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DEPARTMENT OF AGRICULTURE

Commodity Credit Corporation

7 CFR Part 1414

[Docket ID FSA–2026–0166]

RIN 0560–AI88

Assistance for Specialty Crop Farmers (ASCF) Program

AGENCY: Commodity Credit Corporation, U.S. Department of Agriculture (USDA).

ACTION: Final rule.

SUMMARY: The Commodity Credit Corporation (CCC) is issuing this rule to provide assistance to producers of eligible specialty crops through the Assistance for Specialty Crop Farmers (ASCF) Program. These one-time bridge payments will help address elevated input costs incurred by producers and market disruptions stemming from foreign competitors engaging in unfair trade practices that impede specialty crop exports.

DATES: This rule is effective on June 1, 2026.

FOR FURTHER INFORMATION CONTACT: Michael Walter; telephone: (816) 491–6934; or email: *Michael.Walter1@usda.gov.* Individuals with disabilities who require alternative means for communication should contact the USDA Target Center at (202) 720–2600 (voice and text telephone (TTY mode)) or dial 711 for Telecommunications Relay Service (both voice and text telephone users can initiate this call from any telephone).

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I. Background

Section 5(b) of the CCC Charter Act provides that CCC may use its funds to ''(m)ake available materials and facilities required in connection with the production and marketing of agricultural commodities (other than tobacco).'' Under this authority, CCC will make approximately $1.625 billion in assistance available for specialty crops through the ASCF Program, which will be administered by the Farm Service Agency (FSA). These one-time bridge payments will help address elevated input costs incurred by producers and pressure from weak prices, persistent inflation, tight credit markets, and ongoing trade-related uncertainty heading into the 2026 crop year. To be eligible for the ASCF Program, producers must:

- Have planted eligible specialty crops for crop year 2025;
- Have timely filed a crop acreage report for those crops with FSA by April 24, 2026; and
- Comply with other requirements specified in this rule.

Eligible producers are producers of designated specialty crops, which include eligible fruits, tree nuts, and vegetables as described below. These producers play a crucial role in providing real food that supports healthy families and communities, and they are an essential component of the Make America Healthy Again policy agenda. If producers of these specialty crops are not economically able to continue their operations, American families may see a decrease in the domestic production of wholesome and nutritious fruits and vegetables they rely on to feed their families. Fruits and vegetables are essential to real food nutrition, and randomized controlled trials in generally healthy and at-risk adults show that increasing intake of vegetables and whole fruits improves blood pressure, microvascular function, and cardiometabolic risk markers, while increasing circulating antioxidants and decreasing inflammatory markers.[1] Tree nuts provide nutrients including protein, fiber, folate, magnesium, and phytonutrients.[2]

The ASCF Program is designed to provide financial support to allow specialty crop producers to pay for production and marketing inputs in the face of significant market disruptions during the 2025 growing season. The increasing cost of production driven by high labor costs and the increasing cost of manufactured inputs over the last 5 years eroded margins during the 2025 crop year.

II. Eligible Specialty Crops and Payment Rates

One of the key challenges in providing risk management for specialty crops is a lack of comprehensive data on cost of production—a challenge that is intrinsic to accurately calculating losses for the ASCF Program. Increases in the cost of production for the industry (for example, costs for labor, fertilizer, and fuel) suggest similar pressures on profitability; therefore, national average revenue per crop was used as a metric for development of ASCF Program payment groups and payment rates.

Eligible specialty crops are listed in Table 1. CCC has established three payment groups based on the average annual revenue per acre for specialty crops explicitly listed under the USDA Specialty Crop Definition, Appendix A (plants commonly considered fruits and tree nuts) and Appendix B (plants commonly considered vegetables)[3] and crops that are conventionally recognized as a subcategory of crops listed under, Appendices A and B, excluding beans and peas described below. The first payment group, Tier 1, has a payment rate of $650 per acre and includes eligible specialty crops with an average annual revenue in excess of $10,000 per acre. The second payment group, Tier 2, has a payment rate of $225 per acre and includes eligible specialty crops with an average annual revenue in excess of $2,300 per acre and up to $10,000 per acre. The third payment group, Tier 3,

[1] USDA, The Scientific Foundation for the Dietary Guidelines for Americans, 2025–2030, p. 20, available at *https://cdn.realfood.gov/Scientific%20Report_508.pdf.*

[2] *Id.* at 38.

[3] USDA Definition of Specialty Crops, Appendix A and B, available at *https://www.ams.usda.gov/sites/default/files/media/USDASpecialtyCropDefinition.pdf.*

has a payment rate of $65 per acre and includes eligible specialty crops with an average annual revenue of up to $2,300 per acre.

Revenue per acre was calculated by multiplying a specialty crop's national average yield by its average price per unit. The national average yield was established for crops using the 2024 national average yield from the National Agricultural Statistics Service (NASS) as a primary source and university Extension budgets as a secondary source. The price per unit was established primarily with NASS or Agricultural Marketing Service (AMS) data for each crop. If price data for a crop was not available through NASS or AMS, AMS economists estimated the national average price per unit using a variety of publicly available data sources including recent university Extension budgets and industry reporting.

A fourth payment group with a payment rate of $25 per acre was established for all types of beans and peas (see Table 1). Though AMS identifies certain beans and peas as specialty crops and they may not qualify for the Agricultural Risk Coverage (ARC) and Price Loss Coverage (PLC) programs, their costs of production and revenue are closer to bean and pea varieties that do fall under these farm safety net programs and the Farmer Bridge Assistance (FBA) Program.[4] Therefore, CCC has established the fourth payment group, Beans and Peas, to maintain equity among the different bean and pea types. Bean and pea types that were eligible for the FBA Program are not eligible for the ASCF Program.

Eligible specialty crops include only the crops listed in Table 1 below, with the associated payment rate per acre for each payment group. Eligible beans, caneberries, melons, peas, and sweet corn include only the types identified in the definitions for those crops in § 1414.103. Eligible beets do not include sugar beets, which are excluded from the USDA definition of specialty crops. Grapes are categorized as fresh or processed based on the intended use reported on FSA–578.

TABLE 1—ELIGIBLE SPECIALTY CROPS AND PAYMENT RATE PER ACRE BY PAYMENT GROUP

Payment group	Eligible specialty crops	Payment rate per acre
Tier 1	Aronia (chokeberry), artichokes, blueberries (highbush), breadfruit, Brussels sprouts, cabbage (choy sum, napa), cacao, caneberries, carrots, cauliflower, celery, cherimoya, cherries (sweet), chestnuts, chives (abuchoo/garlic, chives), coconuts, currants, dates, figs, garlic, gooseberries, grapes (fresh), greens (Asian, Chinese spinach/amaranth, cressie, dandelions, escarole, flowering kale, Hanover, hybrid mustard, orach, perilla/shiso, Japanese basil, rape/rapini/Chinese broccoli, Shanghai bok choy, shum choy, sorrell, suk gat, toc choy, yu choy, curly endive, frizee/Belgian endive, arugula, leaf spinach, vine spinach, water spinach), guava, horseradish, kiwiberry, kiwifruit, kohlrabi, kumquat, leeks, lemons, lettuce, limes, lychee, mangos, mushrooms, nectarines, okra, olives, onions, papaya, parsnip, passion fruits, peaches (freestone, semi-freestone cling), peppers (green bell, yellow), persimmons, pineapple, plums, pomegranates, quinces, rhubarb, rutabaga, salsify, shallots, strawberries, turnips.	$650
Tier 2	Almond, apple, apricot, asparagus, avocados, bananas, beets, blueberries (low bush, rabbiteye), broccoflower, broccoli, broccolini, broccolo-cavalo, cabbage (hybrid, open pollinated, red, savoy), celeriac, cherries (tart), Chinese bitter melon, citron, coffee, cranberries, cucumbers, dasheen, eggplant, grapefruit, grapes (processed), greens (collard, common kale, Chinese mustard, mizuna/Japanese mustard, open pollinated mustard, turnip, Swiss chard (green, red)), macadamia nuts, mandarins/tangerines, melons, melongene, orangelo/Spanish chironja, oranges, parsley, peaches (cling), pears, peppers (Anaheim, banana, cayenne, chilaca, cubanelle, fingerhots, Fresno, gourmet mini, green chili, habanero, hot cherry, Hungarian hot wax, Italian, jalapeno, long johns, mini, oriental red, oriental sweet, paprika, pepino, pimento, poblano, red chili, scratch bonnet, serrano, sport, sweet cherry, tobasco), pistachios, plantain, potatoes, prunes, pummelo, pumpkins, radishes, raisins, squash, sweet potatoes, tangelos, tangors, tangos, taro, tomatillos, tomatoes, walnuts.	225
Tier 3	Cashew, cherries (chockcherry, Jamaica), sweet corn, hazelnuts, pecans	65
Beans and Peas	Beans, peas	25

As provided in § 1414.105(b), CCC may announce additional eligible specialty crops after publication of this rule if CCC determines that producers suffered decreased returns resulting from the market challenges described in section I. Any additional eligible crops will be announced on the ASCF Program web page at *https://www.fsa.usda.gov/ascf.*

III. Eligible Acres

Acres of eligible specialty crops reported to FSA as an initial, double-crop, repeat crop, or subsequent crop by April 24, 2026, will be used to determine ASCF Program payments. Acreage that is reported as a cover crop, prevented planted, or with an intended use of grazing, left standing, green manure, silage, forage, volunteer, or experimental will not be used to determine ASCF program payments.

For fruit and nuts acres, both bearing and non-bearing acreage are eligible for payment. Elevated input costs disproportionately affect non-bearing acres of fruit and nut trees and bushes, as specialty crop producers must continue to incur substantial expenses for irrigation, nutrient management, pest and disease control, labor, pruning, and a higher rate of maintenance especially during periods when the non-bearing acres generate no marketable yield or revenue. Therefore, while non-bearing acreage has been ineligible for other programs, such as the Market Facilitation Program, and may not be eligible for future programs based on crop production, the high input costs faced by fruit and nut producers on non-bearing acreage warrants non-bearing acreage to be eligible in this one-time program.

Acres of eligible specialty crops that are grown in a controlled environment will not be used to determine ASCF payments with the exception of mushrooms.[5] For ASCF Program purposes, ''controlled environment'' is

[4] See 7 CFR part 1414, subpart A, and the FBA Program final rule published on February 23, 2026 (91 FR 8360).

[5] Mushrooms are excluded from the restriction on acreage of specialty crops grown in a controlled environment because the use of a controlled environment is necessary for the production of that crop, rather than an approach chosen by some producers to provide benefits such as risk mitigation.

defined in § 1414.103 as the use of structures that allow for the manipulation of various environmental factors instead of relying on nature for any period of time during the growing season. This manipulation can be either partially or fully controlled to optimize plant growth, improve consistency, grow without soil, extend the growing period, or to reduce risks from weather, pests, and disease. Examples of such factors are control over temperature, humidity, light levels, nutrient levels, and atmospheric composition such as carbon dioxide concentration. The term ''controlled environment'' also excludes the use of structures to produce seedlings prior to being planted for production purposes.

Acres of crops grown in a controlled environment are excluded from the ASCF Program because producing crops in a controlled environment can extend the growing season compared to field-grown crops, which mitigates market risk for the producer. A controlled environment allows specialty crop growers to optimize high-quality, marketable production, allowing growers to sustain existing markets while exploring alternative markets. Examples of controlled environments include, but are not limited to, greenhouses; high and low tunnels; hoop houses; indoor vertical farms; growth chambers; and hydroponic, aquaponic, and aeroponic systems. Practices that allow some control over factors such as temperature but do not use structures, such as the use of plastic film to increase soil temperature for germination or weed control, are not considered controlled environments.

Producers must enter the acres of any eligible specialty crops that were grown under conditions that meet the definition of controlled environment on their ASCF Program application so that those acres can be excluded from the producer's eligible acres when calculating a payment.

IV. How To Apply

FSA will prepare a CCC–556, Assistance for Specialty Crop Farmers (ASCF) Program Application, for each eligible producer using the acreage timely reported for each eligible specialty crop in all states and counties. FSA will use the persons identified as producers on FSA–578, Report of Acreage, and the respective percentages of interest in the eligible specialty crop. Potential program participants will obtain their pre-filled CCC–556 from FSA through the electronic portal, which can be accessed through the ASCF Program web page at *https://www.fsa.usda.gov/ascf,* or by contacting any local FSA county office. The application period begins on June 1, 2026, for producers applying through the electronic portal, and June 8, 2026, for all other producers. Persons who believe that their interest in an eligible specialty crop is not accurately reflected in current FSA records must contact FSA to provide any information that the person believes is relevant to correcting this information. Form CCC–556 must be returned to FSA by August 7, 2026.

Producers must also submit the following eligibility forms to FSA by August 9, 2027, if not already on file with FSA for the 2025 program year:

- CCC–901, Member Information for Legal Entities, if applicable;
- CCC–902, Farm Operating Plan;
- CCC–941, Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information, for individuals, legal entities, and members of legal entities, excluding joint ventures and general partnerships; and
- AD–1026 Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification, for the producer and affiliated persons, as specified in 7 CFR 12.8.

Producers who file the required eligibility forms after the deadline will not receive an ASCF Program payment.

Participants are not required to purchase crop insurance or Noninsured Crop Disaster Assistance Program (NAP) coverage to be eligible for the ASCF Program; however, USDA strongly urges producers to take advantage of the new One Big Beautiful Bill Act risk management tools to best protect against price risk and volatility in the future.

V. Payments

A producer's ASCF Program payment will be equal to the payment rate for an eligible specialty crop multiplied by the producer's eligible acres of that crop. CCC will issue payments as applications are approved. CCC intends to issue ASCF Program payments to eligible producers beginning in June 2026.

VI. Payment Limitation and Payment Eligibility

The total amount of ASCF Program payments received, directly or indirectly, by a person or legal entity (except a joint venture or general partnership) may not exceed $250,000. The total amount of ASCF payments received, directly or indirectly, by a public school may not exceed $250,000 per public school. Total payments to all public schools within a State where the State population exceeds 1,500,000, according to the most recent U.S. Census Bureau estimate, cannot exceed $500,000. In addition, a person or legal entity, other than a joint venture or general partnership, is ineligible for ASCF Program payments, directly or indirectly, if the person's or legal entity's average adjusted gross income (AGI), using the average of the adjusted gross incomes for the 2021, 2022, and 2023 tax years, exceeds $900,000.

FSA will administer the payment limitation, payment eligibility, and average AGI limitation according to the regulations set forth at 7 CFR part 1400 as in effect for program year 2025 on June 1, 2026, except that the actively engaged provisions (Subparts C and G) and foreign person eligibility provisions (Subpart E), do not apply to the ASCF Program.

VII. Regulatory Analyses

A. Notice and Comment and Effective Date

The Administrative Procedure Act (APA, 5 U.S.C. 553(a)(2)) provides that the notice and comment requirements and 30-day delay in the effective date provisions of that Act do not apply when the rule involves specified actions, including matters relating to loans, grants, benefits, and contracts. This rule falls within this exemption.

