follows:

§ 240.13a-13 Quarterly reports on Form 10-Q (§ 249.308a of this chapter) or semiannual reports on Form 10-S (§ 249.308b of this chapter).

(a) Except as provided in paragraphs (b), (c), and (d) of this section, every issuer that has securities registered pursuant to section 12 of the Act and is required to file annual reports pursuant to section 13 of the Act on Form 10-K (§ 249.310 of this chapter) shall file a quarterly report on Form 10-Q (§ 249.308a of this chapter) within the period specified in General Instruction A.1. to that form for each of the first three quarters of each fiscal year of the issuer, commencing with the first fiscal quarter following the most recent fiscal year for which full financial statements were included in an initial registration statement, or, if the initial registration statement included financial statements for an interim period after the most recent fiscal year end meeting the requirements of Article 10 of Regulation S-X or Rule 8-03 of Regulation S-X for smaller reporting companies, for the first fiscal quarter after the quarter reported upon in the initial registration statement. The first quarterly report of the issuer shall be filed on or before either the 45th day after the effective date of the initial registration statement or the date on which such report would have been required to be filed if the issuer had been required to file reports on Form 10-Q as of its last fiscal quarter, whichever is later.

(b) Issuers that are obligated under paragraph (a) of this section to file quarterly reports on Form 10-Q, may, in lieu thereof, file a semiannual report on Form 10-S (§ 249.308b of this chapter) by marking the semiannual reporting box on the cover page of Form 10-K or initial registration statement, as applicable. Issuers must file the Form 10-S within the period specified in General Instruction A.1. to that form for the first fiscal semiannual period of the fiscal year of the issuer, commencing with the first fiscal semiannual period following the most recent fiscal year for which full financial statements were included in the initial registration statement with the marked semiannual reporting box, or, if the initial registration statement with the marked semiannual reporting box included financial statements for a fiscal semiannual period subsequent to the most recent fiscal year end meeting the requirements of Article 10 of Regulation S-X or Rule 8-03 of Regulation S-X for

smaller reporting companies, commencing with the first fiscal semiannual period of the fiscal year that immediately follows the fiscal year reported upon in the registration statement.

(1) The first semiannual report of the issuer shall be filed on or before either the 45th day after the effective date of an initial registration statement or the date on which such report would have been required to be filed if the issuer had been required to file reports on Form 10-S as of its last fiscal semiannual period, whichever is later.

(2) Issuers that elected to file semiannual reports on Form 10-S in reliance on paragraph (b) of this section by marking the semiannual reporting box on the cover page of Form 10-K shall file a semiannual report on Form 10-S for the first fiscal semiannual period of the fiscal year in which the Form 10-K with the election was filed.

(3) Issuers that elected to no longer file semiannual reports on Form 10-S in reliance on paragraph (b) of this section by unmarking the semiannual reporting box on the cover page of the Form 10-K shall commence filing quarterly reports on Form 10-Q for the first quarter of the fiscal year in which the Form 10-K was filed.

(4) Issuers may correct an error with respect to the semiannual reporting box on the cover page of a Form 10-K by amending the Form 10-K as soon as practicable after discovery of the error, provided, however, issuers may not correct such errors after the deadline by which, if the issuer were a quarterly filer, the issuer's first quarterly report would be required to be filed for the fiscal year in which the Form 10-K with the error was filed.

(c) This section shall not apply to the following issuers:

(1) Investment companies required to file reports pursuant to § 270.30a-1;

(2) Foreign private issuers required to file reports pursuant to § 240.13a-16; and

(3) Asset-backed issuers required to file reports pursuant to § 240.13a-17.

(d) Part I of the quarterly reports on Form 10-Q or Part I of the semiannual reports on Form 10-S, as applicable, need not be filed by:

(1) Mutual life insurance companies; or

(2) Mining companies not in the production stage but engaged primarily in the exploration for the development of mineral deposits other than oil, gas, or coal, if all of the following conditions are met:

(i) The issuer has not been in production during the current fiscal year or the two years immediately prior

thereto; except that being in production for an aggregate period of not more than eight months over the three-year period shall not be a violation of this condition.

(ii) Receipts from the sale of mineral products or from the operations of mineral producing properties by the issuer and its subsidiaries combined have not exceeded \$500,000 in any of the most recent six years and have not aggregated more than \$1,500,000 in the most recent six fiscal years.

(e) Notwithstanding the foregoing provisions of this section, the financial information required by Part I of Form 10-Q or Part I of Form 10-S, as applicable, shall not be deemed to be "filed" for the purpose of Section 18 of the Act or otherwise subject to the liabilities of that section of the Act, but shall be subject to all other provisions of the Act.

■ 57. Amend § 240.13a-14 by revising paragraph (a) to read as follows:

§ 240.13a-14 Certification of disclosure in annual, semiannual, and quarterly reports.

(a) Each report, including transition reports, filed on Form 10-Q, Form 10-S, Form 10-K, Form 20-F or Form 40-F (§ 249.308a, § 249.308b, § 249.310, § 249.220f, or § 249.240f of this chapter) under Section 13(a) of the Act (15 U.S.C. 78m(a)), other than a report filed by an Asset-Backed Issuer (as defined in § 229.1101 of this chapter) or a report on Form 20-F filed under § 240.13a-19, must include certifications in the form specified in the applicable exhibit filing requirements of such report and such certifications must be filed as an exhibit to such report. Each principal executive and principal financial officer of the issuer, or persons performing similar functions, at the time of filing of the report must sign a certification. The principal executive and principal financial officers of an issuer may omit the portion of the introductory language in paragraph 4 as well as language in paragraph 4(b) of the certification that refers to the certifying officers' responsibility for designing, establishing and maintaining internal control over financial reporting for the issuer until the issuer becomes subject to the internal control over financial reporting requirements in § 240.13a-15 or § 240.15d-15.

* * * * *

■ 58. Amend § 240.13a-15 by revising paragraphs (b) and (d) to read as follows:

§ 240.13a-15 Controls and procedures.

* * * * *

(b) Each such issuer's management must evaluate, with the participation of the issuer's principal executive and

principal financial officers, or persons performing similar functions, the effectiveness of the issuer's disclosure controls and procedures, as of the end of each fiscal quarter for a quarterly filer (as defined in § 240.12b-2 of this chapter) or the end of each fiscal semiannual period for a semiannual filer (as defined in § 240.12b-2 of this chapter), except that management must perform this evaluation:

* * * * *

(d) The management of each such issuer that either had been required to file an annual report pursuant to section 13(a) or 15(d) of the Act (15 U.S.C. 78m(a) or 78o(d) for the prior fiscal year or had filed an annual report with the Commission for the prior fiscal year, other than an investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8), must evaluate, with the participation of the issuer's principal executive and principal financial officers, or persons performing similar functions, any change in the issuer's internal control over financial reporting, that occurred during each of the issuer's fiscal quarters for a quarterly filer or fiscal semiannual periods for a semiannual filer, or fiscal year in the case of a foreign private issuer, that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting.

* * * * *

■ 59. Amend § 240.13a-16 by revising paragraph (a)(3) to read as follows:

§ 240.13a-16 Reports of foreign private issuers on Form 6-K (17 CFR 249.306).

(a) * * *

(3) Issuers filing periodic reports on Form 10-K, Form 10-S, and Form 10-Q, and current reports on Form 8-K; or

* * * * *

■ 60. Amend § 240.13d-1 by revising paragraph (j) to read as follows:

§ 240.13d-1 Filing of Schedules 13D and 13G.

* * * * *

(j) For the purpose of sections 13(d) and 13(g) of the Act, any person, in determining the amount of outstanding securities of a class of equity securities, may rely upon information set forth in the issuer's most recent quarterly, semiannual, or annual report, and any current report subsequent thereto, filed with the Commission pursuant to the Act, unless such person knows or has reason to believe that the information contained therein is inaccurate.

* * * * *

■ 61. Amend § 240.14a-5 by revising paragraph (f) to read as follows:

§ 240.14a-5 Presentation of information in proxy statement.

* * * * *

(f) If the date of the next annual meeting is subsequently advanced or delayed by more than 30 calendar days from the date of the annual meeting to which the proxy statement relates, the registrant shall, in a timely manner, inform shareholders of such change, and the new dates referred to in paragraphs (e)(1) and (e)(2) of this section, by including a notice, under Item 5, in its earliest possible quarterly report on Form 10-Q (§ 249.308a of this chapter) or semiannual report on Form 10-S (§ 249.308b of this chapter), in the case of investment companies, in a shareholder report under § 270.30d-1 of this chapter under the Investment Company Act of 1940, or, if impracticable, any means reasonably calculated to inform shareholders.

■ 62. Amend § 240.14a-8 by revising paragraph (e)(1):

§ 240.14a-8 Shareholder proposals.

* * * * *

(e)

(1) If you are submitting your proposal for the company's annual meeting, you can in most cases find the deadline in last year's proxy statement. However, if the company did not hold an annual meeting last year, or has changed the date of its meeting for this year more than 30 days from last year's meeting, you can usually find the deadline in one of the company's quarterly reports on Form 10-Q (§ 249.308a of this chapter) or semiannual reports on Form 10-S (§ 249.308b of this chapter), or in shareholder reports of investment companies under § 270.30d-1 of this chapter of the Investment Company Act of 1940. In order to avoid controversy, shareholders should submit their proposals by means, including electronic means, that permit them to prove the date of delivery.

* * * * *

■ 63. Amend § 240.14a-101 by revising NOTES D.4. and Item 9. (e)(1) to read as follows:

§ 240.14a-101 Schedule 14A. Information required in proxy statement.

* * * * *

NOTES * * *
D. * * *

4. *Electronic filings.* If any of the information required by Items 13 or 14 of this Schedule is incorporated by reference from an annual, semiannual, or quarterly report, such report, or any portion thereof incorporated by reference, shall be filed in electronic format with the proxy statement. This

provision shall not apply to registered investment companies.

* * * *

*Item 9. * * **

(e)

(1) Disclose, under the caption *Audit Fees*, the aggregate fees billed for each of the last two fiscal years for professional services rendered by the principal accountant for the audit of the registrant's annual financial statements and review of financial statements included in the registrant's Form 10-Q (17 CFR 249.308a) or Form 10-S (17 CFR 249.308b), or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years.