This rule is exempt from the regulatory analysis requirements of the Regulatory Flexibility Act (5 U.S.C. 601–612), as amended by the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA), because it involves matters relating to benefits. The requirements for the regulatory flexibility analysis in 5 U.S.C. 603 and 604 are specifically tied to the requirement for a proposed rule by section 553 or any other law; in addition, the definition of ''rule'' in 5 U.S.C. 601 is tied to the publication of a proposed rule.

The Office of Management and Budget (OMB) found this rule meets the criteria in 5 U.S.C. 804(2) of the Congressional Review Act (CRA), which would ordinarily necessitate delaying its effective date for 60 days (5 U.S.C. 801(a)(3)(A)). However, the CRA, at 5 U.S.C. 808(2), allows an agency to make such regulations effective immediately if the agency finds there is good cause to do so. CCC has determined that such good cause exists here as benefits made by this rule are critical to the financial stability of producers who participate in this program and this assistance is necessary to help those producers sustain their normal business operations. CCC further believes that good cause exists because notice and comment is not legally required, and thus unnecessary, for this action as described above. Therefore, CCC is not

required to delay the effective date for 60 days from the date of publication to allow for Congressional review. Accordingly, this rule is effective upon publication in the **Federal Register**.

B. Executive Orders 12866, 13563, and 14192

Executive Order 12866, ''Regulatory Planning and Review,'' and Executive Order 13563, ''Improving Regulation and Regulatory Review,'' 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). Executive Order 13563 emphasized 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,'' announced the Administration policy to significantly reduce the private expenditures required to comply with Federal regulations to secure America's economic prosperity and national security and the highest possible quality of life for each citizen and to alleviate unnecessary regulatory burdens placed on the American people. In line with the Executive Order requirements, CCC will use existing information available to CCC to maximize benefits and minimize burden on American producers. This rule is not an Executive Order 14192 regulatory action because it does not impose any more than de minimis regulatory costs.

The Office of Management and Budget (OMB) designated this rule as economically significant under Executive Order 12866, section 3(f)(1), and therefore, OMB has reviewed this rule. The costs and benefits of this rule are summarized below. The Cost Benefit Analysis is available on *regulations.gov.*

C. Cost Benefit Analysis Summary

CCC will make $1.625 billion available in one-time bridge payments to U.S. farmers through the ASCF Program in response to temporary market disruptions and increased production costs. The ASCF Program provides broad relief to U.S. farmers who produce specialty crops that are recognized directly by AMS Specialty Crop definition, Appendices A and B, as fruits, tree nuts, or vegetables or types of fruits, tree nuts, or vegetables. Crops included in Appendices A or B that are eligible for the FBA Program are not eligible for the ASCF Program. The final cost will depend on the number of applications that are submitted and approved.

D. Environmental Review

The environmental impacts have been considered in a manner consistent with the provisions of the National Environmental Policy Act (NEPA, 42 U.S.C. 4321–4347) and the USDA regulation for compliance with NEPA (7 CFR part 1b).

There are no actions under this rule that have the potential to impact the human environment. Accordingly, the actions under this rule are covered by the FSA Categorical Exclusions specified in 7 CFR 1b.4(c)(16)(viii) that apply to individual farm participation in FSA programs where no ground disturbance or change in land use occurs as a result of the proposed action or participation, and 7 CFR 1b.(c)(16)(ix) that applies to safety net programs.

No Extraordinary Circumstances (§ 1b.3(f)) exist because this is an administrative payment program. The ASCF Program does not constitute a major Federal action that would significantly affect the quality of the human environment, individually or cumulatively. Therefore, CCC will not prepare an environmental assessment or environmental impact statement for this action and, consistent with § 1b.3(g), this document serves as the programmatic finding of applicability and no extraordinary circumstance (FANEC) for this Federal action.

E. Executive Order 13175

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

CCC has assessed the impact of this rule on Indian Tribes and determined that this rule does not, to our knowledge, have Tribal implications that require Tribal consultation at this time. If a Tribe requests consultation in the future, FSA will work with the Office of Tribal Relations to ensure meaningful consultation is provided.

F. Unfunded Mandates Reform Act

Title II of the Unfunded Mandates Reform Act of 1995 (UMRA, Pub. L. 104–4) requires Federal agencies to assess the effects of their regulatory actions on State, local, and Tribal governments or the private sector. Agencies generally must prepare a written statement, including cost benefit analysis, for proposed and final rules with Federal mandates that may result in expenditures of $100 million or more in any 1 year for State, local or Tribal governments, in the aggregate, or to the private sector. UMRA generally requires agencies to consider alternatives and adopt the more cost effective or least burdensome alternative that achieves the objectives of the rule. This rule contains no Federal mandates, as defined in Title II of UMRA, for State, local and Tribal governments or the private sector. Therefore, this rule is not subject to the requirements of sections 202 and 205 of UMRA.

G. Paperwork Reduction Act Requirements

The Paperwork Reduction Act of 1995 (44 U.S.C. Chap. 35; see 5 CFR part 1320), requires that OMB approve all collections of information by a Federal agency from the public before they can be implemented. Respondents are not required to respond to any collection of information unless it displays a current valid OMB control number. The USDA intends to use the OMB approved information collection under the control number of 0503–0028; Expiration Date: 10/31/2027 for the purposes of this regulation.

FSA will issue payments to producers using the following forms: CCC–556, CCC–901, CCC–902E, CCC–902I, CCC–941, and AD–1026. The AD–1026 is exempt as specified in the Agricultural Act of 2014 (Pub. L. 113–79, Title II, Subtitle G, Funding and Administration). The CCC–556 is the only new data collection activity associated with this request. The total annual burden hours for this information collection are 30,320 hours. See table below for the breakout. This final rule is a one-time announcement of Federal financial assistance funding for the ASCF Program.

For Further Information Contact: Requests for additional information or copies of this information collection should be directed to Michael Walter; telephone: (816) 491–6934 ; or email: *Michael.Walter1@usda.gov.*

Title: Assistance for Specialty Crop Farmers (ASCF) Program.

Form Numbers: CCC–556, CCC–901, CCC–902E, CCC–902I, CCC–941, and AD–1026.

OMB Number: 0503–0028.

Expiration Date: 10/31/2027.

Type of Request: Information Collection.

Abstract: As authorized by Section 5(b) of the CCC Charter Act (15 U.S.C. 714c(b)), CCC is administering the ASCF Program to provide up to $1.625 billion in one-time payments to producers of eligible specialty crops in response to elevated input costs and market losses resulting from foreign competitors engaging in unfair trade practices that impede exports.

To apply for the ASCF Program, producers must execute a CCC–556, which will be pre-filled with the producer's reported planted acreage for the 2025 crop year. Producers will use one application for all eligible specialty crop acreage nationwide. Producers must also submit the following eligibility forms if not already on file with FSA due to participation in other programs: CCC–901, Member Information for Legal Entities, if applicable; CCC–902, Farm Operating Plan, for an individual or legal entity as provided in 7 CFR part 1400; CCC–941, Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information, for individuals, legal entities, and members of legal entities, excluding joint ventures and general partnerships; and AD–1026, Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification, for the participant and applicable affiliates.

Affected Public: Farms or businesses for profit (Agricultural producers).

Estimated Number of Respondents: 60,000.

Estimated Number of Responses per Respondent: 1.79333333.

Estimated Number of Total Annual Responses: 107,600.

Estimated Time per Respondent: 0.28178439 hours.

Estimated Total Annual Burden on Respondents: 30,320 burden hours.

Burden activity or form	Number of respondents	Number of responses per respondent	Total annual responses	Hours per response	Total hours per year
CCC–556, Assistance for Specialty Crop Farmers (ASCF) Program Application	60,000	1	60,000	0.1670	10,020
CCC–901, Member Information for an Entity	600	1	600	0.5	300
CCC–902E, Farm Operating Plan for an Entity	10,000	1	10,000	0.5	5,000
CCC–902I, Farm Operating Plan for an Individual	10,000	1	10,000	0.5	5,000
CCC–941, Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information	20,000	1	20,000	0.5	10,000
AD–1026, Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification	7,000	1	7,000	0.0835	EXEMPT
Total Estimates	60,000	1.79333333	107,600	0.28178439	30,320

There are an estimated 60,000 respondents anticipated for this data collection. The total estimated ''Number of Respondents'' is not a sum of respondents for all burden activities and forms. It represents the same respondents submitting responses related to different activities for this data collection; therefore, these respondents are not double counted.

H. E-Government Act Compliance

CCC is committed to complying with the E-Government Act of 2002, 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.

Federal Assistance Programs

The title and number of the Federal assistance program, as found in the Assistance Listing, to which this document applies are 10.991—Assistance for Specialty Crop Farmers (ASCF).

List of Subjects in 7 CFR Part 1414

Agricultural commodities, Cotton, Feed grains, Fruits, Nuts, Oilseeds, Peanuts, Reporting and recordkeeping requirements, Rice, Vegetables, Wheat.

For the reasons discussed above, Commodity Credit Corporation amends 7 CFR chapter XIV as follows:

PART 1414—BRIDGE ASSISTANCE

■ 1. The authority for part 1414 continues to read as follows.

Authority: 15 U.S.C. 714, *et seq.*

■ 2. Add subpart B to read as follows.

Subpart B—Assistance for Specialty Crop Farmers Program

Sec.

1414.101 Applicability.
1414.102 Administration.
1414.103 Definitions.
1414.104 Eligible producer.
1414.105 Eligible specialty crops and payment rates.
1414.106 Eligible acres.
1414.107 Time and method of application.
1414.108 Payment calculation.
1414.109 Payment eligibility and limitation.
1414.110 General provisions.

Subpart B—Assistance for Specialty Crop Farmers Program

§ 1414.101 Applicability.

The regulations in this subpart are applicable to producers participating in the Assistance for Specialty Crop Farmers (ASCF) Program. Producers who participate in the ASCF Program will receive payments from the Commodity Credit Corporation (CCC) to assist them in the production and marketing of agricultural commodities. Payments will be based on 2025 planted and timely reported acreage of eligible specialty crops and on payment rates determined by CCC.

§ 1414.102 Administration.

(a) The regulations in this subpart will be administered under the general supervision and direction of the Executive Vice President, CCC. In the field, the regulations in this subpart will be administered by the Farm Service Agency (FSA) State and county committees (referred to as ''State committee'' and ''county committee,'' respectively).

(b) State executive directors, county executive directors, and State and county committees do not have authority to modify or waive any of the provisions of this subpart.

(c) The State committee may take any action authorized or required by this subpart to be taken by the county committee that has not been taken by the county committee. The State committee may also:

(1) Correct or require a county committee to correct any action taken by the county committee that is not in accordance with this subpart; or

(2) Require a county committee to withhold taking any action that is not in accordance with this subpart.

(d) No delegation in this subpart to a State or county committee precludes the Executive Vice President, CCC or a designee, from determining any question arising under this subpart or from reversing or modifying any determination made by a State or county committee.

§ 1414.103 Definitions.

The definitions in this section are applicable for all purposes of administering this subpart. The terms defined in 7 CFR parts 718 and 1400 are also applicable, except where those definitions conflict with the definitions specified in this section. Where there is a conflict or a difference in definitions specified in this subpart and 7 CFR parts 718 and 1400, the regulations in this subpart will apply.

CCC–556 means Form CCC–556, Assistance for Specialty Crop Farmers (ASCF) Program Application.

Beans means only the following types of beans: Adzuki, Anasazi, baby lima, black turtle, butter, Canario, Chinese string, cranberry, dark red kidney, fava, flat small white, green garbanzo chickpeas, great northern, green, green baby French (petite), Jacob's cattle, Kentucky blue, kintoki, lablab (hyacinth), large lima, light red kidney, long, lupine, marrow, mayocoba, myothe, mung, October, papadi valor, pea, pink, pinto, pole, pole columbus, roma, shelli, small red, small white navy, snap wax, soldier, sulfur, tebo, tiger eye kidney, velvet, white adzuki, white half runner, white kidney, wing, yardlong, and yellow eye.

Caneberries means only the following types of caneberries: Apache, Arapaho, black raspberries, blackberries, boysenberries, cascadeberries, Chester blackberries, Chickasaw, Doyle blackberries, Estrella/yellow, evergreen blackberries, Kiowa/Ouachita, Kotata blackberries, loganberries, Maravilla, marionberries, Natchez, Navaho, olallieberries, Osage, Prime Ark 45, Prime-Jan, Prime-Jim, red raspberries, tayberries, and triple crown blackberries.

Controlled environment means the use of structures that allow for the manipulation of various environmental factors instead of relying on nature for any period of time during the growing season. This manipulation can be either partially or fully controlled to optimize plant growth, improve consistency, grow without soil, extend the growing period, or to reduce risks from weather, pests, and disease. Examples of such factors are control over temperature, humidity, light levels, nutrient levels, and atmospheric composition such as CO_2 concentration. The term ''controlled environment'' excludes the use of structures to produce seedlings prior to planting for production purposes.

Crop year means:

(1) For crops other than mushrooms, the calendar year in which a specialty crop, or the majority of a specialty crop, was intended for harvest; and

(2) For mushrooms, October 1 through September 30.

Determined acres means that acreage established by an FSA representative by using official acreage, digitizing areas on a photograph or other imagery, or computations from scaled dimensions or ground measurements.

Eligible producer means a producer of an eligible specialty crop who timely filed Form FSA–578 with FSA and who complies with all provisions of this subpart.

FSA–578 means Form FSA–578, Report of Crop Acreage.

Melons means only the following types of melons: canary, cantaloupe, Crenshaw, honeydew, Israel, kiwano (horned), Korean golden, and watermelon.

Peas means only the following types of peas: arvika/4010, black eye, butter, caley, China, cow, cream, crowder, English or garden, flat, marrowfat, mini, partridge, pigeon, pink eyed, purple hull, rondo, snap, snow, southern acre, speckled or colored, sugar, and Umatilla.

Sweet corn means only the following types of corn: sweet bicolor, sweet white, sweet yellow/golden early, and sweet yellow/golden late.

§ 1414.104 Eligible producer.

(a)(1) To be eligible for payment under this subpart, a producer must have timely filed an FSA–578 with FSA for their acreage of each eligible specialty crop for which a payment under this subpart is requested.

(2) Federal agencies are not eligible to participate in the ASCF Program.

(b) An eligible producer is a:

(1) Citizen of the United States;

(2) Resident alien, which for purposes of the ASCF Program, means ''lawful alien'' as defined in 7 CFR part 1400;

(3) Partnership organized under State law consisting solely of citizens of the United States or resident aliens;

(4) Corporation, limited liability company, or other organizational structure organized under State law consisting solely of citizens of the United States or resident aliens; or

(5) Indian Tribe or Tribal organization, as defined in section 4(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304).

(c)(1) A State, political subdivision, or agency thereof, is eligible for a payment under this subpart if:

(i) The land for which payments are received is owned by the State, political subdivision, or agency thereof; and

(ii) The payments are used solely for the support of public schools.

(2) The total of payments to the State, political subdivision, or agency thereof cannot exceed $500,000 annually, except for States with a population less than 1,500,000, as established by the most recent U.S. Census Bureau annual estimate of the State's resident population. This limitation is in addition to the limitation per person or legal entity described in § 1414.9. States with a population of less than 1,500,000 are subject to the regular per person or entity limit in § 1414.9.

(d) To be eligible for assistance under this subpart, a producer must be in compliance with the provisions of 7 CFR part 12 and the provisions of 7 CFR 718.6, which address ineligibility for benefits for offenses involving controlled substances.

(e) A receiver or trustee of an insolvent or bankrupt debtor's estate, an executor or an administrator of a deceased person's estate, a guardian of an estate of a ward or an incompetent person, and trustees of a trust are considered to represent the insolvent or bankrupt debtor, the deceased person, the ward or incompetent, and the beneficiaries of a trust, respectively. The production of the receiver, executor, administrator, guardian, or trustee is considered to be the production of the person or estate represented by the receiver, executor, administrator, guardian, or trustee.

§ 1414.105 Eligible specialty crops and payment rates.

(a) Table 1 lists the payment groups, eligible specialty crops, and payment rates for the ASCF Program.

TABLE 1 TO PARAGRAPH (a)—ASCF PROGRAM PAYMENT GROUPS, ELIGIBLE SPECIALTY CROPS, AND PAYMENT RATES

Payment group	Eligible commodity	Payment rate per acre
Tier 1	Aronia (chokeberry), artichokes, blueberries (highbush), breadfruit, Brussels sprouts, cabbage (choy sum, napa), cacao, caneberries, carrots, cauliflower, celery, cherimoya, cherries (sweet), chestnuts, chives (abuchoo/garlic, chives), coconuts, currants, dates, figs, garlic, gooseberries, grapes (fresh), greens (Asian, Chinese spinach/amaranth, cressie, dandelions, escarole, flowering kale, Hanover, hybrid mustard, orach, perilla/shiso, Japanese basil, rape/rapini/Chinese broccoli, Shanghai bok choy, shum choy, sorrell, suk gat, toc choy, yu choy, curly endive, frizee/Belgian endive, arugula, leaf spinach, vine spinach, water spinach), guava, horseradish, kiwiberry, kiwifruit, kohlrabi, kumquat, leeks, lemons, lettuce, limes, lychee, mangos, mushrooms, nectarines, okra, olives, onions, papaya, parsnip, passion fruits, peaches (freestone, semi-freestone cling), peppers (green bell, yellow), persimmons, pineapple, plums, pomegranates, quinces, rhubarb, rutabaga, salsify, shallots, strawberries, turnips.	$650
Tier 2	Almond, apple, apricot, asparagus, avocados, bananas, beets, blueberries (low bush, rabbiteye), broccoflower, broccoli, broccolini, broccolo-cavalo, cabbage (hybrid, open pollinated, red, savoy), celeriac, cherries (tart), Chinese bitter melon, citron, coffee, cranberries, cucumbers, dasheen, eggplant, grapefruit, grapes (processed), greens (collard, common kale, Chinese mustard,mizuna/Japanese mustard, open pollinated mustard, turnip,Swiss chard (green, red)), macadamia nuts, mandarins/tangerines, melons, melongene, orangelo/Spanish chironja, oranges, parsley, peaches (cling), pears, peppers (Anaheim, banana, cayenne, chilaca, cubanelle, fingerhots, Fresno, gourmet mini, green chili, habanero, hot cherry, Hungarian hot wax, Italian, jalapeno, long johns, mini, oriental red, oriental sweet, paprika, pepino, pimento, poblano, red chili, scratch bonnet, serrano, sport, sweet cherry, tobasco), pistachios, plantain, potatoes, prunes, pummelo, pumpkins, radishes, raisins, squash, sweet potatoes, tangelos, tangors, tangos, taro, tomatillos, tomatoes, walnuts.	225
Tier 3	Cashew, cherries (chockcherry, Jamaica), sweet corn, hazelnuts, pecans	65
Beans and Peas	Beans, peas	25

(b) Eligible beets do not include sugar beets, which are not considered a specialty crop and are ineligible for the ASCF Program.

(c) Grapes are categorized as fresh or processed based on the intended use reported by the producer on FSA–578.

(d) CCC may announce additional eligible specialty crops if CCC determines that producers suffered decreased returns resulting from the market challenges considered when determining the eligibility of the specialty crops listed in paragraph (a) of this section. CCC will announce the eligibility of any additional eligible specialty crops on the ASCF web page at *https://www.fsa.usda.gov/ascf.*

§ 1414.106 Eligible acres.

(a) Eligible acres under this subpart include 2025 crop year acres planted in the United States to an eligible specialty crop, excluding acreage reported as a cover crop, prevented planted, or with an intended use of grazing, left standing, green manure, silage, forage, volunteer, or experimental. To be eligible for payment under this subpart, producers must have reported the acreage planted to these crops to FSA on FSA–578 by April 24, 2026.

(b) ASCF Program payments will be based on timely reported acres. If reported acres have determined acres present, determined acres will be used.

(c) In situations where a producer planted both an initial crop and a subsequent crop on the same acreage for the 2025 crop year, both the initial crop and the subsequent crop will be eligible for the ASCF Program if they were eligible specialty crops.

(d) If a producer has repeated plantings of an eligible specialty crop on the same acreage during the 2025 crop year, all plantings of that crop are eligible for payment under this subpart.

(e) Acres grown in a controlled environment, excluding acreage of mushrooms, are not eligible for payment under this subpart.

§ 1414.107 Time and method of application.

(a) Producers must obtain their prefilled CCC–556 from FSA and submit this form to any FSA county office by August 7, 2026. Applicants will submit one application that includes all eligible acreage in all counties nationwide.

(b) The date to apply for payments under this program may be extended and the extended date will be set forth at *https://www.fsa.usda.gov/ascf.* Producers may also obtain that information from any FSA county office.

(c) Producers must also submit the following eligibility forms to FSA by August 9, 2027, if not already on file with FSA for the 2025 program year:

(1) CCC–901, Member Information for Legal Entities, if applicable;

(2) CCC–902, Farm Operating Plan;

(3) CCC–941, Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information, for individuals, legal entities, and members of legal entities, excluding joint ventures and general partnerships; and

(4) AD–1026 Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification, for the producer and affiliated persons, as specified in 7 CFR 12.8.

§ 1414.108 Payment calculation.

Payments will be determined by multiplying the eligible acres of an eligible specialty crop by the payment rate for such specialty crop. Payment rates are specified in table 1 to § 1414.105(a).

§ 1414.109 Payment eligibility and limitation.

(a) A person, legal entity, or member of a joint venture or general partnership, as determined in 7 CFR part 1400 in effect for program year 2025 on June 1, 2026, cannot receive, directly or indirectly, more than $250,000 under this subpart. The regulations set forth in 7 CFR part 1400 will be used to administer this limitation.

(b) A person or legal entity with an average adjusted gross income that exceeds $900,000, as determined in accordance with 7 CFR part 1400, subpart F, will not be eligible to receive benefits, directly or indirectly, under this subpart.

§ 1414.110 General provisions.

(a) All information provided to FSA for program eligibility and payment calculation purposes is subject to spot check. Participants are required to retain documentation in support of their application for 3 years after the date of approval, including verifiable evidence of planted acres of eligible specialty crops. Participants receiving ASCF

Program payments or any other person who furnishes such information to the U.S. Department of Agriculture (USDA) must permit authorized representatives of USDA or the Government Accountability Office, during regular business hours, to enter the operation and to inspect, examine, and allow representatives to make copies of books, records, or other items for the purpose of confirming the accuracy of the information provided by the participant.

(b) If an ASCF Program payment resulted from erroneous information provided by a participant, or any person acting on their behalf, the payment will be recalculated and the participant must refund any excess payment to FSA with interest calculated from the date of the disbursement of the payment. If FSA determines that the applicant intentionally misrepresented information included on their application, the application will be disapproved and the applicant must refund the full payment to FSA with interest from the date of disbursement.

(c) Any payment under this subpart will be made without regard to questions of title under State law and without regard to any claim or lien. The regulations governing offsets in 7 CFR part 3 apply to ASCF Program payments.

(d) In either applying for or participating in the ASCF Program, or both, the applicant is subject to laws against perjury (including, but not limited to, 18 U.S.C. 1621). If the applicant willfully makes and represents as true any verbal or written declaration, certification, statement, or verification that the applicant knows or believes not to be true, in the course of either applying for or participating in the ASCF Program, or both, then the applicant may be found to be guilty of perjury. Except as otherwise provided by law, if guilty of perjury the applicant may be fined, imprisoned for not more than 5 years, or both, regardless of whether the applicant makes such verbal or written declaration, certification, statement, or verification within or outside the United States.

(e) For the purposes of the effect of a lien on eligibility for Federal programs (28 U.S.C. 3201(e)), USDA waives the restriction on receipt of funds under this subpart but only as to beneficiaries who, as a condition of the waiver, agree to apply ASCF Program payments to reduce the amount of the judgment lien.

(f) In addition to any other Federal laws that apply to the ASCF Program, the following laws apply: 18 U.S.C. 286, 287, 371, and 1001.

William Beam,

Executive Vice President, Commodity Credit Corporation.

[FR Doc. 2026–10930 Filed 5–29–26; 8:45 am]

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DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

9 CFR Part 201

[Doc. No. AMS–FTPP–22–0046]

RIN 0581–AE54

Poultry Grower Payment Systems and Capital Improvement Systems; Delay of Effective Date

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Final rule; delay of effective date.

SUMMARY: The Agricultural Marketing Service (AMS or the Agency) is delaying the effective date of the ''Poultry Grower Payment Systems and Capital Improvement Systems'' final rule (Payment Systems rule or final rule), which was published in the **Federal Register** on January 16, 2025, to allow time for further consideration of actions that may be taken regarding the disposition of the rule. The current effective date of the Payment Systems rule is July 1, 2026. With this action, AMS is delaying the effective date to December 31, 2027.

DATES: As of July 1, 2026, the effective date of the final rule published January 16, 2025 (90 FR 5146) is delayed until December 31, 2027.

FOR FURTHER INFORMATION CONTACT: Jeana Harbison, Acting Director, Packers and Stockyards Division, USDA, AMS, Fair Trade Practices Program, 1400 Independence Ave. SW, Washington, DC 20250; telephone: 202–720–7051; email: *PSDWashingtonDC@usda.gov.*

SUPPLEMENTARY INFORMATION:

A. Background and Basis for Delay

On January 16, 2025, AMS published the final rule, ''Poultry Grower Payment Systems and Capital Improvement Systems'' (Payment Systems rule or final rule) (90 FR 5146, January 16, 2025), to amend 9 CFR part 201 of its regulations under the Packers and Stockyards Act (P&S Act) (7 U.S.C. 181 *et seq.*). The final rule was promulgated in support of Executive Order 14036 (86 FR 36987, July 14, 2021), which Executive Order 14337 revoked on August 13, 2025 (90 FR 40227, August 19, 2025).

The Payment Systems rule addresses the relationship between live poultry dealers (LPDs) and the poultry growers under contract with them. The rule: (1) prohibits LPDs from reducing a grower's compensation based on the grower's ranking under a poultry grower ranking system (9 CFR 201.106); (2) establishes a presumptive violation of the P&S Act by LPDs when aggregate gross annual payments based upon a grower's ranking under a poultry grower ranking system exceeds a certain threshold (§ 201.106); (3) holds LPDs to a duty of fair comparison when designing and operating their poultry grower ranking system and requires documentation of compliance with that duty (§ 201.110); and (4) requires LPDs to provide certain disclosures when requesting or requiring that broiler growers make additional capital investments (§ 201.112).

At the time of publication, AMS estimated that the Payment Systems rule would result in significant costs to both LPDs and poultry growers with no quantifiable benefits.[1] AMS acknowledged it could not rule out the possibility of increased compliance costs, fewer growers participating in the market, and/or reduced production efficiencies, all of which could lead to higher consumer prices.[2]

In the explanatory statement accompanying the Continuing Appropriations, Agriculture, Legislative Branch, Military Construction and Veterans Affairs, and Extensions Act, 2026 (Pub. L. 119–37),[3] Congress encouraged the Department to delay implementation of the final rule.[4]

On March 18, 2026, AMS published a proposed rule, ''Poultry Grower Payment Systems and Capital Improvement Systems; Delay of Effective Date'' (the Proposed Delay), proposing to delay the effective date of

[1] *See* ''Poultry Grower Payment Systems and Capital Improvement Systems,'' 90 FR 5146, 5196, 5201, January 16, 2025.

[2] *See id.* at 5198–9.

[3] Continuing Appropriations, Agriculture, Legislative Branch, Military Construction and Veterans Affairs, and Extensions Act, 2026, Public Law 119–37, 139 Stat. 495 (November 12, 2025).

[4] 171 Cong. Rec. S8047 (daily ed. November 9, 2025) (Explanatory Statement Submitted by Ms. Collins, Chair of the Senate Committee on Appropriations, Regarding H.R. 5371, the Continuing Appropriations, Agriculture, Legislative Branch, Military Construction and Veterans Affairs, and Extensions Act, 2026) (''The agreement encourages the Department to delay implementation of the final rule entitled 'Poultry Grower Payment Systems and Capital Improvement Systems', published by the Department of Agriculture in the **Federal Register** on January 16, 2025 (90 FR 5146 *et seq.*).'')

the Payment Systems rule to December 31, 2027, to allow time for further consideration of actions that may be taken regarding the disposition of the rule (91 FR 12936).

AMS received more than 2,800 comments in response. Commenters included growers, advocacy groups, industry, members of Congress, and the general public. After consideration of the comments submitted, AMS is finalizing the Proposed Delay without change. AMS is doing so in alignment with Congressional direction, and due to the significant estimated costs and the policy and legal issues commenters have identified with the Payment Systems rule. AMS believes delaying the effective date of the rule to December 31, 2027, will allow for thorough consideration of these matters as it deliberates actions that may be taken regarding the disposition of the rule. AMS provides its analysis and response to the comments received in section B of this document.

B. Discussion of Comments

a. Overview of Comments Received

AMS received more than 2,800 comments from farmer associations, poultry and meat industry trade associations, integrated live poultry dealers, non-integrated poultry dealers, poultry growers, farm advocacy organizations, and members of the general public. About 2,700 comments opposed the Proposed Delay, about a dozen supported it, and the remainder of the comments were outside the scope of the Proposed Delay. There were approximately 225 unique comments, meaning a comment that was not replicated by any other comments, and approximately 2,600 form letter comments. Supporters of the Proposed Delay included one large poultry integrator, two meat and poultry trade associations, and several individuals affiliated with non-integrated poultry companies that do not have control over all their inputs. Various poultry growers and grower organizations opposed this proposal.

b. Arguments That Further Delay Is Appropriate

Commenters supporting the delay suggested the delay is necessary to provide clarity to the industry, including contract growers, and to avoid the costs AMS identified in the Payment Systems rule. These commenters also advised that the delay was appropriate to further evaluate the Payment Systems rule's consistency with the P&S Act and its potential to cause significant harm to growers, processors, and American consumers. Further, supportive commenters noted the delay is consistent with Congressional intent citing the explanatory statement in the USDA appropriations bill. Finally, a few commenters recommended the rule undergo further analysis to better assess the impacts for LPDs operating without the benefit of vertical integration.