* * * *

■ 64. Amend § 240.15c2-11 by revising paragraph (f)(3)(i)(C)(1):

§ 240.15c2-11 Publication or submission of quotations without specified information.

* * * *

(f) * * *

(3) * * *

(i) * * *

(C) * * *

(1) Paragraph (b)(3)(i), (iv), or (v) of this section are filed within 180 calendar days from the end of the issuer's most recent fiscal year, fiscal semiannual period, or fiscal quarterly reporting period that is covered by a report required by section 13 or 15(d) of the Act, as applicable;

* * * *

■ 65. Amend § 240.15d-10 by revising paragraph (c), (d), (e), (f), and (j) to read as follows:

§ 240.15d-10 Transition reports.

* * * *

(c) If the transition period covers a period of less than six months, in lieu of the report required by paragraph (b) of this section, a quarterly filer (as defined in § 240.12b-2 of this chapter) may file a report for the transition period on Form 10-Q (§ 249.308 of this chapter) and a semiannual filer (as defined in § 240.12b-2 of this chapter) may file a report for the transition period on Form 10-S (§ 249.308b of this chapter) not more than the number of days specified in paragraph (j) of this section after either the close of the transition period or the date of the determination to change the fiscal closing date, whichever is later. The report on Form 10-Q or 10-S shall cover the period from the close of the last fiscal year end and shall indicate clearly the period covered. The financial statements filed therewith need not be audited but, if they are not audited, the issuer shall file with the first annual

report for the newly adopted fiscal year separate audited statements of income and cash flows covering the transition period. The notes to financial statements for the transition period included in such first annual report may be integrated with the notes to financial statements for the full fiscal period. A separate audited balance sheet as of the end of the transition period shall be filed in the annual report only if the audited balance sheet as of the end of the fiscal year before the transition period is not filed. Schedules need not be filed in transition reports on Form 10-Q or Form 10-S.

(d) Notwithstanding the foregoing in paragraphs (a), (b), and (c) of this section, if the transition period covers a period of one month or less, the issuer need not file a separate transition report if either:

(1) The first report required to be filed by the issuer for the newly adopted fiscal year after the date of the determination to change the fiscal year end is an annual report, and that report covers the transition period as well as the fiscal year; or

(2)

(i) The issuer files with the first annual report for the newly adopted fiscal year separate audited statements of income and cash flows covering the transition period; and

(ii) The first report required to be filed by the issuer for the newly adopted fiscal year after the date of the determination to change the fiscal year end is a quarterly report on Form 10-Q or semiannual report on Form 10-S; and

(iii) Information on the transition period is included in the quarterly filer's report on Form 10-Q for the first quarterly period (except the fourth quarter) of the newly adopted fiscal year that ends after the date of the determination to change the fiscal year or the semiannual filer's report on Form 10-S for the first semiannual period of the newly adopted fiscal year after the date of the determination to change the fiscal year. The information covering the transition period required by Part II and Item 2 of Part I may be combined with the information regarding the quarter or semiannual period. However, the financial statements required by Part I, which may be unaudited, shall be furnished separately for the transition period.

(e) A quarterly filer that changes its fiscal year end shall apply paragraph (e)(1) of this section. A semiannual filer that changes its fiscal year end shall apply paragraph (e)(2) of this section:

(1) A quarterly filer shall:

(i) File a quarterly report on Form 10-Q within the time period specified in General Instruction A.1. to that form for any quarterly period (except the fourth quarter) of the old fiscal year that ends before the date on which the issuer determined to change its fiscal year end, except that the issuer need not file such quarterly report if the date on which the quarterly period ends also is the date on which the transition period ends;

(ii) File a quarterly report on Form 10-Q within the time specified in General Instruction A.1 to that form for each quarterly period of the old fiscal year within the transition period. In lieu of a quarterly report for any quarter of the old fiscal year within the transition period, the issuer may file a quarterly report on Form 10-Q for any period of three months within the transition period that coincides with a quarter of the newly adopted fiscal year if the quarterly report is filed within the number of days specified in paragraph (j) of this section after the end of such three month period, provided the issuer thereafter continues filing quarterly reports on the basis of the quarters of the newly adopted fiscal year;

(iii) Commence filing quarterly reports for the quarters of the new fiscal year no later than the quarterly report for the first quarter of the new fiscal year that ends after the date on which the issuer determined to change the fiscal year end; and

(iv) Unless such information is or will be included in the transition report, or the first annual report on Form 10-K for the newly adopted fiscal year, include in the initial quarterly report on Form 10-Q for the newly adopted fiscal year information on any period beginning on the first day after the period covered by the issuer's final quarterly report on Form 10-Q or annual report on Form 10-K for the old fiscal year. The information covering such period required by Part II and Item 2 of Part I may be combined with the information regarding the quarter. However, the financial statements required by Part I, which may be unaudited, shall be furnished separately for such period.

(2) A semiannual filer shall:

(i) File a semiannual report on Form 10-S within the time period specified in General Instruction A.1. to that form for its first fiscal semiannual period of the old fiscal year that ends before the date on which the issuer determined to change its fiscal year end, except that the issuer need not file such semiannual report if the date on which the fiscal semiannual period ends also is the date on which the transition period ends;

(ii) File a semiannual report on Form 10-S within the time specified in

General Instruction A.1. to that form for the first fiscal semiannual period of the old fiscal year within the transition period. In lieu of a semiannual report for the first fiscal semiannual period of the old fiscal year within the transition period, the issuer may file a semiannual report on Form 10-S for the first fiscal semiannual period within the transition period that coincides with the first fiscal semiannual period of the newly adopted fiscal year if the semiannual report is filed within the number of days specified in paragraph (j) of this section after the end of such semiannual period, provided the issuer thereafter continues filing semiannual reports on the basis of the fiscal semiannual periods of the newly adopted fiscal year;

(iii) Commence filing semiannual reports for the first fiscal semiannual period of the new fiscal year no later than the semiannual report for the first fiscal semiannual period of the new fiscal year that ends after the date on which the issuer determined to change the fiscal year end.

Note to paragraphs (c) and (e):

If it is not practicable or cannot be cost-justified to furnish in a transition report on Form 10-Q or 10-S or a quarterly or semiannual report for the newly adopted fiscal year financial statements for corresponding periods of the prior year where required, financial statements may be furnished for the quarters or semiannual period of the preceding fiscal year that most nearly are comparable if the issuer furnishes an adequate discussion of seasonal and other factors that could affect the comparability of information or trends reflected, an assessment of the comparability of the data, and a representation as to the reason recasting has not been undertaken.

(f) Every successor issuer that has a different fiscal year from that of its predecessor(s) shall file a transition report pursuant to this section, containing the required information about each predecessor, for the transition period, if any, between the close of the fiscal year covered by the last annual report of each predecessor and the date of succession. The report shall be filed for the transition period on the form appropriate for annual reports of the issuer not more than the number of days specified in paragraph (j) of this section after the date of the succession, with financial statements in conformity with the requirements set forth in paragraph (b) of this section. If the transition period covers a period of less than six months, in lieu of a transition report on the form appropriate for the issuer's annual reports, the report may be filed for the transition period on

Form 10-Q or Form 10-S not more than the number of days specified in paragraph (j) of this section after the date of the succession, with financial statements in conformity with the requirements set forth in paragraph (c) of this section. Notwithstanding the foregoing, if the transition period covers a period of one month or less, the successor issuer need not file a separate transition report if the information is reported by the successor issuer in conformity with the requirements set forth in paragraph (d) of this section.

* * * * *

(j) (1) For transition reports to be filed on the form appropriate for annual reports of the issuer, the number of days shall be:

(i) 60 days for large accelerated filers (as defined in § 240.12b-2);

(ii) 75 days for accelerated filers (as defined in § 240.12b-2); and

(iii) 90 days for all other issuers; and

(2) For transition reports to be filed on Form 10-Q (§ 249.308 of this chapter) or Form 10-S (§ 249.308b of this chapter), the number of days shall be:

(i) 40 days for large accelerated filers and accelerated filers (as defined in § 240.12b-2); and

(ii) 45 days for all other issuers.

* * * * *

■ 66. Revise § 240.15d-13 to read as follows:

§ 240.15d-13 Quarterly reports on Form 10-Q (§ 249.308 of this chapter) or semiannual reports on Form 10-S (§ 249.308b of this chapter).

(a) Except as provided in paragraphs (b), (c) and (d) of this section, every issuer that has securities registered pursuant to the Securities Act and is required to file annual reports pursuant to section 15(d) of the Act on Form 10-K (§ 249.310 of this chapter) shall file a quarterly report on Form 10-Q (§ 249.308a of this chapter) within the period specified in General Instruction A.1 to that form for each of the first three quarters of each fiscal year of the issuer, commencing with the first fiscal quarter following the most recent fiscal year for which full financial statements were included in an initial registration statement, or, if the initial registration statement included financial statements for an interim period after the most recent fiscal year end meeting the requirements of Article 10 of Regulation S-X or Rule 8-03 of Regulation S-X for smaller reporting companies, for the first fiscal quarter after the quarter reported upon in the initial registration statement. The first quarterly report of the issuer shall be filed on or before either the 45th day after the effective

date of the initial registration statement or the date on which such report would have been required to be filed if the issuer had been required to file reports on Form 10-Q as of its last fiscal quarter, whichever is later.

(b) Issuers that are obligated under paragraph (a) of this section to file quarterly reports on Form 10-Q, may, in lieu thereof, file a semiannual report on Form 10-S (§ 249.308b of this chapter) by marking the semiannual reporting box on the cover page of Form 10-K or initial registration statement, as applicable. Issuers must file the Form 10-S within the period specified in General Instruction A.1. to that form for the first fiscal semiannual period of the fiscal year of the issuer, commencing with the first fiscal semiannual period following the most recent fiscal year for which full financial statements were included in the initial registration statement with the marked semiannual reporting box, or, if the initial registration statement with the marked semiannual reporting box included financial statements for a fiscal semiannual period subsequent to the most recent fiscal year end meeting the requirements of Article 10 of Regulation S-X or Rule 8-03 of Regulation S-X for smaller reporting companies, commencing with the first fiscal semiannual period of the fiscal year that immediately follows the fiscal year reported upon in the registration statement.

(1) The first semiannual report of the issuer shall be filed on or before either the 45th day after the effective date of an initial registration statement or the date on which such report would have been required to be filed if the issuer had been required to file reports on Form 10-S as of its last fiscal semiannual period, whichever is later.