AMS Response: AMS appreciates the comments in support of the delay and agrees with the commenters. AMS believes delaying the rule is appropriate to avoid near-term implementation costs as the agency further evaluates the rule's financial and operational impacts, particularly in relation to consumer prices. AMS also acknowledges the final rule was primarily designed to address concerns related to integrated production. AMS will consider the impacts for LPDs operating without the benefit of vertical integration in addition to other identified legal and policy concerns as it deliberates actions that may be taken regarding the disposition of the rule.

c. Arguments That Further Delay Is Unnecessary and Harmful

The largest group of comments stated enough time has passed for consideration of the Payment Systems rule and that it should be implemented as planned. Commenters asserted AMS fully considered the costs and benefits of the final rule when it was published and did not provide any new evidence to justify its Proposed Delay. Other commenters noted both growers and LPDs have been preparing for the rule to take effect and further regulatory uncertainty would cause economic harm. More poultry farmers would be harmed by unfair practices under the currently prevailing poultry tournament compensation schemes and go out of business during the 18-month delay due to inadequate or unpredictable compensation than would be the case if the rule becomes effective as originally scheduled. One comment said the justification for delaying the effective date was unclear because a delay is unlikely to improve USDA's understanding of the rule's economic impact. Poultry contracts vary across regions, and to accurately understand the rule's impact on growers would require that USDA contact growers directly. Doing so is next to impossible given growers' concerns about retaliation from LPDs.

AMS Response: AMS appreciates the comments in support of the implementation of the Payment Systems rule and understands the concerns regarding delayed implementation. However, AMS is making no changes in response to these comments. It is AMS' view that the delay of effective date aligns with Congressional direction and is warranted due to the significant estimated costs and the policy and legal issues commenters have identified with the Payment Systems rule. AMS believes delaying the effective date of the rule to December 31, 2027, will allow further consideration of these matters as it deliberates actions that may be taken regarding the disposition of the rule. In the meantime, AMS will continue to utilize its robust enforcement authority to investigate any allegations of unfair practices.

d. Arguments Against the Need for Further Analysis

Approximately 2,700 comments argued that there is no need to delay the Payment Systems rule's effective date to allow time for further analysis of the costs of the rule. Of these, about 2,600 were form letter comments. These commenters cited the consent decree in *United States* v. *Cargill Meat Solutions Corp.*,[5] which required limits on performance pay and the elimination of base pay reductions in its contracts with poultry growers, as evidence that the Payment Systems rule would enforce transparency and fairness under the P&S Act.

One comment asserted that one of AMS' primary justifications for delaying the rule—uncertainty around the rule's provisions on grower incentives—did not accurately reflect the research on this topic. The commenter cited economic literature[6] and indicated that AMS inaccurately characterized the lack of economic research addressing how grower incentives could change in the absence of performance discounts.

AMS Response: AMS appreciates the comments against the need for further analysis. However, AMS disagrees. While the cited consent decree contains provisions similar to § 201.106 of the Payment Systems rule, it does not

[5] United States v. Cargill Meat Solutions Corp., 1:22–cv–1821–SAG (D. Md. June 5, 2023).

[6] The comment cited the following articles: Wang, Zhen and Tomislav Vukina. (2017) ''Welfare Effects of Payment Truncation in Piece Rate Tournaments'' *Journal of Economics* Vol. 120: 219–249; Tsoulouhas, Theofanis and Vukina Tomislav. (2001) ''Regulating Broiler Contracts: Tournaments Versus Fixed Performance Standards'' *American Journal of Agricultural Economics* Vol. 83: 1062–1073; Knoeber, C.R. and Thurman, W.N. (1995), '' 'Don't Count Your Chickens. . .'': Risk and Risk Shifting in the Broiler Industry'' *American Journal of Agricultural Economics,* 77: 486–496; Vukina, Tomislav and William E. Foster, (1996) ''Efficiency Gains in Broiler Production Through Contract Parameter Fine Tuning'' *Poultry Science* Vol. 11: 1351–1358; Lazear, Edward P. and Sherwin Rosen. (1981) ''Rank Order Tournaments as Optimum Labor Contracts'' *Journal of Political Economy* Vol. 89: 841–864.

include provisions analogous to §§ 201.110 or 201.112. Additionally, AMS believes it is important to review these complex requirements on an industry-wide basis rather than within the confines of the operation of one LPD.

AMS disagrees with the commenter's assertion that AMS inaccurately assessed public research. The research the commenter cited is relevant to poultry tournaments and broiler contracts but the research does not specifically address how growers' incentives might change if performance discounts were not part of the tournament and if variability in performance payments were limited—both of which are changes to tournament systems under the Payment Systems rule. Further, these comments are outside the scope of the delay of the effective date of the Payment Systems Rule and speak to the substance of the rule. While the current rulemaking is limited to the delay of Payment Systems rule, AMS appreciates the comments regarding the merits of the underlying rule and believes the diversity of views underscore the need for additional consideration. The agency will consider these comments as it deliberates actions that may be taken regarding the disposition of the rule.

e. Critiques of the Proposed Delay's Benefit-Cost Analysis

Comment: Commenters also argued that the Proposed Delay's benefit-cost analysis is flawed, criticizing how AMS used an assessment of the Payment Systems rule's costs and benefits to justify delaying the effective date. These commenters stated the costs are overestimated and that any claimed savings accruing to LPDs in the first year of the delay would come at the expense of the many unquantified benefits growers would gain from the final rule becoming effective as scheduled. Commenters provided examples of what they deemed were unquantified benefits, including increased certainty of minimum compensation outcomes, improved financial planning and ability to manage financial risk, reduced potential for deception and unfairness, and reduced information asymmetry that would contribute to more efficient investment and resource allocation decisions. With poultry industry sales in excess of $45 billion annually, commenters asserted the costs outlined by AMS are insignificant. When one compares the direct, quantified costs against the significant, unquantified benefits the rule would provide to poultry growers, it appears AMS is ignoring growers' concerns in favor of poultry integrators' interests.

Another commenter argued the Proposed Delay assigns significantly more quantified benefits to LPDs and ignores the qualitative benefits the Payment Systems final rule would provide to growers.

AMS Response: The benefit-cost analysis in the Proposed Delay is based on the benefit-cost analysis in the Payment Systems rule. AMS applied all of the same methods, but for quantified estimates, AMS made use of updated data. Updated wage data from the Department of Labor accounts for most of the differences. As explained further in the benefit-cost analysis of this final rule, AMS also removed certain one-time set-up costs. AMS acknowledges that quantified costs associated with delaying implementation of the Payment Systems rule are significantly less than overall industry revenues, but believes that is only one of a multitude of factors for consideration as is it deliberates actions that may be taken regarding the disposition of the rule. AMS disagrees that it has ignored grower concerns in favor of the interests of LPDs. As evident in the benefit-cost analysis in this final rule, AMS has accounted for the costs and benefits to both segments of the industry. As mentioned previously, AMS is committed to using its robust enforcement authority to investigate any grower allegations of unfair practices during the delay period.

Comment: A few commenters objected to the fact that the Proposed Delay's benefit-cost analysis assigned a cost to each contract poultry grower for review of new contracts and disclosures, even though growers would directly benefit from this activity. Several commenters stated that the time growers would spend reading these documents should not be considered a cost; however, if this time is going to be considered a cost, assuming every grower will do so is an exaggeration of this cost component because the rule does not require growers to read the documents.

AMS Response: AMS estimates some growers will spend more than the average amount of time reading contracts and disclosures. AMS also acknowledges some will spend less time, and some may not read them at all. For the benefit-cost analysis, AMS used its best estimate of the average time expected to be spent for this purpose.

The time growers spend reading the new contracts and disclosures is a cost because it is time they must invest to understand the new requirements even if they ultimately benefit from reading the documents. Time has an opportunity cost, and any hour spent reviewing materials is an hour that cannot be used for farm operations, other productive activities, or off-farm work. And while growers are not required to read every document, AMS expects that many will review the materials because they are directly affected by the rule and need to understand the changes.

Comment: A commenter asserted that AMS did not properly consider the substantial benefits of the Payment Systems rule and the significant harm a delay would cause to both growers and LPDs, undermining benefit-cost concerns; instead, AMS focused only on the implementation and compliance costs.

One commenter argued that AMS overstated the burden on LPDs by assuming each LPD would need to provide an average of 477 prior contracts and disclosure documents in years two through four. They noted these materials would only be required if a complex's average grower payment declined from the previous year, and because grower payments would not decrease at many complexes, these submissions would not always be necessary. The commenter also mentioned that in the Payment Systems rule, AMS explained that the recordkeeping and documentation requirements in the proposed rule were simplified for the final rule. However, in the final rule the agency did not reduce the cost estimate for these requirements because the precise amount of time savings would be difficult to estimate and AMS wanted to avoid underestimating costs (90 FR 5215).

AMS Response: In the regulatory analysis for the Payment Systems rule, AMS explained how it arrived at this estimate. AMS also noted that it does not have sufficient data to predict which complexes would experience a decline in average grower payments from the previous year. Because of that uncertainty, the estimate represents an upper bound scenario. As the analysis in the Payment Systems rule explains, this likely overstates the burden, since many complexes may not experience a year-to-year decline and therefore would not need to submit these materials. AMS used this conservative estimate in this final rule and the analysis in the Payment Systems rule to make sure the analysis captured the full potential burden during the transition period. For this final rule, AMS estimates that the public burden for this information collection would total approximately $1,572,000 in years two

through four representing the maximum amount that AMS could have overestimated costs to growers.

f. Comments Regarding Congressional Direction

Several comments disagreed with AMS' assertation that the Proposed Delay aligns with Congressional direction. They argued that because this provision was part of the explanatory statement included in the Continuing Appropriations, Agriculture, Legislative Branch, Military Construction and Veterans Affairs, and Extensions Act, 2026 (Pub. L. 119–37), it does not have the force of law.

AMS Response: Several members of Congress submitted a letter to the Secretary supporting the delay in implementation of the Payment Systems final rule on behalf of their constituents, noting the delay is consistent with the Congressional direction in the explanatory statement. Conversely, AMS also acknowledges that one member of the Senate submitted a comment opposing the delay. Nevertheless, it is typical AMS practice to consider and, to the extent practicable, abide by Congressional directives provided in explanatory statements and committee reports accompanying authorizing and appropriating statutes. This rulemaking aligns with that practice.

g. Arguments That the Proposed Delay Violates the APA

One comment claimed AMS violated the Administrative Procedure Act by: (1) failing to provide new evidence supporting the delay; and (2) substantively revising the final rule to extend the compliance date; this can only be done with a more detailed justification. A commenter also asserted AMS failed to provide a meaningful opportunity to comment on the Proposed Delay by limiting the scope of comments to costs and benefits.

AMS Response: AMS disagrees. AMS included its justification in the Proposed Delay, explaining that the agency would require additional time to consider the policy and legal implications of the Payment Systems rule, especially in light of the rule's significant cost and the latest Congressional direction. 91 FR 12936.

Additionally, the agency did not limit the scope of comments to just those related to costs and benefits. While the agency specifically invited comments and data concerning the benefits and costs of delaying the effective date of the Payment Systems rule (91 FR 12937), the agency also generally solicited public comments on its overall proposal and supporting justifications to delay the effective date of the final rule to December 31, 2027 (91 FR 12936). The agency received substantive comments and considered them in this determination to delay this rule's implementation.

h. Comments Outside the Scope of This Rulemaking

AMS received approximately 125 comments in support of the Payment System rule and against the Proposed Delay of effective date that addressed issues beyond the delay of effective date and went to the substance of the Payment Systems rule. While the current rulemaking is limited to the delay of Payment Systems rule, AMS appreciates the comments regarding the merits of the underlying rule and believes the diversity of views underscore the need for additional consideration. The agency will consider these comments as it deliberates actions that may be taken regarding the disposition of the rule.

C. Conclusion

After consideration of all comments received, AMS has decided to delay the effective date of the final rule until December 31, 2027.

D. Executive Order 12866

This rule has been determined to be ''significant'' under E.O. 12866, as supplemented by Executive Orders 13563 and 14192, and, therefore, has been accordingly reviewed by the Office of Management and Budget (OMB). As a required part of the regulatory process, AMS prepared an economic analysis of the costs and benefits of delaying the effective date of §§ 201.106, 110, 112, and 290 to December 31, 2027.

AMS will delay the effective date of the Payment Systems rule. The Payment Systems rule created four specific provisions including: § 201.106 regarding LPD responsibilities for the design of broiler grower compensation arrangements; § 201.110 regarding the fair operation of broiler grower ranking systems; § 201.112 regarding disclosure requirements for LPDs when requesting additional capital investments from broiler growers; and § 201.290 regarding severability.

Reason for the Final Rule

AMS will delay the effective day of the Payment Systems rule to allow for thorough consideration of estimated costs and the policy and legal issues associated with the final rule.

When AMS finalized the Payment Systems rule, AMS explained there was uncertainty as to whether the benefits would outweigh the costs.[7] One factor that was difficult to determine was whether the provision that prevents LPDs from applying performance discounts (§ 201.106(a)) and the provision capping variation in performance premiums (§ 201.106(b)) would impact grower incentives. Research indicates growers tend to raise broilers more efficiently with tournament contracts than with other forms of contracts or when LPDs raise broilers in their own facilities.[8] While there is existing literature on broiler tournaments and grower incentives, there is very little literature specifically addressing how growers' incentives might change if performance discounts were not part of the tournament and variability in performance payments were limited as the Payments Systems rule requires. LPDs annually spend tens of billions feeding broilers. If changes to tournament contracts due to the Payment Systems rule's amendments result in even very small decreases in feed efficiency, costs from implementation of the amendments could be considerably larger than the value of the benefits to growers due to reduced variability in compensation. Delaying the effective date will allow AMS to consider policy options with less risk of negative effects on public welfare.

Benefit-Cost Analysis

AMS prepared an economic analysis of the costs and benefits of delaying the effective date of §§ 201.106, 110, 112, and 290. AMS estimated cost and benefits associated with the Payment Systems rule when it was made final in 2025. AMS provided quantitative estimates of direct administrative costs associated with the Payment Systems rule and qualitative descriptions of indirect costs and benefits. This analysis follows the same analytical approach used in the final rule.

The updated estimates incorporate the latest industry parameters and wage rates while maintaining consistency with the methodology used. Hourly wage rates were established using the following Bureau of Labor Statistics (BLS) classifications for each labor category as follows (NAICS Code–OCC code–OCC Title): Management (3116–

[7] *See* ''Poultry Grower Payment Systems and Capital Improvement Systems,'' 90 FR 5202, January 16, 2025.

[8] Knoeber, Charles R. and Walter N. Thurman. ''Testing the Theory of Tournaments: An Empirical Analysis of Broiler Production.'' *Journal of Labor Economics* 12 (April 1994). Levy, Armando and Tomislav Vukina. ''The League Composition Effect in Tournaments with Heterogeneous Players: An Empirical Analysis of Broiler Contracts.'' *Journal of Labor Economics* 22 (2004).

11–1020—General and Operations Managers) for live poultry dealers' managers, and Legal (3110–23–1011–Lawyers) for attorneys.[9] The average hourly wage rates used to estimate cost savings were updated from the final rule to include a 42.34 percent markup for benefits and are as follows: Management—$102.56, Legal—$145.93, Administrative—$48.38, and Information Technology—$101.72. For reference, the analysis in the final rule is described in detail in the **Federal Register** at 90 FR 5146 (see pages 5189–5206).[10]

AMS expects that LPDs will incur $4.9 million in ongoing administrative costs for each of the first four years after the Payment Systems rule becomes effective and $4.1 million annually thereafter. Poultry growers will have approximately $249,000 in ongoing quantified administrative costs each year. Total ongoing administrative costs will be $5.2 million for each of the first four years and $4.3 million each year thereafter.