(2) Issuers that elected to file semiannual reports on Form 10-S in reliance on paragraph (b) of this section by marking the semiannual reporting box on the cover page of Form 10-K shall file a semiannual report on Form 10-S for the first fiscal semiannual period of the fiscal year in which the Form 10-K with the election was filed.

(3) Issuers that elected to no longer file semiannual reports on Form 10-S in reliance on paragraph (b) of this section by unmarking the semiannual reporting box on the cover page of the Form 10-K shall commence filing quarterly reports on Form 10-Q for the first quarter of the fiscal year in which the Form 10-K was filed.

(4) Issuers may correct an error with respect to the semiannual reporting box on the cover page of a Form 10-K by amending the Form 10-K as soon as

practicable after discovery of the error, provided, however, issuers may not correct such errors after the deadline by which, if the issuer were a quarterly filer, the issuer's first quarterly report would be required to be filed for the fiscal year in which the Form 10-K with the error was filed.

(c) This section shall not apply to the following issuers:

(1) Investment companies required to file reports pursuant to § 270.30a-1;

(2) Foreign private issuers required to file reports pursuant to § 240.15d-16; and

(3) Asset-backed issuers required to file reports pursuant to § 240.15d-17.

(d) Part I of the quarterly reports on Form 10-Q or Part I of the semiannual reports on Form 10-S, as applicable, need not be filed by:

(1) Mutual life insurance companies; or

(2) Mining companies not in the production stage but engaged primarily in the exploration for the development of mineral deposits other than oil, gas, or coal, if all of the following conditions are met:

(i) The issuer has not been in production during the current fiscal year or the two years immediately prior thereto; except that being in production for an aggregate period of not more than eight months over the three-year period shall not be a violation of this condition.

(ii) Receipts from the sale of mineral products or from the operations of mineral producing properties by the issuer and its subsidiaries combined have not exceeded \$500,000 in any of the most recent six years and have not aggregated more than \$1,500,000 in the most recent six fiscal years.

(e) Notwithstanding the foregoing provisions of this section, the financial information required by Part I of Form 10-Q or Part I of Form 10-S, as applicable, shall not be deemed to be "filed" for the purpose of section 18 of the Act or otherwise subject to the liabilities of that section of the Act, but shall be subject to all other provisions of the Act.

■ 67. Amend § 240.15d-14 by revising paragraph (a) to read as follows:

§ 240.15d-14 Certification of disclosure in annual, semiannual, and quarterly reports.

(a) Each report, including transition reports, filed on Form 10-Q, Form 10-S, Form 10-K, Form 20-F or Form 40-F (§ 249.308a, § 249.308b, § 249.310, § 249.220f or § 249.240f of this chapter) under section 15(d) of the Act (15 U.S.C. 78o(d)), other than a report filed by an Asset-Backed Issuer (as defined in § 229.1101 of this chapter) or a report on Form 20-F filed under § 240.15d-19,

must include certifications in the form specified in the applicable exhibit filing requirements of such report, and such certifications must be filed as an exhibit to such report. Each principal executive and principal financial officer of the issuer, or persons performing similar functions, at the time of filing of the report must sign a certification. The principal executive and principal financial officers of an issuer may omit the portion of the introductory language in paragraph 4 as well as language in paragraph 4(b) of the certification that refers to the certifying officers' responsibility for designing, establishing and maintaining internal control over financial reporting for the issuer until the issuer becomes subject to the internal control over financial reporting requirements in § 240.13a-15 or § 240.15d-15.

* * * * *

■ 68. Amend § 240.15d-15 by revising paragraphs (b) and (d) to read as follows:

§ 240.15d-15 Controls and procedures.

* * * * *

(b) Each such issuer's management must evaluate, with the participation of the issuer's principal executive and principal financial officers, or persons performing similar functions, the effectiveness of the issuer's disclosure controls and procedures, as of the end of each fiscal quarter for a quarterly filer (as defined in § 240.12b-2 of this chapter) or the end of each fiscal semiannual period for a semiannual filer (as defined in § 240.12b-2 of this chapter), except that management must perform this evaluation:

* * * * *

(d) The management of each such issuer that previously either had been required to file an annual report pursuant to section 13(a) or 15(d) of the Act (15 U.S.C. 78m(a) or 78o(d)) for the prior fiscal year or previously had filed an annual report with the Commission for the prior fiscal year, other than an investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8), must evaluate, with the participation of the issuer's principal executive and principal financial officers, or persons performing similar functions, any change in the issuer's internal control over financial reporting, that occurred during each of the issuer's fiscal quarters for a quarterly filer or fiscal semiannual periods for a semiannual filer, or fiscal year in the case of a foreign private issuer, that has materially affected, or is reasonably

likely to materially affect, the issuer's internal control over financial reporting.

* * * * *

■ 69. Amend § 240.15d-16 by revising paragraphs (a)(2) and (3) and adding new paragraph (a)(4) to read as follows:

§ 240.15d-16 Reports of foreign private issuers on Form 6-K (17 CFR 249.306).

(a) * * *

(2) Issuers of American depositary receipts for securities of any foreign issuer;

(3) Issuers filing periodic reports on Form 10-K, Form 10-S, and Form 10-Q, and current reports on Form 8-K; or

(4) Asset-backed issuers, as defined in § 229.1101 of this chapter.

* * * * *

■ 70. Amend § 249.322 by revising paragraph (a) to read as follows:

§ 249.322 Form 12b-25—Notification of late filing.

(a) This form shall be filed pursuant to § 240.12b-25 of this chapter by issuers who are unable to file timely all or any required portion of an annual or transition report on Form 10-K, 20-F, or 11-K (§ 249.310, 249.220f, or 249.311), a quarterly or transition report on Form 10-Q (§ 249.308a), a semiannual or transition report on Form 10-S (§ 249.308b), or a distribution report on Form 10-D (§ 249.312) pursuant to section 13 or 15(d) of the Act (15 U.S.C. 78m or 78o(d)) or an annual report on Form N-CEN (§ 249.330; 274.101) or a semi-annual or annual report on Form N-CSR (§ 249.331; 274.128) pursuant to section 13 or 15(d) of the Act or section 30 of the Investment Company Act of 1940 (15 U.S.C. 80a-29). The filing shall consist of a signed original and three conformed copies, and shall be filed with the Commission at Washington, DC 20549, no later than one business day after the due date for the periodic report in question. Copies of this form may be obtained from "Publications," Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549 and at our website at <http://www.sec.gov>.

* * * * *

PART 249—FORMS, SECURITIES EXCHANGE ACT OF 1934

■ 71. The authority citation for part 249 continues to read, in part, as follows:

Authority: 15 U.S.C. 78a *et seq.* and 7201 *et seq.*; 12 U.S.C. 5461 *et seq.*; 18 U.S.C. 1350; Sec. 953(b), Pub. L. 111-203, 124 Stat. 1904; Sec. 102(a)(3), Pub. L. 112-106, 126 Stat. 309 (2012); Sec. 107, Pub. L. 112-106, 126 Stat. 313 (2012), and Sec. 72001, Pub. L. 114-94, 129 Stat. 1312 (2015), and secs. 2 and 3 Pub. L. 116-222, 134 Stat. 1063 (2020), unless otherwise noted.

* * * * *

■ 72. Amend Form 10 (referenced in § 249.210) by adding on the form cover page the text “Indicate by check mark if the registrant has elected to file semiannual reports pursuant to Rule 13a–13(b) or Rule 15d–13(b) of the Act. ☐ ”;

Note: The additions to Form 10 read as shown in Appendix I to this document. The text of Form 10 does not, and the text of the amendments to Form 10 will not, appear in the Code of Federal Regulations.

■ 73. Amend Form 6–K (referenced in § 249.306) by revising General Instruction (C)(6)(a)(i).

Note: The revisions to Form 6–K read as shown in Appendix J to this document. The text of Form 6–K does not, and the text of the amendments to Form 6–K will not, appear in the Code of Federal Regulations.

■ 74. Amend Form 8–K (referenced in § 249.308) by revising Item 2.02.

Note: The revisions to Form 8–K read as shown in Appendix K to this document. The text of Form 8–K does not, and the text of the amendments to Form 8–K will not, appear in the Code of Federal Regulations.

■ 75. Add new Form 10–S (to be referenced in § 249.308b).

Note: Proposed Form 10–S is attached as Appendix L to this document. The text of Form 10–S will not appear in the Code of Federal Regulations.

■ 76. Amend Form 10–K (referenced in § 249.310) by:

■ a. Adding on the form cover page the text: “Indicate by check mark if the registrant has elected to file semiannual reports pursuant to Rule 13a–13(b) or Rule 15d–13(b) of the Act.” ☐ ”;

■ b. Revising the cover page sentence: “State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant’s most recently completed second fiscal quarter.”; and

■ c. Revising Item 3, 5, 9B, and 14.

Note: The additions and revisions to Form 10–K read as shown in Appendix M to this document. The text of Form 10–K does not, and the text of the amendments to Form 10–K will not, appear in the Code of Federal Regulations.

■ 77. Amend Form 12b–25 (referenced in § 249.322) by revising the cover page, Part II, and Part III.

Note: The revisions to Form 12b–25 read as shown in Appendix N to this document. The text of Form 12b–25 does not, and the text of the amendments to Form 12b–25 will not, appear in the Code of Federal Regulations.

PART 260—GENERAL RULES AND REGULATIONS, TRUST INDENTURE ACT OF 1939

■ 78. The authority citation for part 260 continues to read as follows:

Authority: 15 U.S.C. 77c, 77ddd, 77eee, 77ggg, 77nnn, 77sss, 78ll (d), 80b–3, 80b–4, and 80b–11, unless otherwise noted.

* * * * *

■ 79. Amend § 260.0–11 by revising paragraph (b)(1) and (2) to read as follows:

§ 260.0–11 Liability for certain statements by issuers.