Regulatory Alternatives Considered

AMS considered three alternatives to the final rule's delay of §§ 201.106, 110, 112, and 290. The first alternative is the ''do nothing'' approach or maintaining the *status quo.* All regulations under the Packers and Stockyards Act will remain unchanged; that is, the Payment Systems final rule will become effective on July 1, 2026. This first alternative forms the baseline against which AMS compares the other alternatives.

The second alternative is this final rule. AMS will delay the effective date of the Payment Systems rule for 18 months. The Payment Systems rule will become effective on December 31, 2027, rather than July 1, 2026.

AMS considered a third alternative, the 12-Month Delay alternative, which is similar to the preferred alternative, but will delay the effective date of §§ 201.106, 110, 112, and 290 by 12 months (July 1, 2027) instead of 18 months (December 31, 2027).

Direct Quantified Benefits of the Final 18-Month Delay of §§ 201.106, 110, 112, and 290—Preferred Alternative

With the final rule's 18-month delay of the Poultry Systems rule, much of the first-year costs in the final rule that AMS considered are one-time setup and preparation activities that processors and growers incurred before the rule became effective. AMS believes many of these costs have likely already occurred, and therefore they are not affected by the delay. The delay will affect recurring costs. The delay will save live poultry growers and LPDs administrative costs associated with the ongoing administrative costs that will otherwise occur in the first 18 months after the Payment Systems final rule becomes effective.

Delaying the effective date for 18 months will shift all costs for both LPDs and growers back by 18 months. This final rule will enable LPDs to save $4.9 million and poultry growers to save $249,000 in administrative costs for a total of $5.2 million in the first year. They will save an additional $2.5 million and $125,000, respectively, in the second year for a total of $7.7 million. Administrative costs for LPDs were expected to decrease by $800,000 in the fifth year after the Payment Systems final rule became effective. With the effective date delayed by 18 months, the decrease in costs will be delayed as well. Costs will be $800,000 higher in the fifth year and $400,000 in the sixth year for LPDs. This will result in ten-year total cost savings of $6.1 million for LPDs and $374,000 for poultry growers; a combined savings of $6.5 million. Table 1 below summarizes cost savings to poultry growers and LPDs of delaying the effective date of the Payment Systems rule until December 31, 2027.

TABLE 1—QUANTIFIED BENEFITS FROM SAVINGS IN ADMINISTRATIVE COSTS FOR LPDS, AND POULTRY GROWERS FROM DELAYING THE EFFECTIVE DATE OF THE PAYMENTS SYSTEMS RULE FOR 18 MONTHS

Value	Growers ($)	LPDs ($)	Total ($)
First-Year	249,000	4,902,000	5,151,000
Ten-Year Total	374,000	6,146,000	6,520,000
Ten-Year Net Present Value discounted at 3%	360,000	6,038,000	6,398,000
Ten-Year Net Present Value discounted at 7%	342,000	5,880,000	6,222,000
Annualized Net Present Value discounted at 3%	42,000	708,000	750,000
Annualized Net Present Value discounted at 7%	49,000	837,000	886,000

Indirect Cost Savings/Benefits of the 18-Month Delay of §§ 201.106, 110, 112 and 290—Preferred Alternative

The indirect benefits (cost savings) of this final rule represent the indirect benefits incurred during the 18-month period of the delay of the effective date. AMS expects that provisions of §§ 201.106, 110, and 112 may require LPDs to change their existing business practices, which has the potential to affect the indirect costs of the Payment Systems rule. As discussed in the Payment Systems rule, AMS does not have sufficient data to make an inference on the number of complexes that will need to change business practices or the magnitude of any changes that will be required.[11]

If LPDs modify existing grower compensation structures in response to § 201.106, changes in performance-based payments could adversely affect grower performance incentives and cause growers to produce broilers less efficiently. As a result, LPDs could face increased production costs. Even a very small change in efficiency could result in relatively large increases in the cost of producing broilers. Those costs could be passed on to consumers.

If AMS enforcement of § 201.112 has the effect of preventing broiler growers from making additional capital investments, then such decisions to forgo investment will likely result in fewer benefits for LPDs, and more for growers. AMS is not able to quantify these lost benefits (costs) to LPDs.

As the preferred alternative delays the effective date of the Payment Systems rule for 18 months, LPDs and growers may experience indirect benefits proportional to this delay, though AMS expects these indirect benefits to be small relative to the benefits associated with the Payments Systems rule.

[9] U.S. Bureau of Labor Statistics, *May 2024 National Occupational Employment and Wage Estimates,* May 2024, *https://www.bls.gov/oes/special.requests/oesm24all.zip.*

[10] *See* ''Poultry Grower Payment Systems and Capital Improvement Systems,'' 90 FR 5190, January 16, 2025.

[11] *See* ''Poultry Grower Payment Systems and Capital Improvement Systems,'' 90 FR 5198, January 16, 2025.

Indirect Costs/Foregone Benefits of the 18-Month Delay of §§ 201.106, 110, 112 and 290—Preferred Alternative

There are unquantifiable benefits to the provisions regulating LPDs in §§ 201.106, 110, and 112, which will be foregone in the 18-month period in which the Payment Systems rule will be delayed under the preferred alternative. Section 201.106 could benefit growers from increased clarity and certainty about the lowest possible revenue and reduce variability in outcomes under a growing arrangement. Section 201.110 may benefit broiler growers through improved fairness in comparison. Section 201.112 may provide broiler growers with better information to make financial decisions. The size of these unquantifiable benefits will be directly related to the extent of these reductions. However, AMS does not have sufficient data to make an inference on the number of complexes that will change business practices or the magnitude of any changes that will be required.

AMS expects broiler growers will benefit from the Payment Systems rule, though AMS is unable to predict the size of these benefits with certainty. The indirect benefits of the Payment Systems rule will still occur, they will just be delayed by 18 months. Thus, broiler growers will experience unquantifiable costs (foregone benefits) proportional to this delay, though AMS expects these unquantifiable costs to be small.

Direct Cost Savings/Benefits of the 12-Month Delay Alternative

AMS also evaluated benefits and costs of delaying the effective date for 12 months (12-Month Delay Alternative). The 12-Month Delay Alternative is similar to the final alternative, but the effective date of the Payment Systems rule will be delayed 12 rather than 18 months. Under the 12-Month Delay Alternative all costs for both LPDs and growers will be shifted back by one year, resulting in a savings to LPDs of $4.9 million and poultry growers of $249,000 in administrative costs for a total of $5.2 million in savings. Because administrative costs for LPDs were expected to decrease in the fifth year after the rule became effective, costs in the fifth year will be $800,000 higher for LPDs if the effective date is delayed 12 months. The ten-year total direct administrative cost savings will be $4.3 million for the 12-Month Delay Alternative. The table below contains estimated administrative cost savings for LPDs and poultry growers for the 12-Month delay Alternative.

TABLE 2—QUANTIFIED BENEFITS FROM SAVINGS IN ADMINISTRATIVE COSTS FOR LPDS AND POULTRY GROWERS FROM DELAYING THE EFFECTIVE DATE OF THE PAYMENTS SYSTEMS RULE FOR 12 MONTHS

Value	Growers ($)	LPDs ($)	Total ($)
First-Year	249,000	4,902,000	5,151,000
Ten-Year Total	249,000	4,097,000	4,347,000
Ten-Year Net Present Value discounted at 3%	242,000	4,065,000	4,307,000
Ten-Year Net Present Value discounted at 7%	233,000	4,007,000	4,241,000
Annualized Net Present Value discounted at 3%	28,000	477,000	505,000
Annualized Net Present Value discounted at 7%	33,000	571,000	604,000

Indirect Benefits/Cost Savings of the 12-Month Delay Alternative

As in the case of the preferred alternative, the indirect benefits of the 12-Month Delay Alternative represent the indirect costs not incurred during the 12-month period of the delay of the effective date. The indirect costs of the final rule will still occur, they will just be delayed. Again, AMS cannot rule out the possibility that incentives may be affected by the Payment Systems rule, and AMS is unable to predict specific effects with certainty. LPDs and growers may experience indirect benefits (cost savings) proportional to this 12-month delay, though AMS expects these indirect benefits to be very small. Because the delay is shorter, AMS expects the indirect benefits of 12-Month Delay Alternative to be smaller than the indirect benefits of the preferred alternative.

Unquantifiable Direct Costs Incurred of the 12-Month Delay Alternative

As with the preferred alternative, a 12-month delay of the effective date of the provisions regulating LPDs in §§ 201.106, 110, and 112 will likely impose additional unquantifiable direct costs on LPDs. The nature of these unquantifiable direct costs is the same as in the preferred alternative, but these costs may be smaller do to the shorter delay of the effective date of the Payment Systems rule under the 12-Month Delay Alternative.

Costs/Foregone Benefits of the 12-Month Delay Alternative

The nature of the costs (benefits foregone) under 12-Month Delay Alternative are the same as under the preferred alternative. As in the case of the preferred alternative, the costs of the 12-Month Alternative Delay represent the benefits not incurred during the period of the 12-month delay of the effective date. The benefits of the final rule will still occur, they will just be delayed. As the 12-Month Delay Alternative represents a shorter delay, AMS expects the costs of 12-Month Delay Alternative to be smaller than the costs of the preferred alternative.

Comparison of Alternatives

The benefits and costs of delaying the effective date of the Payments Systems rule are very similar, but all costs and benefits are slightly smaller for the 12-Month Delay Alternative.

AMS is delaying the effective date of the Payment Systems rule to allow for thorough consideration of estimated costs and the policy and legal issues associated with the final rule. Because twelve months may not provide adequate time for the thorough consideration needed, AMS chose the preferred alternative of delaying the effective date by 18 months.

E. Regulatory Flexibility Act

The Regulatory Flexibility Act (5 U.S.C. 601–612) requires agencies to consider the economic impact of each rule on small entities and evaluate alternatives that would accomplish the objectives of the rule without unduly burdening small entities or erecting barriers that would restrict their ability to compete in the market.

AMS is delaying implementation of the Payment Systems rule, which added §§ 201.106, 110, 112 and 290 to the regulations under the P&S Act. Sections 201.106, 110, and 112 would regulate LPDs that contract with poultry growers to raise broilers. The regulations would have no effect on LPDs that contract or process turkeys, geese, ducks or other fowl unless they also contract or process broilers. Currently, the Payment

Systems rule is scheduled to go into effect on July 1, 2026. This rule delays implementation until December 31, 2027.

AMS received more than 2,800 comments from producer associations, poultry and meat industry trade associations, integrated live poultry dealers, non-integrated poultry dealers, poultry growers, farm advocacy organizations, and members of the general public. The significant majority of commenters opposed the Proposed Delay, several supported it, and the remainder were outside the scope of the Proposed Delay. There were about 225 unique comments, meaning a comment that was not replicated by any other comments, and more than 2,600 form letter comments. AMS did not receive any comments concerning the initial regulatory flexibility analysis.

Commenters opposed to delaying the effective date of the Payment Systems rule indicated that a delay is unnecessary and harmful to growers. Others criticized the benefit analysis of the proposed delay suggesting that AMS did not consider costs to broiler growers. Commenter also compared the Payment Systems rule to the Justice Department's settlement agreement in *United States* v. *Cargill Meat Solutions Corp.* Some commenters did not agree that delaying the Payment Systems rule was consistent with direction from Congress.

AMS considers the delay to be necessary to consider the cost and benefits imposed on the industry and assess the legal risk created under that rule. With the Payment Systems rule, broiler growers are expected to enjoy most of the benefits, while LPDs bear most of the costs. Consequently, delaying implementation will benefit LPDs while costing broiler growers. This is not something AMS ignored or discounted, and the benefit cost analysis explains how LPDs will benefit from a delay and broiler growers will not. While there are similarities between the *United States* v. *Cargill Meat Solutions Corp* consent decree and Payment Systems rule, there are also important differences and it is not directly comparable to the Payment Systems rule.

Comments supporting the delay suggested that Payment Systems rule was based on anecdotal evidence rather than confirmed facts. Commenters suggested that LPDs have no reason to provide broiler growers with substandard inputs. Comments were also critical of the benefit cost analysis suggesting that AMS underestimated costs such as contract renegotiations, information technology changes and increased litigation risk, which could ultimately lead to higher consumer prices. Another commenter indicated that the Payment Systems rule did not adequately consider small LPDs that are not vertically integrated.

The final rule: (1) prohibits live poultry dealers (LPDs) from reducing a grower's compensation based on the grower's ranking under a poultry grower ranking system; (2) establishes a presumptive violation of the P&S Act by LPDs when aggregate gross annual payments based upon a grower's ranking under a poultry grower ranking system exceeds a certain threshold; (3) holds LPDs to a duty of fair comparison when designing and operating their poultry grower ranking system and requires documentation of compliance with that duty; and (4) requires LPDs to provide certain disclosures when requesting or requiring that broiler growers make additional capital investments.

When AMS finalized the Payment Systems rule, AMS explained there was uncertainty as to whether the benefits would outweigh the costs.[12] There is no literature addressing how growers' incentives might change if performance discounts were not part of the tournament or if variability in performance payments were limited.

AMS is delaying the effective day of the Payment Systems rule to allow for thorough consideration of estimated costs and the policy and legal issues associated with the final rule.

The only firms that the Payment Systems rule directly regulates are LPDs. The SBA defines small businesses by their North American Industry Classification System Codes (NAICS). LPDs, NAICS 311615, are considered small businesses if they have fewer than 1,250 employees.[13]

AMS maintains data on LPDs from the annual reports [14] these firms file with AMS. AMS records of annual reports identified 45 LPDs that processed broilers subject to the regulations during fiscal year 2023. Twenty-four of the LPDs were small businesses according to the SBA standard.

Delaying implementation of the Payment Systems rule will not cause significant costs for any LPD. LPDs will still be required to comply with §§ 201.106, 110, and 112 of the regulations, but will have until December 31, 2027, to do so. The regulations place restrictions on the way LPDs' contract with growers. Delaying implementation will give LPDs more time to make changes to their business practices to comply with the new regulations. No LPD, whether small or large, will be required to change any practices as result of this regulatory action. Rather, LPDs are expected to benefit from the delay of the effective date for §§ 201.106, 110, 112, and 290 due to the cost savings incurred.

In evaluating direct cost savings from delaying the Payment Systems rule, AMS follows the same analytical approach used in the final rule. The updated estimates incorporate the latest industry parameters and wage rates while maintaining consistency with the methodology used. Hourly wage rates were established using the following BLS classifications for each labor category as follows (NAICS Code—OCC code—OCC Title): Management (3116–11–1020—General and Operations Managers) for live poultry dealers' managers, and Legal (3110–23–1011—Lawyers) for attorneys.[15] The average hourly wage rates used to estimate cost savings were updated from the final rule to include a 42.34 percent markup for benefits and are as follows: Management—$102.56, Legal—$145.93, Administrative—$48.38, and Information Technology—$101.72. For reference, the analysis in the final rule is described in detail in the **Federal Register** at 90 FR 5146 (see pages 5189—5206).[16]

Direct Cost Savings/Benefits to Small LPDs of the Final Rule's 18-Month Delay of §§ 201.106, 110, 112, and 290—Preferred Alternative

With the 18-month delay of the Poultry Systems rule, much of the first-year costs in the final rule that AMS considered are one-time setup and preparation activities that processors will incur before the rule became effective. AMS believes many of these costs have likely already occurred, and therefore they are not affected by the delay.

The delay will affect recurring costs. Delaying the effective date of the final rule will enable LPDs to avoid annual administrative costs that will otherwise occur in the first 18 months after the Payment Systems rule becomes effective. Delaying the effective date for 18 months will shift all costs for small

[12] *See* ''Poultry Grower Payment Systems and Capital Improvement Systems,'' 90 FR 5198, January 16, 2025.

[13] 13 CFR part 121.

[14] Live poultry dealers are required to file form PSD 3002, ''Annual Report of Live Poultry Dealers'' (OMB Control No. 0581–0308), with AMS.

[15] U.S. Bureau of Labor Statistics, *May 2024 National Occupational Employment and Wage Estimates,* May 2024, *https://www.bls.gov/oes/special.requests/oesm24all.zip.*

[16] *See* ''Poultry Grower Payment Systems and Capital Improvement Systems,'' 90 FR 5190, January 16, 2025.

LPDs back by 18 months. This final rule will enable small LPDs to save $587,000 in administrative costs in the first year after July 1, 2026, which is the first year after the rule will otherwise become effective. They will save an additional $294,000 in the second year for a total of $881,000. Administrative costs for small LPDs were expected to decrease by $72,000 in the fifth year after the rule became effective. If the effective date is delayed, the decrease in costs will be delayed as well, and costs in the fifth year will be $72,000 higher for small LPDs. These lower administrative costs were expected to continue in the sixth year after the rule became effective. If the effective date is delayed, the decrease in costs for the first half of the sixth year will also be delayed, and costs in the sixth year will be $36,000 higher for small LPDs. This will result in a ten-year total cost savings of $773,000 for small LPDs. Column three in table 3 below summarizes cost savings to small LPDs if the effective date of the Payment Systems rule is delayed until December 31, 2027.

Direct Cost Savings/Benefits of the 12-Month Delay Alternative

AMS also evaluated benefits and costs of delaying the effective date for 12 months (12-Month Delay Alternative). The 12-Month Delay Alternative is similar to the preferred alternative, but the effective date of the Payment Systems rule will be delayed 12 rather than 18 months. Under the 12-Month Delay Alternative all costs for small LPDs will be shifted back by one year, resulting in savings to small LPDs of $587,000 in administrative costs. Because administrative costs for small LPDs were expected to decrease in the fifth year after the rule became effective, costs in the fifth year will be $72,000 higher for small LPDs if the effective date is delayed 12 months. The ten-year total direct administrative cost savings will be $515,000 for the 12-Month Delay Alternative. Column two in table 3 below contains estimated administrative cost savings for small LPDs for the 12-Month Delay Alternative.

TABLE 3—QUANTIFIED BENEFITS FROM SAVINGS IN ADMINISTRATIVE COSTS FOR SMALL LPDS FROM DELAYING THE EFFECTIVE DATE OF THE PAYMENTS SYSTEMS RULE FOR 12 AND 18 MONTHS

Value	12-Month delay ($)	18-Month delay ($)
All Small LPDs Combined:		
First-Year	587,000	587,000
Ten-Year Total	515,000	773,000
Ten-Year Net Present Value discounted at 3%	508,000	755,000
Ten-Year Net Present Value discounted at 7%	497,000	730,000
Annualized Net Present Value discounted at 3%	60,000	88,000
Annualized Net Present Value discounted at 7%	71,000	104,000
Per Entity:		
First-Year	24,000	24,000
Ten-Year Total	21,000	32,000
Ten-Year Net Present Value discounted at 3%	21,000	31,000
Ten-Year Net Present Value discounted at 7%	21,000	30,000
Annualized Net Present Value discounted at 3%	2,000	4,000
Annualized Net Present Value discounted at 7%	3,000	4,000

Threshold Analysis

LPDs report net sales in Annual Reports to AMS.[17] While net sales are not the same as annual revenue, unless the small LPDs have diversified income, net sales is a reasonable substitute for annual revenue. Table 4 below groups small LPDs' net sales into quartiles, reports the average net sales in each quartile, and compares average net sales to average expected cost savings from delaying the Payment Systems rule for 18 months. If a significant impact is defined as 1 percent of net sales and a substantial number is 25 percent (6 firms) of the small businesses, expected direct cost savings resulting from delaying the effective date of the Payment Systems rule 18 months will not be significant. Savings will be largest for the smallest quartile, but not significant. First-year cost savings for the smallest quartile will be 0.24 percent of net revenues. Annualized savings are less than the first-year cost savings.

TABLE 4—COMPARISON OF SMALL LIVE POULTRY DEALERS' NET SALES TO EXPECTED DIRECT COST SAVINGS FROM DELAYING THE EFFECTIVE DATE OF PAYMENT SYSTEMS RULE FOR 18 MONTHS

Quartile	Average net sales	First-Year total as a percent of net sales	Ten year net present value annualized at 3 percent as a percent of net sales	Ten year net present value annualized at 7 percent as a percent of net sales
0 to 25%	$10,017,311	0.244	0.037	0.043
25 to 50%	34,567,539	0.071	0.011	0.012
50 to 75%	92,380,634	0.026	0.004	0.005
75 to 100%	226,958,521	0.011	0.002	0.002

[17] Live poultry dealers are required to file form PSD 3002, ''Annual Report of Live Poultry Dealers'' (OMB Control No. 0581–0308), with AMS.

Data in the table do not account for indirect cost savings related to delaying the effective date of the Payment Systems rule. If LPDs modify existing grower compensation structures in response to § 201.106, changes in performance-based payments could adversely affect grower performance incentives and cause growers to produce broilers less efficiently. As a result, LPDs could face increased production costs. If AMS enforcement of § 201.112 has the effect of preventing broiler growers from making additional capital investments, then such decisions to forgo investment would likely result in fewer benefits for LPDs.

As the preferred alternative will delay the effective date of the Payment Systems rule for 18 months, LPDs and growers may experience indirect benefits proportional to this delay. However, AMS was not able to quantify these indirect benefits. After adding the indirect benefits with the direct cost savings, the benefits of delaying the effective date of the Payment Systems rule could be significant for a substantial number of LPDs.

12-Month Delay Alternative

Benefits of the 12-Month Delay alternative will be very similar to the preferred alternative, but because the delay is shorter, the benefits to LPDs will be less. The table below indicates that neither first-year cost savings to LPDs nor annualized cost savings will be greater than one percent of average net sales for any quartile. Table 5 below has direct cost savings as percentage of average net sales for growers in each quartile.

As with the preferred alternative, LPDs will likely experience indirect benefits from delaying the effective date of the Payment Systems rule. The benefits will be similar to those associated with the preferred alternative, but because the time delay is shorter in the 12-Month Delay alternative, the benefits will be less than the benefits associated with the preferred alternative.

TABLE 5—COMPARISON OF SMALL LIVE POULTRY DEALERS' NET SALES TO EXPECTED DIRECT COST SAVINGS FROM DELAYING THE EFFECTIVE DATE OF PAYMENT SYSTEMS RULE FOR 12 MONTHS

Quartile	Average net sales	First-Year total as percent of net sales	Ten-Year net present value annualized at 3 percent as a percent of net sales	Ten-Year net present value annualized at 7 percent as a percent of net sales
0 to 25%	$10,017,311	0.244	0.025	0.029
25 to 50%	34,567,539	0.071	0.007	0.009
50 to 75%	92,380,634	0.026	0.003	0.003
75 to 100%	226,958,521	0.011	0.001	0.001

After combining the direct and indirect benefits, LPDs will gain more from the preferred alternative, but the difference between the alternatives is small relative to the costs and benefits associated with Payment Systems rule. AMS is delaying the effective date of the Payment Systems rule to allow for thorough consideration of estimated costs and the policy and legal issues associated with the final rule. Because twelve months may not provide adequate time for the thorough consideration needed, AMS chose the preferred alternative of delaying the effective date by 18 months.

AMS does not expect direct cost savings to be significant for a substantial number of LPDs. However, AMS is uncertain of the size of unquantified indirect benefits. If they are added to the quantified savings, benefits could be significant for substantial number of small LPDs.

F. Paperwork Reduction Act

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35), AMS requested OMB approval of the new information collection and recordkeeping requirements related to the Payment Systems rule when it was proposed in the **Federal Register** on June 10, 2024 (89 FR 49002). The information collection was approved under OMB Control No. 0581–0346 for a total of 59,182 hours for the first year, and 42,682 hours per year thereafter. No additional collection or recordkeeping requirements would be imposed on the public by the delayal of the effective date of the Payment Systems rule. Accordingly, no additional OMB clearance under the Paperwork Reduction Act is needed.

G. Civil Rights Impact Analysis Statement

In accordance with Executive Order 14281, titled ''Restoring Equality of Opportunity and Meritocracy,'' issued on April 23, 2025 (90 FR 17537, April 28, 2025), this Civil Rights Impact Analysis will not reference any adverse, disparate, or disproportionate impacts on protected groups. Additionally, analyses that examine such impacts on these groups will not be conducted for this Civil Rights Impact Analysis, despite being required by section 12403 of the Agriculture Improvement Act of 2018. According to section 2501A of the Food, Agriculture, Conservation, and Trade Act of 1990, the Department of Agriculture is required to collect and analyze data on program applications and participation rates for each program that serves agricultural producers and landowners. This data has been included in the Civil Rights Impact Analysis. The focus of this Civil Rights Impact Analysis is providing mitigation, outreach, and monitoring Strategies to minimize and/or eliminate potential impacts on individuals who are members of protected groups.

H. Executive Order 12988

This rule is not intended to have a retroactive effect. This rule would not preempt any State or local laws, regulations, or policies unless they present an irreconcilable conflict with this rule.

I. Executive Order 13175

E.O. 13175 requires Federal agencies to consult with Indian Tribes on a government-to-government basis on policies that have Tribal implications. This includes regulations, legislative comments or proposed legislation, and other policy statements or actions. Consultation is required when such policies have substantial direct effects on one or more Indian Tribes, on the relationship between the Federal Government and Indian Tribes, or the distribution of power and responsibilities between the Federal Government and Indian Tribes. The

following is a summary of activity to date.

AMS engaged in a Tribal Consultation in conjunction with a previous rulemaking also under the P&S Act (''Inclusive Competition and Market Integrity Under the Packers and Stockyards Act'' (87 FR 60010, October 3, 2022)) on January 19, 2023, in person in Tulsa, Oklahoma, and virtually. AMS received multiple Tribal comments from that Consultation, many of which were specific to and considered in that rulemaking. In that consultation, Tribes raised legal concerns with respect to the jurisdiction of AMS enforcement of the P&S Act. Tribes commented that the P&S Act does not apply to Tribes and Tribal entities. Those comments raise a legal issue of statutory interpretation, but these concerns are not directly implicated by this rule. AMS does not find that this rule carries substantial direct effects on one or more Indian Tribes beyond the purely legal issue raised during consultation.

AMS recognizes and supports the Secretary's desire to incorporate Tribal and Indigenous perspectives, remove barriers, and encourage Tribal self-determination principles in USDA programs, including hearing and understanding Tribal views on legal authorities and cost implications as facts and circumstances develop. If a Tribe requests additional consultation, AMS will work with USDA's Office of Tribal Relations to ensure meaningful consultation is provided in accordance with E.O. 13175.

J. E-Government Act

AMS is committed to complying with the E-Government Act (44 U.S.C. 3601, *et seq.*) by promoting 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.

K. Unfunded Mandates Reform Act

Title II of the Unfunded Mandates Reform Act of 1995 (UMRA, Pub. L. 104–4) requires Federal agencies to assess the effects of their regulatory actions of State, local, and Tribal governments, or the private sector. Agencies generally must prepare a written statement, including cost benefits analysis, for proposed and final rules with Federal mandates that may result in expenditures of $100 million or more (adjusted for inflation) in any 1 year for State, local or Tribal governments, in the aggregate, or to the private sector. UMRA generally requires agencies to consider alternatives and adopt the more cost effective or least burdensome alternative that achieves the objectives of the rule. This rule will not compel the expenditure in any one year of $100 million or more (adjusted for inflation) by State, local, and Tribal governments, in the aggregate, or by the private sector. Therefore, a statement under 2 U.S.C. 1532 is not required.

L. Congressional Review Act

Pursuant to subtitle E of the Small Business Regulatory Enforcement Fairness Act of 1996 (also known as the Congressional Review Act, 5 U.S.C. 801 *et seq.*), OMB has determined that this rule does not meet the criteria set forth in 5 U.S.C. 804(2).

Erin Morris,

Administrator, Agricultural Marketing Service.

[FR Doc. 2026–10880 Filed 5–28–26; 4:15 pm]

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NUCLEAR REGULATORY COMMISSION

10 CFR Parts 2 and 13

[NRC–2023–0211]

RIN 3150–AL13

Adjustment of Civil Penalties for Inflation for Fiscal Year 2026

AGENCY: Nuclear Regulatory Commission.

ACTION: Discontinuation of rulemaking activity.

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC) is notifying the public that its civil monetary penalty amounts will not increase for the 2026 calendar year, and is discontinuing the rulemaking activity, ''Adjustment of Civil Penalties for Inflation for Fiscal Year 2026.'' This rulemaking activity will no longer be reported in the NRC's portion of the Unified Agenda of Regulatory and Deregulatory Actions (the Unified Agenda).

DATES: Effective June 1, 2026, the rulemaking activity discussed in this document is discontinued.

ADDRESSES: Please refer to Docket ID NRC–2023–0211 when contacting the NRC about the availability of information regarding this document. You may obtain publicly available information related to this document using any of the following methods:

- *Federal Rulemaking website:* Go to *https://www.regulations.gov* and search for Docket ID NRC–2023–0211. Address questions about NRC dockets to Helen Chang; telephone: 301–415–3228; email: *Helen.Chang@nrc.gov.*
- *NRC's Agencywide Documents Access and Management System (ADAMS):* You may obtain publicly available documents online in the ADAMS Public Documents collection at *https://www.nrc.gov/reading-rm/adams.html.* To begin the search, select ''Begin ADAMS Public Search.'' For problems with ADAMS, please contact the NRC's Public Document Room (PDR) reference staff at 1–800–397–4209, at 301–415–4737, or by email to *PDR.Resource@nrc.gov.* For the convenience of the reader, the ADAMS accession numbers are provided in the ''Availability of Documents'' section of this document.
- *NRC's PDR:* The PDR, where you may examine and order copies of publicly available documents, is open by appointment. To make an appointment to visit the PDR, please send an email to *PDR.Resource@nrc.gov* or call 1–800–397–4209 or 301–415–4737, between 8 a.m. and 4 p.m. eastern time, Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: David Suchy, Office of Nuclear Material Safety and Safeguards, U.S. Nuclear Regulatory Commission, Washington, DC 20555–0001; telephone: 301–415–4130; email: *David.Suchy@nrc.gov.*

SUPPLEMENTARY INFORMATION:

I. Background

Congress passed the Federal Civil Penalties Inflation Adjustment Act of 1990 (FCPIAA) to allow for regular adjustment for inflation of civil monetary penalties (CMPs), maintain the deterrent effect of such penalties and promote compliance with the law, and improve the collection of CMPs by the Federal government (Pub. L. 101–410, 104 Stat. 890; 28 U.S.C. 2461 note). On November 2, 2015, Congress amended the FCPIAA through the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (2015 Improvements Act) (Sec. 701, Pub. L. 114–74, 129 Stat. 599). The 2015 Improvements Act requires that the head of each agency continue to adjust CMP amounts, rounded to the nearest dollar, on an annual basis. Specifically, each CMP is to be adjusted based on the percentage change between the Consumer Price Index (CPI) for the month of October, and the CPI for the month of October for the previous year. The NRC most recently adjusted its civil penalties for inflation according to this statutory formula on January 15, 2025 (90 FR 3612).