* * * * *

(b) * * *

(1) A forward-looking statement (as defined in paragraph (c) of this section) made in a document filed with the Commission, in Part I of a quarterly report on Form 10–Q, § 249.308a of this chapter, in Part I of a semiannual report on Form 10–S, § 249.308b of this chapter, or in an annual report to security holders meeting the requirements of Rules 14a–3(b) and (c) or 14c–3(a) and (b) under the Securities Exchange Act of 1934 (§ 240.14a–3(b) and (c) or § 240.14c–3(a) and (b) of this chapter), a statement reaffirming such forward-looking statement after the date the document was filed or the annual report was made publicly available, or a forward-looking statement made before the date the document was filed or the date the annual report was made publicly available if such statement is reaffirmed in a filed document, in Part I of a quarterly report on Form 10–Q, in Part I of a semiannual report on Form 10–S, or in an annual report made publicly available within a reasonable time after the making of such forward-looking statement; *Provided, that:*

* * * * *

(2) Information relating to the effects of changing prices on the business enterprise presented voluntarily or pursuant to Item 303 of Regulation S–K (§ 229.303 of this chapter), Item 5 of Form 20–F (§ 249.220f of this chapter), “Operating and Financial Review and Prospects,” Item 302 of Regulation S–K (§ 229.302 of this chapter), “Supplementary Financial Information,” or Rule 3–20(c) of Regulation S–X (§ 210.3–20(c) of this chapter), and disclosed in a document filed with the Commission, in Part I of a quarterly report on Form 10–Q, in Part I of a semiannual report on Form 10–S, or in an annual report to shareholders meeting the requirements of Rules 14a–3(b) and (c) or 14c–3(a) and (b) (§ 240.14a–3(b) and (c) or § 240.14c–3(a)

and (b)) under the Securities Exchange Act of 1934.

* * * * *

By the Commission.

Dated: May 5, 2026.

Vanessa A. Countryman,
Secretary.

Appendix A—Form S–1

* * * * *

Form S–1

* * * * *

Indicate by check mark if the registrant has elected to file semiannual reports pursuant to Rule 13a–13(b) or Rule 15d–13(b) of the Act.

☐

* * * * *

Item 11A. Material Changes

If the registrant elects to incorporate information by reference pursuant to General Instruction VII., describe any and all material changes in the registrant’s affairs which have occurred since the end of the latest fiscal year for which audited financial statements were included in the latest Form 10–K and that have not been described in a Form 10–Q, Form 10–S, or Form 8–K filed under the Exchange Act.

* * * * *

Appendix B—Form S–3

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Form S–3

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Indicate by check mark if the registrant has elected to file semiannual reports pursuant to Rule 13a–13(b) or Rule 15d–13(b) of the Act.

☐

* * * * *

Item 11. Material Changes

(a) Describe any and all material changes in the registrant’s affairs which have occurred since the end of the latest fiscal year for which certified financial statements were included in the latest annual report to security holders and which have not been described in a report on Form 10–Q (§ 249.308a of this chapter), Form 10–S (§ 249.308b of this chapter), or Form 8–K (§ 249.308 of this chapter) filed under the Exchange Act.

* * * * *

Appendix C—Form S–11

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Form S–11

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Indicate by check mark if the registrant has elected to file semiannual reports pursuant to Rule 13a–13(b) or Rule 15d–13(b) of the Act.

☐

* * * * *

Item 28A. Material Changes

If the registrant elects to incorporate information by reference pursuant to General Instruction H, describe any and all material changes in the registrant’s affairs which have

occurred since the end of the latest fiscal year for which audited financial statements were included in the latest Form 10-K and which have not been described in a Form 10-Q, Form 10-S, or Form 8-K filed under the Exchange Act.

* * * *

Appendix D—Form S-4

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Form S-4

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Indicate by check mark if the registrant has elected to file semiannual reports pursuant to Rule 13a-13(b) or Rule 15d-13(b) of the Act.

☐

* * * *

Item 10. Information With Respect to S-3 Registrants

If the registrant meets the requirements for use of Form S-3 and elects to furnish information in accordance with the provisions of this Item, furnish information as required below:

(a) Describe any and all material changes in the registrant's affairs that have occurred since the end of the latest fiscal year for which audited financial statements were included in the latest annual report to security holders and that have not been described in a report on Form 10-Q (§ 249.308a of this chapter), Form 10-S (§ 249.308a of this chapter), or Form 8-K (§ 249.308 of this chapter) filed under the Exchange Act.

* * * *

Item 12. Information With Respect to S-3 Registrants

* * * *

(a) * * *

(2) Provide financial and other information with respect to the registrant in the form required by Part I of Form 10-Q as of the end of the most recent fiscal quarter (or, if applicable, required by Part I of Form 10-S as of the end of the most recent fiscal semiannual period) which ended after the end of the latest fiscal year for which certified financial statements were included in the latest Form 10-K or the latest report to security holders (whichever the registrant elects to deliver pursuant to paragraph (a) of this Item), and more than forty-five days prior to the effective date of this registration statement (or as of a more recent date) by one of the following means:

(i) including such information in the prospectus;

(ii) providing without charge to each person to whom a prospectus is delivered a copy of the registrant's latest Form 10-Q or latest Form 10-S; or

(iii) providing without charge to each person to whom a prospectus is delivered a copy of the registrant's latest quarterly report or semiannual report that was delivered to its security holders and which included the required financial information.

* * * *

(4) Describe any and all material changes in the registrant's affairs which have occurred since the end of the latest fiscal year

for which audited financial statements were included in the latest Form 10-K or the latest annual report to security holders (whichever the registrant elects to deliver pursuant to paragraph of this Item) and that were not described in a Form 10-Q, Form 10-S, or quarterly report or semiannual report delivered with the prospectus in accordance with paragraphs (a)(2)(ii) or (iii) of this Item.

Instruction. Where the registrant elects to deliver the documents identified in paragraph (a) with a preliminary prospectus, such documents need not be redelivered with the final prospectus.

(b) * * *

(2) * * *

(i) the interim financial information required by Rule 10-01 of Regulation S-X (§ 210.10-01 of this chapter) for a filing on Form 10-Q or Form 10-S;

* * * *

Item 13. Incorporation of Certain Information by Reference

* * * *

(a) * * *

(4) If the registrant elects, pursuant to Item 12(a)(2)(iii) of this Form, to provide a copy of its latest quarterly report or latest semiannual report, as applicable, which was delivered to security holders, financial information equivalent to that required to be presented in Part I of Form 10-Q or Part I of Form 10-S.

Instruction. Attention is directed to Rule 439 regarding consent to the use of material incorporated by reference.

(b) The registrant also may state, if it so chooses, that specifically described portions of its annual, semiannual, or quarterly report to security holders, other than those portions required to be incorporated by reference pursuant to paragraphs (a)(3) and (4) of this Item, are not part of the registration statement. In such case, the description of portions that are not incorporated by reference or that are excluded shall be made with clarity and in reasonable detail.

(c) Electronic filings. Electronic filers electing to deliver and incorporate by reference all, or any portion, of the quarterly, semiannual, or annual report to security holders pursuant to this Item shall file as an exhibit such quarterly, semiannual, or annual report to security holders, or such portion thereof that is incorporated by reference, in electronic format.

* * * *

Item 16. Information With Respect to S-3 Companies

* * * *

(b) Electronic filings. In addition to satisfying the requirements of paragraph (a) of this Item, electronic filers that elect to deliver and incorporate by reference all, or any portion, of the quarterly, semiannual, or annual report to security holders of a company being acquired pursuant to this Item shall file as an exhibit such quarterly, semiannual, or annual report to security holders, or such portion thereof that is incorporated by reference, in electronic format.

Item 17. Information With Respect to Companies Other Than S-3 Companies

* * * *

(b) * * *

(8)

(i) the quarterly financial and other information as would have been required had the company being acquired been required to file Part I of Form 10-Q (§ 249.308a) for the most recent quarter for which such a report would have been on file at the time the registration statement becomes effective or for a period ending as of a more recent date; or

(ii) the semiannual financial and other information as would have been required had the company being acquired been required to file Part I of Form 10-S (§ 249.308b) for the most recent semiannual period for which such a report would have been on file at the time the registration statement becomes effective or for a period ending as of a more recent date.

* * * *

Appendix E—Form F-1

* * * *

Form F-1

* * * *

Item 4A. Material Changes

If the registrant elects to incorporate information by reference pursuant to General Instruction VI., describe any and all material changes in the registrant's affairs which have occurred since the end of the latest fiscal year for which audited financial statements were included in accordance with Item 5 of this Form and which have not been described in a report on Form 6-K, Form 10-Q, Form 10-S, or Form 8-K filed under the Exchange Act and incorporated by reference pursuant to Item 5 of this Form.

* * * *

Item 5. Incorporation of Certain Information by Reference

* * * *

(a) * * *

2. Any report on Form 10-Q, Form 10-S, or Form 8-K filed since the date of filing of the annual report. The registrant may also incorporate by reference any Form 6-K meeting the requirements of this Form.

* * * *

Appendix F—Form F-3

* * * *

Form F-3

* * * *

Item 5. Material Changes

(a) Describe any and all material changes in the registrant's affairs that have occurred since the end of the latest fiscal year for which certified financial statements are included in this registration statement in accordance with Item 6 of this Form and that have not been described in a report on Form 6-K (§ 249.306 of this chapter), Form 10-Q (§ 249.308a of this chapter), Form 10-S (§ 249.308b of this chapter), or Form 8-K (§ 249.308 of this chapter) filed under the

Exchange Act and incorporated by reference pursuant to Item 6 of this Form.

* * * * *

Item 6. Incorporation of Certain Information by Reference

(a) The registrant's latest Form 20-F, Form 40-F, Form 10-K or Form 10 filed pursuant to the Exchange Act shall be incorporated by reference. Any report on Form 10-Q, Form 10-S, or Form 8-K filed since the date of filing of the annual report incorporated by reference also shall be incorporated by reference. If capital stock is to be registered and securities of the same class are registered under Section 12 of the Exchange Act, the description of such class of securities which is contained in a registration statement filed under the Exchange Act, including any amendment or reports filed for the purpose of updating such description, shall be incorporated by reference.

Instruction

If the registrant's latest filing on Form 20-F, Form 40-F or Form 10-K is amended to include the information specified in Item 18 of Form 20-F, the prospectus shall state that the Form 20-F, Form 40-F or Form 10-K has been so amended. Reference is made to the Transaction Requirements in General Instruction I.B. that, in some cases, require the financial statements in the Form 20-F, Form 40-F or Form 10-K to comply with Item 18 of Form 20-F as a condition for eligibility to use Form F-3.

(b) The prospectus shall also state that all subsequent annual reports filed on Form 20-F, Form 40-F or Form 10-K, and all subsequent filings on Forms 10-Q, 10-S, and 8-K filed by the registrant pursuant to the Exchange Act, prior to the termination of the offering, shall be deemed to be incorporated by reference into the prospectus.

* * * * *

Appendix G—Form F-4

* * * * *

Form F-4

* * * * *

Item 10. Information With Respect to F-3 Companies

If the registrant meets the requirements for use of Form F-3 and elects to furnish information in accordance with the provisions of this Item, furnish information as required below:

(a) Describe any and all material changes in the registrant's affairs that have occurred since the end of the latest fiscal year for which audited financial statements are incorporated by reference in accordance with Item 11 of this Form and that have not been described in a report on Form 6-K (§ 249.306 of this chapter), Form 10-Q (§ 249.308a of this chapter), Form 10-S (§ 249.308b of this chapter), or Form 8-K (§ 249.308 of this chapter) filed under the Exchange Act;

(b) If the financial statements incorporated by reference in accordance with Item 11 of this Form are not sufficiently current to comply with Item 8.A of Form 20-F, financial statements necessary to comply with that rule shall be presented either in the

prospectus, in an amended Form 20-F, 40-F or 10-K (in which case the prospectus shall disclose that such form has been so amended), or in a Form 6-K, Form 10-Q, Form 10-S, or Form 8-K; and

* * * * *

Item 11. Incorporation of Certain Information by Reference

If the registrant furnishes information in accordance with the provisions of Item 10 of this Form:

(a) * * *

Instructions

* * * * *

2. Where common equity securities are being issued, the information required by Item 9.A.4 of Form 20-F, nature of trading markets, should be updated, to cover any subsequent interim periods for which interim financial statements are required to be included to comply with Item 8.A of Form 20-F. Such updating may be made in the prospectus, in an amended Form 20-F, Form 10-K or, in the case of registrants described in General Instruction A.(2) of Form 40-F, Form 40-F, or in a Form 6-K, Form 10-Q, Form 10-S, or Form 8-K, as applicable.

* * * * *

(b) The prospectus also shall state that all annual reports on Form 20-F, on Form 10-K or, in the case of registrants described in General Instruction A.(2) of Form 40-F, on Form 40-F and all Forms 10-Q, Form 10-S, and 8-K, and any Form 6-K so designated, subsequently filed by the registrant pursuant to sections 31(a), 13(c) or 15(d) of the Exchange Act, prior to one of the following dates, whichever is applicable, shall be deemed to be incorporated by reference into the prospectus:

* * * * *

Item 12. Information With Respect to F-3 Registrants

* * * * *

(a) * * *

(2) * * *

(ii) providing without charge to whom a prospectus is delivered a copy of the registrant's Form 10-Q, Form 10-S, Form 8-K or Form 6-K report that contains such later information; or

* * * * *

(4) Describe any and all material changes in the registrant's affairs that have occurred since the end of the latest fiscal year for which audited financial statements are incorporated by reference in accordance with Item 13 of this Form and that have not been described in a report on Form 6-K, Form 10-Q, Form 10-S, or Form 8-K delivered with the prospectus in accordance with paragraph (2)(ii) of this Item.

(5) Where common equity securities are being issued, the information required by Item 9.A.4 of Form 20-F, nature of trading markets, should be updated to cover any subsequent interim periods for which interim financial statements are required to be included to comply with Item 8.A of Form 20-F. Such updating may be made in the prospectus, in an amended Form 20-F, Form

10-K or Form 40-F, or in a Form 6-K, Form 10-Q, Form 10-S, or Form 8-K.

* * * * *

Item 13. Incorporation of Certain Information by Reference

* * * * *

Instructions

* * * * *

2. Where common equity securities are being issued, the information required by Item 9.A.4. of Form 20-F, nature of trading markets, should be updated to cover any subsequent interim periods for which interim financial statements are required to be included to comply with Item 8-A of Form 20-F. Such updating may be made in the prospectus, in an amended Form 20-F, Form 10-K or Form 40-F or in a Form 6-K, Form 10-Q, Form 10-S, or Form 8-K.

3. The registrant may incorporate by reference and deliver with the prospectus any Form 6-K, Form 10-Q, Form 10-S, or Form 8-K containing information eligible to be incorporated by reference into Form F-1. See Rules 4-01(a)(2) and 10-01 of Regulation S-X and Item 18 of Form 20-F.

* * * * *

Item 17. Information With Respect to Foreign Companies Other Than F-3 Companies

* * * * *

(b) * * *

(2) Where common equity securities are being issued, the information required by Item 9.A.4 of Form 20-F, nature of trading markets, updated to cover any subsequent interim periods for which interim financial statements are required to be included to comply with Item 8.A of Form 20-F. Such updating may be made in the prospectus, in an amended Form 20-F, Form 10-K or, in the case of registrants described in General Instruction A.(2) of Form 40-F, Form 40-F, or in a Form 6-K, Form 10-Q, Form 10-S, or Form 8-K;

* * * * *

Appendix H—Form F-10

* * * * *

Form F-10

* * * * *

PART II—INFORMATION NOT REQUIRED TO BE DELIVERED TO OFFEREEES OR PURCHASERS

* * * * *

(101) * * *

(a) * * *

(i) First is required for a periodic report on Form 10-Q (§ 249.308a of this chapter), Form 10-S (§ 249.308b of this chapter), Form 20-F (§ 249.220f of this chapter), or Form 40-F (§ 249.240f of this chapter), as applicable; and

* * * * *

Appendix I—Form 10

* * * * *

Form 10

* * * * *

Indicate by check mark if the registrant has elected to file semiannual reports pursuant to Rule 13a–13(b) or Rule 15d–13(b) of the Act.

* * * * *

Appendix J—Form 6–K

* * * * *

Form 6–K

* * * * *

General Instructions

* * * * *

(C) * * *

(6) * * *

(a) * * *

(i) First is required for a periodic report on Form 10–Q (§ 249.308a of this chapter), Form 10–S (§ 249.308b of this chapter), Form 20–F (§ 249.220f of this chapter), or Form 40–F (§ 249.240f of this chapter), as applicable; and

* * * * *

Appendix K—Form 8–K

* * * * *

Form 8–K

* * * * *

Item 2.02 Results of Operations and Financial Condition

(a) If a registrant, or any person acting on its behalf, makes any public announcement or release (including any update of an earlier announcement or release) disclosing material non-public information regarding the registrant's results of operations or financial condition for a completed quarterly, semiannual, or annual fiscal period, the registrant shall disclose the date of the announcement or release, briefly identify the announcement or release and include the text of that announcement or release as an exhibit.

(b) * * *

Instructions

1. The requirements of this Item 2.02 are triggered by the disclosure of material non-

public information regarding a completed fiscal year, semiannual period, or quarter. Release of additional or updated material non-public information regarding a completed fiscal year, semiannual period, or quarter would trigger an additional Item 2.02 requirement.

* * * * *

3. Issuers that make earnings announcements or other disclosures of material non-public information regarding a completed fiscal year, semiannual period, or quarter in an interim or annual report to shareholders are permitted to specify which portion of the report contains the information required to be furnished under this Item 2.02.

4. This Item 2.02 does not apply in the case of a disclosure that is made in a quarterly report filed with the Commission on Form 10–Q (17 CFR 249.308a), semiannual report on Form 10–S (17 CFR 249.308b), or an annual report filed with the Commission on Form 10–K (17 CFR 249.310).

BILLING CODE 8011–01–P

Appendix L—Form 10-S

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-S

GENERAL INSTRUCTIONS

OMB APPROVAL
OMB Number:
Expires:
Estimated average burden hours per response

- A. Rule as to Use of Form 10-S.
1. Form 10-S shall be used for semiannual reports under Section 13 or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)), filed pursuant to Rule 13a-13 (17 CFR 240.13a-13) or Rule 15d-13 (17 CFR 240.15d-13). A semiannual report on this Form pursuant to Rule 13a-13 or Rule 15d-13 shall be filed within the following period after the end of the first semiannual period of each fiscal year, but no report need be filed for the second semiannual period of any fiscal year:

a. 40 days after the end of the first semiannual period of a fiscal year for large accelerated filers and accelerated filers (as defined in 17 CFR § 240.12b-2); and

b. 45 days after the end of the first semiannual period of a fiscal year for all other registrants.
- B. Application of General Rules and Regulations.
1. The General Rules and Regulations under the Act contain certain general requirements which are applicable to reports on any form. These general requirements should be carefully read and observed in the preparation and filing of reports on this Form.

2. Particular attention is directed to Regulation 12B which contains general requirements regarding matters such as the kind and size of paper to be used, the legibility of the report, the information to be given whenever the title of securities is required to be stated, and the filing of the report. The definitions contained in Rule 12b-2 (17 CFR 240. 12b-2) should be especially noted. See also Regulations 13A and 15D.
- C. Preparation of Report.
1. This is not a blank form to be filled in. It is a guide copy to be used in preparing the report in accordance with Rules 12b-11 (17 CFR

240.12b-11) and 12b-12 (17 CFR 240.12b-12). The Commission does not furnish blank copies of this Form to be filled in for filing.

2. These general instructions are not to be filed with the report. The instructions to the various captions of the Form are also to be omitted from the report as filed.

SEC Potential persons who are to respond to the collection of information contained in this Form are not required to respond unless the Form displays a currently valid OMB control number.

D. Incorporation by Reference.

1. If the registrant makes available to its stockholders or otherwise publishes, within the period prescribed for filing the report, a document or statement containing information meeting some or all of the requirements of Part I of this Form, the information called for may be incorporated by reference from such published document or statement, in answer or partial answer to any item or items of Part I of this Form, provided copies thereof are filed as an exhibit to Part I of the report on this Form.
2. Other information may be incorporated by reference in answer or partial answer to any item or items of Part II of this Form in accordance with the provisions of Rule 12b-23 (17 CFR 240.12b-23).
3. If any information required by Part I or Part II is incorporated by reference into an electronic format document from the semiannual report to security holders as provided in General Instruction D, any portion of the semiannual report to security holders incorporated by reference shall be filed as an exhibit in electronic format, as required by Item 601(b)(13) of Regulation S-K.