II. Discussion

In a memorandum dated April 17, 2026, the Office of Management and

Budget (OMB) directed all Executive Branch agencies to cancel the inflation adjustment for fiscal year 2026 based on the lack of October 2025 Consumer Price Index for All Urban Consumers (CPI–U) data due to the lapse in appropriations at the beginning of fiscal year 2026.

Per the 2015 Improvements Act, the annual civil monetary penalties cost-of-living adjustment is based on the Bureau of Labor Statistics (BLS) data from the month of October of the prior year. Due to the government shutdown in October 2026, BLS was unable to produce the October 2025 data. Based on the lack of October 2025 CPI–U data, which is needed to make adjustments under the 2015 Improvements Act, there will be no updated cost-of-living adjustment multiplier for 2026. The NRC maximum civil monetary penalty for a violation of the Atomic Energy Act of 1954, as amended (AEA), or any regulation or order issued under the AEA, will remain $372,240 per violation, per day. Additionally, the NRC provisions concerning program fraud civil penalties and the maximum civil monetary penalty under the Program Fraud Civil Remedies Act will remain $14,308 for each false claim or statement.

III. Conclusion

The NRC is discontinuing the Adjustment of Civil Penalties for Inflation for Fiscal Year 2026 rulemaking. In the next edition of the Unified Agenda, the NRC will update the entry for this rulemaking activity and reference this document to indicate that the rulemaking activity is no longer being pursued. This rulemaking will appear in the completed actions section of that edition of the Unified Agenda but will not appear in future editions. The NRC will inform the public of future civil penalty adjustments to account for inflation through new rulemaking entries in the Unified Agenda.

Dated: May 28, 2026.

For the Nuclear Regulatory Commission.

Michael King,

Executive Director for Operations.

[FR Doc. 2026–10869 Filed 5–29–26; 8:45 am]

BILLING CODE 7590–01–P

NUCLEAR REGULATORY COMMISSION

10 CFR Part 72

[NRC–2026–0562]

RIN 3150–AL66

List of Approved Spent Fuel Storage Casks: Holtec International HI–STORM UMAX Canister Storage System, Certificate of Compliance No. 1040, Amendment No. 5

AGENCY: Nuclear Regulatory Commission.

ACTION: Direct final rule; confirmation of effective date.

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC) is confirming the effective date of June 16, 2026, for the direct final rule that was published in the **Federal Register** on April 2, 2026. This direct final rule amended Holtec International HI–STORM UMAX Canister Storage System listing within the ''List of approved spent fuel storage casks'' to include Amendment No. 5 to Certificate of Compliance No. 1040.

DATES:

Effective date: The effective date of June 16, 2026, for the direct final rule published April 2, 2026 (91 FR 16541), is confirmed.

ADDRESSES: Please refer to Docket ID NRC–2026–0562 when contacting the NRC about the availability of information for this action. You may obtain publicly available information related to this action by any of the following methods:

- *Federal Rulemaking website:* Electronically at *https://www.regulations.gov.* Search for Docket ID NRC–2026–0562. Address questions about NRC dockets to Helen Chang; telephone: 301–415–3228; email: *Helen.Chang@nrc.gov.* For technical questions, contact the individual listed in the **FOR FURTHER INFORMATION CONTACT** section of this document.
- *NRC's Agencywide Documents Access and Management System (ADAMS):* You may obtain publicly available documents online in the ADAMS Public Documents collection at *https://www.nrc.gov/reading-rm/adams.html.* To begin the search, select ''Begin ADAMS Public Search.'' For problems with ADAMS, please contact the NRC's Public Document Room (PDR) reference staff at 1–800–397–4209, at 301–415–4737, or by email to *PDR.Resource@nrc.gov.* Amendment No. 5 of Certificate of Compliance No. 1040, the associated changes to the technical specifications, and the safety evaluation report are available in ADAMS under Package Accession No. ML26128A289.
- NRC's PDR: The PDR, where you may examine and order copies of publicly available documents, is open by appointment. To make an appointment to visit the PDR, please send an email to *PDR.Resource@nrc.gov* or call 1–800–397–4209 or 301–415–4737, between 8 a.m. and 4 p.m. eastern time, Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Amy McKenna, U.S. Nuclear Regulatory Commission, Washington, DC 20555–0001; email: *Amy.McKenna@nrc.gov.*

SUPPLEMENTARY INFORMATION: On April 2, 2026 (91 FR 16541), the NRC published a direct final rule amending its regulations in part 72, ''Packaging and Transportation of Radioactive Material,'' of title 10 of the *Code of Federal Regulations* to revise the certificate of compliance to include two new versions of the HI–STORM UMAX (Version B1 and B2). In the direct final rule, the NRC stated that if no significant adverse comments were received, the direct final rule would become effective on June 16, 2026.

The NRC received and docketed one comment on the companion proposed rule (91 FR 16588; April 2, 2026). An electronic copy of the comment can be obtained from the Federal Rulemaking website at *https://www.regulations.gov* under Docket ID NRC–2026–0562 and is also available in ADAMS under Accession No. ML26146A078. The NRC evaluated the comment against the criteria described in the direct final rule and determined that the comment was not significant and adverse. Therefore, this direct final rule will become effective as scheduled.

Dated: May 28, 2026.

For the Nuclear Regulatory Commission.

Krupskaya Castellon,

Acting Chief, Regulatory Analysis and Rulemaking Support Branch, Division of Rulemaking, Environmental, and Financial Support, Office of Nuclear Material Safety and Safeguards.

[FR Doc. 2026–10935 Filed 5–29–26; 8:45 am]

BILLING CODE 7590–01–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 25

[Docket No. FAA–2026–4489; Special Conditions No. 25–892–SC]

Special Conditions: Honeywell International Inc., Boeing Model 757–200 Series Airplanes; Electronic System Security Protection From Unauthorized External Access

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final special conditions; request for comments.

SUMMARY: These special conditions are issued for the Boeing Model 757–200 series airplanes. This airplane, as modified by Honeywell International Inc (Honeywell), will have a novel or unusual design feature when compared to the state of technology envisioned in the airworthiness standards for transport-category airplanes. This design feature is the installation of a digital systems architecture that will allow increased connectivity to and access from external network sources to the airplane's previously isolated electronic assets. The applicable airworthiness regulations do not contain adequate or appropriate safety standards for this design feature. These special conditions contain the additional safety standards that the Administrator considers necessary to establish a level of safety equivalent to that established by the existing airworthiness standards.

DATES: This action is effective on Honeywell International Inc. on June 1, 2026. Send comments on or before July 16, 2026.

ADDRESSES: Send comments identified by Docket No. FAA–2026–4489 using any of the following methods:

- *Federal eRegulations Portal:* Go to *www.regulations.gov* and follow the online instructions for sending your comments electronically.
- *Mail:* Send comments to Docket Operations, M–30, U.S. Department of Transportation (DOT), 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 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 Federal holidays.

FOR FURTHER INFORMATION CONTACT: Thuan T. Nguyen, Avionics Software and Components Unit, AIR–626D, Technical Policy Branch, Aircraft Certification Service, Federal Aviation Administration, 2200 South 216th Street, Des Moines, Washington 98198; telephone and fax (206) 231–3365; email *Thuan.T.Nguyen@faa.gov.*

SUPPLEMENTARY INFORMATION: The substance of these special conditions has been published in the **Federal Register** for public comment in several prior instances with no substantive comments received. Therefore, the FAA finds, pursuant to 14 CFR 11.38(b), that new comments are unlikely, and notice and comment prior to this publication are unnecessary.

Privacy

Except for Confidential Business Information (CBI) as described in the following paragraph, and other information as described in title 14, Code of Federal Regulations (14 CFR) 11.35, the FAA will post all comments received without change to *www.regulations.gov,* including any personal information you provide. The FAA will also post a report summarizing each substantive verbal contact received about these special conditions.

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 responsive to these special conditions contain commercial or financial information that is customarily treated as private, that you actually treat as private, and that is relevant or responsive to these special conditions, 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 the indicated comments will not be placed in the public docket of these special conditions. Send submissions containing CBI to the individual listed in the For Further Information Contact section above. Comments the FAA receives, which are not specifically designated as CBI, will be placed in the public docket for these special conditions.

Comments Invited

The FAA invites interested people to take part in this rulemaking by sending written comments, data, or views. The most helpful comments reference a specific portion of the special conditions, explain the reason for any recommended change, and include supporting data.

The FAA will consider all comments received by the closing date for comments. The FAA may change these special conditions based on the comments received.

Background

On March 20, 2025, Honeywell applied for a supplemental type certificate for the installation of a digital system architecture that will allow increased connectivity to and access from external network sources (*e.g.,* operator networks, wireless devices, internet connectivity, service provider satellite communications, electronic flight bags, etc.) to the airplane's previously isolated electronic assets (networks, systems, and databases) in the Boeing Model 757–200 series airplanes. The Boeing Model 757–200 series airplanes currently approved under Type Certificate No. A2NM, are twin-engine, transport category airplanes with a maximum takeoff weight between 255,000 and 256,00 pounds, and a maximum passenger capacity of 295 persons.

Type Certification Basis

Under the provisions of title 14, Code of Federal Regulations (14 CFR) 21.101, Honeywell must show that the Boeing Model 757–200 series airplanes, as changed, continues to meet the applicable provisions of the regulations listed in Type Certificate No. A2NM or the applicable regulations in effect on the date of application for the change, except for earlier amendments as agreed upon by the FAA.

If the Administrator finds that the applicable airworthiness regulations (*e.g.,* 14 CFR part 25) do not contain adequate or appropriate safety standards for the Boeing Model 757–200 series airplanes because of a novel or unusual design feature, special conditions are prescribed under the provisions of § 21.16.

Special conditions are initially applicable to the model for which they

are issued. Should the applicant apply for a supplemental type certificate to modify any other model included on the same type certificate to incorporate the same novel or unusual design feature, these special conditions would also apply to the other model under § 21.101.

In addition to the applicable airworthiness regulations and special conditions, the Boeing Model 757–200 series airplanes must comply with the exhaust-emission requirements of 14 CFR part 34 and the noise-certification requirements of 14 CFR part 36.

The FAA issues special conditions, as defined in 14 CFR 11.19, in accordance with § 11.38, and they become part of the type certification basis under § 21.101.

Novel or Unusual Design Features

The Boeing Model 757–200 series airplanes, as modified by Honeywell, will incorporate the following novel or unusual design feature:

The installation of a digital systems architecture that will allow increased connectivity to and access from external network sources (*e.g.,* operator networks, wireless devices, internet connectivity, service provider satellite communications, electronic flight bags, etc.) to the airplane's previously isolated electronic assets (networks, systems, and databases).

Discussion

The Boeing Model 757–200 series airplane's electronic system architecture and network configuration change is novel or unusual for commercial transport airplanes because it may allow increased connectivity to and access from external network sources, airline operations, and maintenance networks to the airplane control domain, and airline information services domain. The airplane's control domain and airline information-services domain perform functions required for the safe operation and maintenance of the airplane. Previously, these domains had very limited connectivity with external network sources. This data network and design integration creates a potential for unauthorized persons to access the airplane's control domain and airline information-services domain and presents security vulnerabilities related to the introduction of computer viruses and worms, user errors, and intentional sabotage of airplane electronic assets (networks, systems, and databases) critical to the safety and maintenance of the airplane.

The existing FAA regulations did not anticipate these networked airplane-system architectures. Furthermore, these regulations and the current guidance material do not address potential security vulnerabilities, which could be exploited by unauthorized access to airplane networks, data buses, and servers. Therefore, these special conditions ensure that the security (*i.e.,* confidentiality, integrity, and availability) of the airplane's systems is not compromised by unauthorized wired or wireless electronic connections. This includes ensuring that the security of the airplane's systems is not compromised during maintenance of the airplane's electronic systems. These special conditions also require the applicant to provide appropriate instructions to the operator to maintain all electronic-system safeguards that have been implemented as part of the original network design so that this feature does not allow or introduce security threats.

These special conditions contain the additional safety standards that the Administrator considers necessary to establish a level of safety equivalent to that established by the existing airworthiness standards.

Applicability

As discussed above, these special conditions are applicable to the Boeing Model 757–200 series airplanes. Should Honeywell apply at a later date for a supplemental type certificate to modify any other model included on Type Certificate No. A2NM to incorporate the same novel or unusual design feature, these special conditions would apply to that model as well.

Conclusion

This action affects only a certain novel or unusual design feature on one series of airplanes. It is not a rule of general applicability and affects only the applicant who applied to the FAA for approval of these features on the airplane.

List of Subjects in 14 CFR Part 25

Aircraft, Aviation safety, Reporting and recordkeeping requirements.

Authority Citation

The authority citation for these special conditions is as follows:

Authority: 49 U.S.C. 106(f), 40113, 44701, 44702, and 44704.

The Special Conditions

Accordingly, pursuant to the authority delegated to me by the Administrator, the following special conditions are issued as part of the type certification basis for Boeing Model 757–200 series airplanes, as modified by Honeywell.

1. The applicant must ensure airplane electronic system security protection from access by unauthorized sources external to the airplane, including those possibly caused by maintenance activity.

2. The applicant must ensure that electronic system security threats are identified and assessed, and that effective electronic system security protection strategies are implemented to protect the airplane from all adverse impacts on safety, functionality, and continued airworthiness.

3. The applicant must establish appropriate procedures to allow the operator to ensure that continued airworthiness of the aircraft is maintained, including all post Type Certification modifications that may have an impact on the approved electronic system security safeguards.

Issued in in Washington, DC, on May 27, 2026.

Paul R. Siegmund,

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

[FR Doc. 2026–10855 Filed 5–29–26; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2025–3993; Project Identifier MCAI–2025–00630–A; Amendment 39–23358; AD 2026–10–18]

RIN 2120–AA64

Airworthiness Directives; Embraer S.A. Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: The FAA is adopting a new airworthiness directive (AD) for certain Embraer S.A. (Embraer) Model EMB–505 airplanes. This AD was prompted by the possibility that some airplanes may have invalid horizontal stabilizer (HS) backlash test results due to the use of incorrect procedures. This AD requires inspecting the airplane's left-hand (LH) and right-hand (RH) HS backlash and replacement, as applicable, of certain hinge point and pitch trim actuator attachment parts and the pitch trim actuator. The FAA is issuing this AD to address the unsafe condition on these products.