E. Integrated Reports to Security Holders.

Semiannual reports to security holders may be combined with the required information of Form 10-S and will be suitable for filing with the Commission if the following conditions are satisfied:

1. The combined report contains full and complete answers to all items required by Part I of this Form. When responses to a certain item of required disclosure are separated within the combined report, an appropriate cross-reference should be made.
2. If not included in the combined report, the cover page, appropriate responses to Part II, and the required signatures shall be included in the Form 10-S. Additionally, as appropriate, a cross-reference sheet should be filed indicating the location of information required by the items of the Form.
3. If an electronic filer files any portion of a semiannual report to security holders in combination with the required information of Form 10-S, as provided in this instruction, only such portions filed in satisfaction of the Form 10-S requirements shall be filed in electronic format.

F. Filed Status of Information Presented.

1. Pursuant to Rule 13a-13(e) and Rule 15d-13(e), the information presented in satisfaction of the requirements of Items 1, 2 and 3 of Part I of this Form, whether included directly in a report on this Form, incorporated therein by reference from a report, document or statement filed as an exhibit to Part I of this Form pursuant to Instruction D(1) above, included in an integrated report pursuant to Instruction E above, or contained in a statement regarding computation of per share earnings or a letter regarding a change in accounting principles filed as an exhibit to Part I pursuant to Item 601 of Regulation S-K (§ 229.601 of this chapter), except as provided by Instruction F(2) below, shall not be deemed filed for the purpose of Section 18 of the

Act or otherwise subject to the liabilities of that section of the Act but shall be subject to the other provisions of the Act.

2. Information presented in satisfaction of the requirements of this Form other than those of Items 1, 2 and 3 of Part I shall be deemed filed for the purpose of Section 18 of the Act; except that, where information presented in response to Item 1 or 2 of Part I (or as an exhibit thereto) is also used to satisfy Part II requirements through incorporation by reference, only that portion of Part I (or exhibit thereto) consisting of the information required by Part II shall be deemed so filed.

G. Signature and Filing of Report.

If the report is filed in paper pursuant to a hardship exemption from electronic filing (see Item 201 et seq. of Regulation S-T (17 CFR 232.201 et seq.)), three complete copies of the report, including any financial statements, exhibits or other papers or documents filed as a part thereof, and five additional copies which need not include exhibits must be filed with the Commission.

At least one complete copy of the report, including any financial statements, exhibits or other papers or documents filed as a part thereof, must be filed with each exchange on which any class of securities of the registrant is registered. At least one complete copy of the report filed with the Commission and one such copy filed with each exchange must be manually signed on the registrant's behalf by a duly authorized officer of the registrant and by the principal financial or chief accounting officer of the registrant. (See Rule 12b-11(d) (17 CFR 240.12b-11(d).) Copies not manually signed must bear typed or printed signatures. In the case where the principal executive officer, principal financial officer or chief accounting officer is also duly authorized to sign on behalf of the registrant, one signature is acceptable provided that the registrant clearly indicates the dual responsibilities of the signatory.

H. Omission of Information by Certain Wholly-Owned Subsidiaries.

If on the date of the filing of its report on Form 10-S, the registrant meets the conditions specified in paragraph (1) below, then such registrant may omit the information called for in the items specified in paragraph (2) below.

1. Conditions for availability of the relief specified in paragraph (2) below:
 - a. All of the registrant's equity securities are owned, either directly or indirectly, by a single person which is a reporting company under the Act and which has filed all the material required to be filed pursuant to Section 13, 14 or 15(d) thereof, as applicable;
 - b. During the preceding thirty-six calendar months and any subsequent period of days, there has not been any material default in the payment of principal, interest, a sinking or purchase fund installment, or any other material default not cured within thirty days, with respect to any indebtedness of the registrant or its subsidiaries, and there has not been any material default in the payment of rentals under material long-term leases; and
 - c. There is prominently set forth, on the cover page of the Form 10-S, a statement that the registrant meets the conditions set forth in General Instruction H(1)(a) and (b) of Form 10-S and is therefore filing this Form with the reduced disclosure format.

2. Registrants meeting the conditions specified in paragraph (1) above are entitled to the following relief:
 - a. Such registrants may omit the information called for by Item 2 of Part I, Management's Discussion and Analysis of Financial Condition and Results of Operations, provided that the registrant includes in the Form 10-S a management's narrative analysis of the results of operations explaining the reasons for material changes in the amount of revenue and expense items between the fiscal semiannual period presented and the corresponding semiannual period in the preceding fiscal year. Explanations of material changes should include, but not be limited to, changes in the various elements which determine revenue and expense levels such as unit sales volume, prices charged and paid, production levels, production cost variances, labor costs and discretionary spending programs. In addition, the analysis should include an explanation of the effect of any changes in accounting principles and practices or method of application that have a material effect on net income as reported.
 - b. Such registrants may omit the information called for in the following Part II Items: Item 2, Changes in Securities; Item 3, Defaults Upon Senior Securities.
 - c. Such registrants may omit the information called for by Item 3 of Part I, Quantitative and Qualitative Disclosures About Market Risk.

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-S

(Mark One)

☐ SEMIANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the semiannual period ended _____

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: _____

(Exact name of registrant as specified in its charter)

(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

(Address of principal executive offices)

(Zip Code)

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered

SEC Potential persons who are to respond to the collection of information contained in this Form are not required to respond unless the Form displays a currently valid OMB control number.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☐ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☐ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

☐ Yes ☐ No

**APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS
DURING THE PRECEDING FIVE YEARS:**

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

☐ Yes ☐ No

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

Provide the information required by Rule 10-01 of Regulation S-X (17 CFR Part 210). A smaller reporting company, defined in Rule 12b-2 (§ 240.12b-2 of this chapter) may provide the information required by Article 8-03 of Regulation S-X (§ 210.8-03 of this chapter).

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Furnish the information required by Item 303 of Regulation S-K (§ 229.303 of this chapter).

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Furnish the information required by Item 305 of Regulation S-K (§ 229.305 of this chapter).

Item 4. Controls and Procedures.

Furnish the information required by Item 307 of Regulation S-K (§ 229.307 of this chapter) and Item 308(c) of Regulation S-K (§229.308(c) of this chapter).

PART II—OTHER INFORMATION

Instruction. The report shall contain the item numbers and captions of all applicable items of Part II, but the text of such items may be omitted provided the responses clearly indicate the coverage of the item. Any item which is inapplicable or to which the answer is negative may be omitted and no reference thereto need be made in the report. If substantially the same information has been previously reported by the registrant, an additional report of the information on this Form need not be made. The term "previously reported" is defined in Rule 12b-2 (17 CFR 240.12b-2). A separate response need not be presented in Part II where information called for is already disclosed in the financial information provided in Part I and is incorporated by reference into Part II of the report by means of a statement to that effect in Part II which specifically identifies the incorporated information.

Item 1. Legal Proceedings.

Furnish the information required by Item 103 of Regulation S-K (§ 229.103 of this chapter). As to such proceedings which have been terminated during the period covered by the report, provide similar information, including the date of termination and a description of the disposition thereof with respect to the registrant and its subsidiaries.

Instruction. A legal proceeding need only be reported in the Form 10-S filed for the semiannual period in which it first became a reportable event and in subsequent semiannual periods in which there have been material developments.

Item 1A. Risk Factors.

Set forth any material changes from risk factors as previously disclosed in the registrant's Form 10-K (§249.310) in response to Item 1A. to Part 1 of Form 10-K. Smaller reporting companies are not required to provide the information required by this item.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

- (a) Furnish the information required by Item 701 of Regulation S-K (17 CFR 229.701) as to all equity securities of the registrant sold by the registrant during the period covered by the report that were not registered under the Securities Act. If the Item 701 information previously has been included in a Current Report on Form 8-K (17 CFR 249.308), however, it need not be furnished.
- (b) If required pursuant to Rule 463 (17 CFR 230.463) of the Securities Act of 1933, furnish the information required by Item 701(f) of Regulation S-K (§ 229.701(f) of this chapter).
- (c) Furnish the information required by Item 703 of Regulation S-K (§ 229.703 of this chapter) for any repurchase made in the semiannual period covered by the report. Provide disclosures covering repurchases made on a monthly basis. For example, if the semiannual period began on January 16 and ended on July 15, the chart would show repurchases for the months from January 16 through February 15, February 16 through March 15, March 16 through April 15, April 16 through May 15, May 16 through June 15, and June 16 through July 15.

Instruction. Working capital restrictions and other limitations upon the payment of dividends are to be reported hereunder.

Item 3. Defaults Upon Senior Securities.

- (a) If there has been any material default in the payment of principal, interest, a sinking or purchase fund installment, or any other material default not cured within 30 days, with respect to any indebtedness of the registrant or any of its significant subsidiaries exceeding 5 percent of the total assets of the registrant and its consolidated subsidiaries, identify the indebtedness and state the nature of the default. In the case of such a default in the payment of principal, interest, or a sinking or purchase fund installment, state the amount of the default and the total arrearage on the date of filing this report.

Instruction. This paragraph refers only to events which have become defaults under the governing instruments, i.e., after the expiration of any period of grace and compliance with any notice requirements.

- (b) If any material arrearage in the payment of dividends has occurred or if there has been any other material delinquency not cured within 30 days, with respect to any class of preferred stock of the registrant which is registered or which ranks prior to any class of registered securities, or with respect to any class of preferred stock of any significant subsidiary of the registrant, give the title of the class and state the nature of the arrearage or delinquency. In the case of an arrearage in the payment of dividends, state the amount and the total arrearage on the date of filing this report.

Instructions to Item 3.

1. Item 3 need not be answered as to any default or arrearage with respect to any class of securities all of which is held by, or for the account of, the registrant or its totally held subsidiaries.

2. The information required by Item 3 need not be made if previously disclosed on a report on Form 8-K (17 CFR 249.308).

Item 4. Mine Safety Disclosures.

If applicable, provide a statement that the information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K (17 CFR 229.104) is included in exhibit 95 to the semiannual report.

Item 5. Other Information.

(a) The registrant must disclose under this item any information required to be disclosed in a report on Form 8-K during the period covered by this Form 10-S, but not reported, whether or not otherwise required by this Form 10-S. If disclosure of such information is made under this item, it need not be repeated in a report on Form 8-K which would otherwise be required to be filed with respect to such information or in a subsequent report on Form 10-S.

(b) Furnish the information required by Item 407(c)(3) of Regulation S-K (§ 229.407 of this chapter).

(c) Furnish the information required by Item 408(a) of Regulation S-K (17 CFR 229.408(a)).

Item 6. Exhibits.

Furnish the exhibits required by Item 601 of Regulation S-K (§ 229.601 of this chapter).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

(Registrant)

Date

(Signature) *

Date

(Signature) *

* Print name and title of the signing officer under the signing officer's signature.

Appendix M—Form 10-K

* * * * *

FORM 10-K

* * * * *

Indicate by check mark if the registrant has elected to file semiannual reports pursuant to Rule 13a-13(b) or Rule 15d-13(b) of the Act. ☐

* * * * *

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter (or first semiannual period if the registrant elected to file semiannual reports pursuant to Rule 13a-13(b) or Rule 15d-13(b) of the Act).

* * * * *

Item 3. Legal Proceedings.

* * * * *

(b) As to any proceeding that was terminated during the fourth quarter of the fiscal year (or the second semiannual period of the fiscal year if the registrant elected to file semiannual reports) covered by this report, furnish information similar to that required by Item 103 of Regulation S-K (§ 229.103 of this chapter), including the date of termination and a description of the disposition thereof with respect to the registrant and its subsidiaries.

* * * * *

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

(a) Furnish the information required by Item 201 of Regulation S-K (17 CFR 229.201) and Item 701 of Regulation S-K (17 CFR 229.701) as to all equity securities of the registrant sold by the registrant during the period covered by the report that were not registered under the Securities Act. If the Item 701 information previously has been included in a Quarterly Report on Form 10-Q, Semiannual Report on Form 10-S, or in a Current Report on Form 8-K (17 CFR 249.308), it need not be furnished.

* * * * *

(c) Furnish the information required by Item 703 of Regulation S-K (§ 229.703 of this chapter) for any repurchase made in a month within the fourth quarter of the fiscal year (or the second semiannual period of the fiscal year if the registrant elected to file semiannual reports) covered by the report. Provide disclosures covering repurchases made on a monthly basis. For example, if the fourth quarter began on January 16 and ended on April 15, the chart would show repurchases for the months from January 16 through February 15, February 16 through March 15, and March 16 through April 15.

* * * * *

Item 9B. Other Information.

(a) The registrant must disclose under this item any information required to be disclosed in a report on Form 8-K during the fourth quarter of the fiscal year (or the second semiannual period of the fiscal year if the registrant elected to file semiannual reports) covered by this Form 10-K, but not reported, whether or not otherwise required by this Form 10-K. If disclosure of such information is made under this item, it need not be repeated in a report on Form 8-K which would otherwise be required to be filed with respect to such information or in a subsequent report on Form 10-K.

* * * * *

Item 14. Principal Accountant Fees and Services.

Furnish the information required by Item 9(e) of Schedule 14A (§ 240.14a-101 of this chapter).

(1) Disclose, under the caption Audit Fees, the aggregate fees billed for each of the last two fiscal years for professional services rendered by the principal accountant for the audit of the registrant's annual financial statements and review of financial statements included in the registrant's Form 10-Q (17 CFR 249.308a) or Form 10-S (17 CFR 249.308b) or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years.

* * * * *

Appendix N—Form 12b-25

* * * * *

FORM 12b-25**NOTIFICATION OF LATE FILING**

<i>(Check one):</i>	☐ Form 10-K	☐ Form 20-F	☐ Form 11-K	
	☐ Form 10-Q	☐ Form 10-S	☐ Form 10-D ☐ Form N-CEN	☐ Form N-CSR

For Period Ended: _____

- ☐ Transition Report on Form 10-K
☐ Transition Report on Form 20-F
☐ Transition Report on Form 11-K
☐ Transition Report on Form 10-Q
☐ Transition Report on Form 10-S

For the Transition Period Ended: _____

* * * * *

PART II — RULES 12b-25(b) AND (c)

☐ If the subject report could not be filed without unreasonable effort or expense and the registrant seeks relief pursuant to Rule 12b-25(b), the following should be completed. (Check box if appropriate)

(a) * * *

(b) The subject annual report, semi-annual report, transition report on Form 10-K, Form 20-F, Form 11-K, Form N-CEN or Form N-CSR, or portion thereof, will be filed on or before the fifteenth calendar day following the prescribed due date; or the subject quarterly report or transition report on Form 10-Q, subject semiannual report or transition report on Form 10-S, or subject distribution report on Form 10-D, or portion thereof, will be filed on or before the fifth calendar day following the prescribed due date; and

(c) The accountant's statement or other exhibit required by Rule 12b-25(c) has been attached if applicable.

PART III — NARRATIVE

State below in reasonable detail why Forms 10-K, 20-F, 11-K, 10-Q, 10-S, 10-D, N-CEN, N-CSR, or the transition report or portion thereof, could not be filed within the prescribed time period.

(Attach extra sheets if needed.)



FEDERAL REGISTER

Vol. 91

Thursday,

No. 88

May 7, 2026

Part III

The President

Executive Order 14404—Imposing Sanctions on Those Responsible for Repression in Cuba and for Threats to United States National Security and Foreign Policy

Proclamation 11025—Jewish American Heritage Month, 2026

Notice of May 4, 2026—Continuation of the National Emergency With Respect to the Central African Republic

Notice of May 4, 2026—Continuation of the National Emergency With Respect to the Stabilization of Iraq

Presidential Documents

Title 3—

Executive Order 14404 of May 1, 2026

The President

Imposing Sanctions on Those Responsible for Repression in Cuba and for Threats to United States National Security and Foreign Policy

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) (IEEPA), the National Emergencies Act (50 U.S.C. 1601 *et seq.*) (NEA), section 212(f) of the Immigration and Nationality Act of 1952 (8 U.S.C. 1182(f)), and section 301 of title 3, United States Code, and in order to take further steps with respect to the national emergency declared in Executive Order 14380 of January 29, 2026 (Addressing Threats to the United States by the Government of Cuba), I hereby determine and order:

Section 1. Policy. The policies, practices, and actions of the Government of Cuba, as described in Executive Order 14380, continue to constitute an unusual and extraordinary threat, which has its source in whole or substantial part outside the United States, to the national security and foreign policy of the United States. Not only are these policies, practices, and actions designed to harm the United States, but they are also repugnant to the moral and political values of free and democratic societies.

Sec. 2. Sanctionable Conduct. (a) All property and interests in property that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of any United States persons of the following persons are blocked and may not be transferred, paid, exported, withdrawn, or otherwise dealt in:

(i) any foreign person determined by the Secretary of State, in consultation with the Secretary of the Treasury; or by the Secretary of the Treasury, in consultation with the Secretary of State:

(A) to operate in or have operated in the energy, defense and related materiel, metals and mining, financial services, or security sector of the Cuban economy, or any other sector of the Cuban economy, as may be determined by the Secretary of the Treasury, in consultation with the Secretary of State;

(B) to be owned, controlled, or directed by, or to have acted or purported to act for or on behalf of, directly or indirectly, the Government of Cuba or any person whose property or interests in property are blocked pursuant to this order;

(C) to own or control, directly or indirectly, any person whose property or interests in property are blocked pursuant to this order;

(D) to have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, the Government of Cuba or any person whose property or interests in property are blocked pursuant to this order;

(E) to be or have been a leader, official, senior executive officer, or member of the board of directors of the Government of Cuba or an entity whose property or interests in property are blocked pursuant to this order;

(F) to be a political subdivision, agency, or instrumentality of the Government of Cuba;

(G) to be responsible for or complicit in, or to have directly or indirectly engaged in or attempted to engage in, serious human rights abuse in Cuba;

(H) to be responsible for or complicit in, or to have directly or indirectly engaged or attempted to engage in, corruption related to Cuba, including corruption by, on behalf of, or otherwise related to the Government of Cuba, or a current or former official at any level of the Government of Cuba, such as the misappropriation of public assets, expropriation of private assets for personal gain or political purposes, or bribery; or

(I) to be an adult family member of a person designated pursuant to this order.

(b) The prohibitions in subsection (a) of this section apply except to the extent provided by statutes, or in regulations, orders, directives, or licenses that are issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the date of this order; except that this subsection shall not apply to activities authorized by, and shall not affect the validity of, any license issued pursuant to part 515 of chapter 31 of the Code of Federal Regulations.

(c) Except to the extent required by section 203(b) of IEEPA (50 U.S.C. 1702(b)), or provided in regulations, orders, directives, or licenses that are issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the date of this order:

(i) any transaction or dealing by United States persons or within the United States in property or interests in property blocked pursuant to this order is prohibited, including but not limited to the making or receiving of any contribution of funds, goods, or services to or for the benefit of those persons whose property or interests in property are blocked pursuant to this order;

(ii) any transaction by any United States person or within the United States that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in this order is prohibited; and

(iii) any conspiracy formed to violate any of the prohibitions set forth in this order is prohibited.

(d) I hereby determine that the making of donations of the type specified in section 203(b)(2) of IEEPA (50 U.S.C. 1702(b)(2)) by United States persons to persons determined to be subject to subsection (a) of this section would seriously impair my ability to deal with the national emergency declared in Executive Order 14380, and I hereby prohibit such donations.

(e) For those persons determined to be subject to subsection (a) of this section who might have a constitutional presence in the United States, I find that, because of the ability to transfer funds or assets instantaneously, prior notice to such persons of measures to be taken pursuant to this order would render these measures ineffectual. I therefore determine that, for these measures to be effective in addressing the national emergency declared in Executive Order 14380, there need be no prior notice of a listing or determination made pursuant to subsection (a) of this section.

Sec. 3. Travel. (a) I hereby find the unrestricted immigrant and nonimmigrant entry into the United States of aliens determined to meet one or more of the criteria in section 2(a)(i) of this order would be detrimental to the interests of the United States, and I hereby suspend entry into the United States, as immigrants or nonimmigrants, of such persons, except where the Secretary of State, or the Secretary of State's designee, determines that the person's entry is in the national interest of the United States. Such persons shall be treated in the same manner as persons covered by section 1 of Proclamation 8693 of July 24, 2011 (Suspension of Entry of Aliens Subject to United Nations Security Council Travel Bans and International Emergency Economic Powers Act Sanctions).

Sec. 4. *Foreign Financial Institutions.* (a) The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to impose on a foreign financial institution one or more of the sanctions described in subsection (b) of this section upon determining that the foreign financial institution has conducted or facilitated any significant transaction or transactions for or on behalf of any person whose property or interests in property are blocked pursuant to this order.

(b) With respect to any foreign financial institution determined to meet the criteria set forth in subsection (a) of this section, the Secretary of the Treasury, in consultation with the Secretary of State, may:

(i) prohibit the opening of, or prohibit or impose strict conditions on the maintenance of, correspondent accounts or payable-through accounts in the United States; and

(ii) block all property and interests in property that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of any United States person of such foreign financial institution, and provide that such property and interests in property may not be transferred, paid, exported, withdrawn, or otherwise dealt in. The prohibitions described in this subsection shall include the making of any contribution or provision of funds, goods, or services by, to, or for the benefit of any person whose property or interests in property are blocked pursuant to this subsection; and the receipt of any contribution or provision of funds, goods, or services from any such person.

(c) The sanctions described in subsection (b) of this section apply except to the extent provided by statutes, or in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted before the date of this order; except that this subsection shall not apply to activities authorized by, and shall not affect the validity of, any license issued pursuant to part 515 of chapter 31 of the Code of Federal Regulations.

(d) I hereby determine that the making of donations of the types of articles specified in section 203(b)(2) of IEEPA (50 U.S.C. 1702(b)(2)) by, to, or for the benefit of any person whose property or interests in property are blocked pursuant to subsection (b) of this section would seriously impair my ability to deal with the national emergency declared in Executive Order 14380, and I hereby prohibit such donations.

Sec. 5. *Delegation.* Consistent with applicable law, the Secretary of State and the Secretary of the Treasury are directed and authorized to take all actions necessary to implement and effectuate this order—including through temporary suspension or amendment of regulations or through notices in the *Federal Register* and by adopting rules, regulations, or guidance—and to employ all powers granted to the President, including by IEEPA, as may be necessary to implement this order. The head of each executive department and agency (agency) is authorized to and shall take all appropriate measures within the agency's authority to implement this order. The head of each agency may, consistent with applicable law, including section 301 of title 3, United States Code, redelegate the authority to take such appropriate measures within the agency.

Sec. 6. *Reporting Directives.* The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized and directed to submit recurring and final reports to the Congress on the national emergency declared in, and authorities exercised by, Executive Order 14380, consistent with section 401 of the NEA (50 U.S.C. 1641) and section 204(c) of IEEPA (50 U.S.C. 1703(c)).

Sec. 7. *Definitions.* For the purposes of this order:

(a) the term “entity” means a partnership, association, trust, joint venture, corporation, group, subgroup, or other organization;

(b) the term “Government of Cuba” means the Government of Cuba, any political subdivision, agency, or instrumentality thereof, including the Central Bank of Cuba, and any person owned, controlled, or acting for or on behalf of, the Government of Cuba;

(c) the term “person” means an individual or entity;

(d) the term “United States person” means any United States citizen, lawful permanent resident, entity organized under the laws of the United States or any jurisdiction within the United States (including foreign branches of such entities), or any person in the United States; and

(e) the term “foreign financial institution” means any foreign entity that is engaged in the business of accepting deposits; making, granting, transferring, holding, or brokering loans or credits; purchasing or selling foreign exchange, securities, futures, or options; or procuring purchasers and sellers thereof, as principal or agent. It includes but is not limited to depository institutions; banks; savings banks; money services businesses; operators of credit card systems; trust companies; insurance companies; securities brokers and dealers; futures and options brokers and dealers; forward contract and foreign exchange merchants; securities and commodities exchanges; clearing corporations; investment companies; employee benefit plans; dealers in precious metals, stones, or jewels; and holding companies, affiliates, or subsidiaries of any of the foregoing. The term does not include the international financial institutions identified in 22 U.S.C. 262r(c)(2), the International Fund for Agricultural Development, the North American Development Bank, or any other international financial institution so notified by the Office of Foreign Assets Control.

Sec. 8. General Provisions. (a) Nothing in this order shall be construed to impair or otherwise affect:

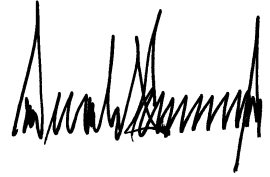
(i) the authority granted by law to an executive department or agency, or the head thereof; or

(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 State.

A handwritten signature in black ink, appearing to be 'Donald Trump', located in the upper right quadrant of the page.

THE WHITE HOUSE,
May 1, 2026.

Presidential Documents

Proclamation 11025 of May 4, 2026

Jewish American Heritage Month, 2026

By the President of the United States of America

A Proclamation

This Jewish American Heritage Month, we honor the countless contributions of Jewish Americans throughout our Nation's 250 glorious years of independence, and we celebrate their unwavering commitment to the values that make our country great—faith, family, and freedom.

In his letter to the Hebrew Congregation in Newport, Rhode Island, in 1790, President George Washington beautifully said, “May the Children of the Stock of Abraham, who dwell in this land, continue to merit and enjoy the good will of the other Inhabitants; while everyone shall sit in safety under his own vine and fig tree, and there shall be none to make him afraid.” Since the earliest days of our Republic, Jewish Americans have helped build the cause of liberty and sustain the greatness of our Nation. Among them was the iconic Haym Salomon, an early supporter of the war for independence. As stories tell us, Salomon was instrumental in the success of our Continental Congress and Founding Fathers, and rallied support for freedom. He was a zealous advocate against tyranny, and even after imprisonment by the British Crown, he continued his work in defense of freedom. In the end, he gave everything to the success of the American Revolution. Like so many Jewish Americans who follow in his footsteps, Salomon's legacy stands as a testament to the unshakable belief in the American promise.

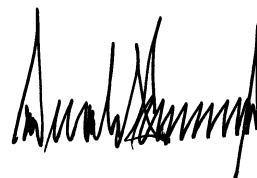
In the same letter to the Hebrew Congregation at Newport, President Washington proclaimed that the United States “gives to bigotry no sanction, to persecution no assistance.” Under my leadership, we are aggressively fighting the violence against Jewish Americans that increased under my predecessor, prosecuting hateful criminals to the fullest extent of the law, and working to end the scourge of anti-Semitism throughout our institutions, especially on college campuses. As President, I will never stop fighting to protect our birthright of religious freedom—a sacred right that continues to guide our Nation, drawing us closer to the Almighty each and every day.

Throughout this historic year, we rejoice in the triumph of the American spirit and rededicate ourselves to the cause of liberty and justice for all. In special honor of 250 glorious years of American independence and on the weekend of Rededicate 250—a national jubilee of prayer, praise, and thanksgiving—Jewish Americans are encouraged to observe a national Sabbath. From sundown on May 15 to nightfall on May 16, friends, families, and communities of all backgrounds may come together in gratitude for our great Nation. This day will recognize the sacred Jewish tradition of setting aside time for rest, reflection, and gratitude to the Almighty.

This month, we celebrate the contributions that Jewish Americans have made to our way of life, we honor their role in shaping the story of our Nation, and we remember that religious devotion, learning, and service to others are enduring pillars of a thriving culture. Through every trial and triumph, the contributions of Jewish Americans have shaped our past, have strengthened our communities, and will continue to inspire American greatness for generations to come.

NOW, THEREFORE, I, DONALD J. TRUMP, President of the United States of America, by virtue of the authority vested in me by the Constitution and the laws of the United States, do hereby proclaim May 2026 as Jewish American Heritage Month. I call upon Americans to celebrate the heritage and contributions of Jewish Americans and to observe this month with appropriate programs, activities, and ceremonies. I further call on all Americans to celebrate their faith and freedom throughout this year, during this month, and especially on Shabbat to celebrate our 250th year.

IN WITNESS WHEREOF, I have hereunto set my hand this fourth day of May, in the year of our Lord two thousand twenty-six, and of the Independence of the United States of America the two hundred and fiftieth.

A handwritten signature in black ink, appearing to be "Donald Trump", located at the bottom right of the page.

Presidential Documents

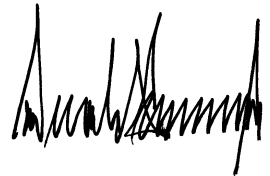
Notice of May 4, 2026

Continuation of the National Emergency With Respect to the Central African Republic

On May 12, 2014, by Executive Order 13667, the President declared a national emergency pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) to deal with the unusual and extraordinary threat to the national security and foreign policy of the United States constituted by the situation in and in relation to the Central African Republic, which has been marked by a breakdown of law and order; intersectarian tension; widespread violence and atrocities; and the pervasive, often forced recruitment and use of child soldiers, and which threatens the peace, security, or stability of the Central African Republic and neighboring states.

The situation in and in relation to the Central African Republic, including widespread violence and atrocities committed by Kremlin-linked entities such as the Wagner Group, continues to pose an unusual and extraordinary threat to the national security and foreign policy of the United States. For this reason, the national emergency declared in Executive Order 13667 must continue in effect beyond May 12, 2026. Therefore, in accordance with section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)), I am continuing for 1 year the national emergency declared in Executive Order 13667.

This notice shall be published in the *Federal Register* and transmitted to the Congress.



THE WHITE HOUSE,
May 4, 2026.

Presidential Documents

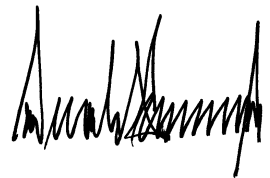
Notice of May 4, 2026

Continuation of the National Emergency With Respect to the Stabilization of Iraq

On May 22, 2003, by Executive Order 13303, the President declared a national emergency pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) to deal with the unusual and extraordinary threat to the national security and foreign policy of the United States posed by obstacles to the orderly reconstruction of Iraq, the restoration and maintenance of peace and security in the country, and the development of political, administrative, and economic institutions in Iraq.

The obstacles to the orderly reconstruction of Iraq, the restoration and maintenance of peace and security in the country, and the development of political, administrative, and economic institutions in Iraq continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States. For this reason, the national emergency declared in Executive Order 13303, as modified in scope and relied upon for additional steps taken in Executive Order 13290 of March 20, 2003, Executive Order 13315 of August 28, 2003, Executive Order 13350 of July 29, 2004, Executive Order 13364 of November 29, 2004, Executive Order 13438 of July 17, 2007, and Executive Order 13668 of May 27, 2014, must continue in effect beyond May 22, 2026. Therefore, in accordance with section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)), I am continuing for 1 year the national emergency with respect to the stabilization of Iraq declared in Executive Order 13303.

This notice shall be published in the *Federal Register* and transmitted to the Congress.



THE WHITE HOUSE,
May 4, 2026.

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Federal Register

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