DATES: This AD is effective July 6, 2026.

The Director of the Federal Register approved the incorporation by reference

of a certain publication listed in this AD as of July 6, 2026.

ADDRESSES:

AD Docket: You may examine the AD docket at *regulations.gov* under Docket No. FAA–2025–3993; 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 final rule, the mandatory continuing airworthiness information (MCAI), any comments received, and other information. The address for Docket Operations is U.S. Department of Transportation, Docket Operations, M–30, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue SE, Washington, DC 20590.

Material Incorporated by Reference:

- For Agência Nacional de Aviação Civil (ANAC) material identified in this AD, contact ANAC, Continuing Airworthiness Technical Branch (GTAC), Rua Doutor Orlando Feirabend Filho, 230-Centro Empresarial Aquarius-Torre B-Andares 14 a 18, Parque Residencial Aquarius, CEP 12.246–190–São José dos Campos-SP, Brazil; phone: 55 (12) 3203–6600; email: *pac@anac.gov.br;* website: *anac.gov.br/en/.* You may find this material on the ANAC website at *sistemas.anac.gov.br/certificacao/DA/DAE.asp.*
- You may view this material at the FAA, Airworthiness Products Section, Operational Safety Branch, 901 Locust, Kansas City, MO 64106. For information on the availability of this material at the FAA, call (817) 222–5110. It is also available at *regulations.gov* under Docket No. FAA–2025–3993.

FOR FURTHER INFORMATION CONTACT: Jim Rutherford, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: (816) 329–4165; email: *jim.rutherford@faa.gov.*

SUPPLEMENTARY INFORMATION:

Background

The FAA issued a notice of proposed rulemaking (NPRM) to amend 14 CFR part 39 by adding an AD that would apply to certain Embraer Model EMB–505 airplanes. The NPRM was published in the **Federal Register** on November 18, 2025 (90 FR 51607). The NPRM was prompted by ANAC AD 2025–04–01, effective April 15, 2025 (ANAC AD 2025–04–01) (also referred to as the MCAI), issued by ANAC, which is the aviation authority for Brazil. The MCAI states that there is a possibility of some airplanes having invalid HS backlash test results due to the use of incorrect test procedures. The excessive backlash may result in an aeroelastic phenomenon exposing the surrounding structure and systems to unacceptable vibration levels and reduced controllability of the airplane.

In the NPRM, the FAA proposed to require inspecting the airplane's LH and RH HS backlash and replacing, as applicable, the LH and RH hinge point attachment parts, the LH or RH pitch trim actuator rod-end attachment parts, and the pitch trim actuator. The FAA is issuing this AD to address the unsafe condition on these products.

You may examine the MCAI in the AD docket at *regulations.gov* under Docket No. FAA–2025–3993.

Discussion of Final Airworthiness Directive

Comments

The FAA received comments from the Citizens Rulemaking Alliance. The following presents the comments received on the NPRM and the FAA's response to each comment.

Request To Justify Forgoing Notice and Comment

The Citizens Rulemaking Alliance requested that the FAA provide its justification for finding good cause to bypass notice and comment procedures, reopen the comment period for at least 30 days, and delay enforcement of non-time critical provisions pending comment unless the risk analysis demonstrates a truly imminent hazard. The commenter asserted the FAA has not adequately justified use of the good cause exemption to bypass notice and comment and the 30-day delayed effective date.

The FAA notes the comment was submitted in response to an NPRM for which the FAA provided a 45-day comment period. This final rule is effective 35 days after its publication in the **Federal Register**. Therefore, no change to this AD is necessary.

Request To Make Incorporation by Reference (IBR) Materials Reasonably Available

The Citizens Rulemaking Alliance stated that the FAA's current practices for IBR frequently fail to meet the legal and regulatory standards for reasonable availability. The commenter called on the FAA to guarantee that all IBR materials are easily and freely accessible to the public and affected parties for the duration of the comment period and to reopen the comment period for at least 30 days to accommodate this access. Furthermore, the commenter requested that, if the manufacturer will not consent to open posting of the IBR materials in the docket, the FAA should either obtain permission to post the materials or provide a detailed technical summary sufficient for meaningful comment.

The FAA notes that ANAC AD 2025–04–01, which is incorporated by reference in this AD, is available to the public on the ANAC website at *sistemas.anac.gov.br/certificacao/DA/DAE.asp,* as explained in the preamble and regulatory text of the NPRM. This material was also posted in the AD docket upon publication of the NPRM. Therefore, the FAA did not change this AD as a result of this comment.

Request To Consider Impact on Small Entities

The Citizens Rulemaking Alliance requested that the FAA either provide the factual basis for its Regulatory Flexibility Act (RFA) certification that the AD will not have a significant economic impact on a substantial number of small entities or prepare an initial regulatory flexibility analysis and consider less burdensome alternatives for small operators. The commenter stated that the FAA should also reopen the comment period to allow comment on that analysis.

FAA has considered the AD's impact on small businesses and provides the following factual basis for its RFA certification.

The Regulatory Flexibility Act of 1980, Public Law 96–354, 94 Stat. 1164 (5 U.S.C. 601–612), as amended by the Small Business Regulatory Enforcement Fairness Act of 1996 (Pub. L. 104–121, 110 Stat. 857, Mar. 29, 1996) and the Small Business Jobs Act of 2010 (Pub. L. 111–240, 124 Stat. 2504, Sept. 27, 2010), requires Federal agencies to consider the effects of the regulatory action on small business and other small entities and to minimize any significant economic impact. The term ''small entities'' comprises small businesses and 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.

Small Entities to Which This AD Applies

The FAA used the definition of small entities in the RFA for this analysis. The RFA defines small entities as small businesses, small governmental jurisdictions, or small organizations. In 5 U.S.C. 601(3), the RFA defines ''small business'' to have the same meaning as ''small business concern'' under section 3 of the Small Business Act. The Small Business Act authorizes the Small Business Administration (SBA) to define ''small business'' by issuing regulations.

The SBA (2023) has established size standards for various types of economic activities, or industries, under the North American Industry Classification System (NAICS). These size standards generally define small businesses based on the number of employees or annual receipts. The SBA definition of a small business applies to the parent company and all affiliates as a single entity. The following table provides the SBA size standards for all industries with at least one entity impacted by this AD. Note that the FAA does not have entity data on 13 of the 41 affected airplanes, and those airplanes with missing entity data are excluded from this analysis.

SMALL BUSINESS SIZE STANDARDS

NAICS code	Description	Size standard
237210	Land Subdivision	$34.0 million.
238220	Plumbing, Heating, and Air-Conditioning Contractors	$19.0 million.
314910	Textile Bag and Canvas Mills	500 employees.
332311	Prefabricated Metal Building and Component Manufacturing	750 employees.
339112	Surgical and Medical Instrument Manufacturing	1,000 employees.
441110	New Car Dealers	200 employees.
481211	Nonscheduled Air Transport	1,500 employees.
484121	General Freight Trucking, Long Distance, Truckload	$34.0 million.
523991	Trust, Fiduciary and Custody Activities	$47.0 million.
531110	Lessors of Residential Buildings and Dwellings	$34.0 million.
541714	Research and Development in Biotechnology (except Nanobiotechnology).	1,000 employees.

To identify small entities, the FAA first identified the primary NAICS of the entity or parent company, and then used data from different sources (*e.g.,* company annual reports, Bureau of Transportation Statistics) to determine whether the entity meets the applicable size standard. The FAA provides the estimated number of small entities affected by this AD:

ESTIMATED NUMBER OF SMALL ENTITIES

Category	Number of entities	Number of affected airplanes	Number of small entities	Percent small entities
Land Subdivision	1	1	1	100
Plumbing, Heating, and Air-Conditioning Contractors	1	1	1	100
Textile Bag and Canvas Mills	1	1	1	100
Prefabricated Metal Building and Component Manufacturing	1	1	1	100
Surgical and Medical Instrument Manufacturing	1	8	1	100
New Car Dealers	1	1	1	100
Nonscheduled Air Transport	4	9	2	50
General Freight Trucking, Long Distance, Truckload	1	1	0	0
Trust, Fiduciary and Custody Activities	1	3	1	100
Lessors of Residential Buildings and Dwellings	1	1	1	100
Research and Development in Biotechnology (except Nanobiotechnology)	1	1	1	100
Total	14	28	11	79

Projected Reporting, Recordkeeping, and Other Compliance Requirements

FAA estimates affected entities will incur an inspection cost of $1,360. Based upon the results of the inspection, operators could incur up to five conditional repair costs. If an operator were to incur all repair and inspection costs, FAA estimates each operator would incur $14,950 per airplane. However, according to the manufacturer, all of the costs of this AD may be covered under warranty, thereby reducing the cost impact on affected entities. The FAA analyzes the cost of inspections and all repair costs over the two-year analysis period for each small entity. The following table provides the estimated compliance costs at a 7 percent annualized discount rate by each NAICS industry.

AVERAGE REVENUE AND COST OF COMPLIANCE PER SMALL ENTITY

Category	Annual revenue	Low-case annualized cost (7% discount rate)		High-case annualized cost (7% discount rate)	
		Average	Percent of revenue	Average	Percent of revenue
Land Subdivision	$3,470,000	$657	0.02	$7,222	0.21
Lessors of Residential Buildings and Dwellings	18,280,000	703	0.00	7,728	0.04
New Car Dealers	520,000	703	0.14	7,728	1.49
Nonscheduled Air Transport	12,928,355	680	0.01	7,475	0.06
Plumbing, Heating, and Air-Conditioning Contractors	196,890	703	0.36	7,728	3.92

AVERAGE REVENUE AND COST OF COMPLIANCE PER SMALL ENTITY—Continued

Category	Annual revenue	Low-case annualized cost (7% discount rate)		High-case annualized cost (7% discount rate)	
		Average	Percent of revenue	Average	Percent of revenue
Prefabricated Metal Building and Component Manufacturing	24,340,000	703	0.00	7,728	0.03
Research and Development in Biotechnology (except Nanobiotechnology)	31,600,000	703	0.00	7,728	0.02
Surgical and Medical Instrument Manufacturing	610,000,000	5,486	0.00	60,306	0.01
Textile Bag and Canvas Mills	12,600,000	703	0.01	7,728	0.06
Trust, Fiduciary and Custody Activities	15,850,000	1,971	0.01	21,667	0.14

Significant Alternatives Considered

The FAA evaluated the alternative of not promulgating this AD but ultimately deemed that this alternative would create a significant safety hazard. The FAA is issuing this AD to address the unsafe condition for certain Embraer Model EMB–505 airplanes, ensuring a level of safety that the alternative of no action could not provide.

RFA Conclusions

Based on average compliance costs, the FAA has determined that the financial impacts of this AD are not disproportionate to small entities. The FAA did not change this AD as a result of this comment.

Request To Comply With the Paperwork Reduction Act (PRA)

The Citizens Rulemaking Alliance requested that the FAA revise the proposed AD to comply with the PRA if reporting is required or remove any reporting provisions until PRA requirements are satisfied.

The FAA notes that paragraph (i) of this AD specifies that this AD does not require reporting. If an AD were to require reporting, the preamble of the AD would include a paragraph titled ''Paperwork Reduction Act'' that would provide the applicable OMB control number, required PRA statements, and the estimated time to collect the required information (burden). Any costs associated with the reporting requirement would be included in the Costs of Compliance section in the preamble of the AD. Therefore, the FAA did not change this AD as a result of this comment.

Conclusion

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 reviewed the relevant data, considered any comments received, and determined that air safety requires adopting this AD as proposed. Accordingly, the FAA is issuing this AD to address the unsafe condition on these products. This AD is adopted as proposed in the NPRM.

Material Incorporated by Reference Under 1 CFR Part 51

The FAA reviewed ANAC AD 2025–04–01, which specifies procedures for inspecting the LH and RH HS backlash for correct values, and replacing, as applicable, the LH and RH hinge point attachment parts, the LH or RH pitch trim actuator rod-end attachment parts, and the pitch trim actuator. 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.

Differences Between This AD and the MCAI

The material specified in ANAC AD 2025–04–01 allows the use of alternative or similar parts in place of the ones specified in the kits, provided these alternative or similar parts are approved by Embraer, but this AD requires approval from either the Manager, International Validation Branch, FAA; ANAC; or ANAC's authorized Designee. If approved by the ANAC Designee, the approval must include the Designee's authorized signature.

Costs of Compliance

The FAA estimates that this AD affects 41 airplanes of U.S. registry. The FAA estimates the following costs to comply with this AD:

ESTIMATED COMPLIANCE COSTS

Action	Labor hours	Labor cost [1]	Parts cost	Cost per airplane	Total cost to U.S. operators
Required: Inspection	16	$1,360	$0	$1,360	$55,760
Conditional: Replace horizontal to vertical stabilizers LH hinge point attachment parts	17	1,445	300	1,745	71,545
Conditional: Replace horizontal to vertical stabilizers RH hinge point attachment parts	17	1,445	350	1,795	73,595
Conditional: Replace RH pitch trim actuator rod-end attachment parts	16	1,360	400	1,760	72,160
Conditional: Replace LH pitch trim actuator rod-end attachment parts	16	1,360	400	1,760	72,160
Conditional: Replace pitch trim actuator	18	1,530	5,000	6,530	267,730

ESTIMATED COMPLIANCE COSTS—Continued

Action	Labor hours	Labor cost [1]	Parts cost	Cost per airplane	Total cost to U.S. operators
Low-Case Cost [2]				1,360	55,760
High-Case Cost [3]				14,950	612,950

[1] FAA estimated operators will incur $85 in costs per labor hour, which is the weighted average fiscal year (FY) 2026 fully loaded wage of an aircraft mechanic ($69.85) working 60% of the labor hours and a general and operations manager ($108.15) working 40% of the labor hours. The FAA estimated these wages by taking the average of the FY 2024 Bureau of Labor Statistics (BLS) air transportation industry average wage for aircraft mechanics and general and operations managers (See: *Occupational Employment and Wage Statistics Query System,* BLS (May 2024), *data.bls.gov/oes/*); multiplying each wage by a fringe benefit factor of 1.42 (See: *Employer Cost for Employee Compensation—December 2024,* BLS (2024), *bls.gov/news.release/archives/ecec_03142025.pdf*); and adjusting these 2024 wages to 2026 dollars using an implicit Gross Domestic Product (GDP) Price Deflator of 2.8% (See: *Gross Domestic Product: Implicit Price Deflator,* FRED (2026) *fred.stlouisfed.org/series/GDPDEF*).

[2] The low-case cost assumes each airplane incurs only inspection costs.

[3] The high-case cost assumes each airplane incurs inspection and all conditional repair costs.

Over a two-year analysis period, the FAA estimates operators will incur an inspection cost of $1,360. Based upon the results of the inspection, operators could incur five conditional repair costs. If an operator were to incur all inspection and repair costs, the FAA estimates each operator would incur $14,950 per airplane. The FAA cannot estimate the number of conditional repairs each operator would need to undertake, but the cost of an inspection ($1,360) and the cost of an inspection and all conditional repairs ($14,950) represent the low-case and high-case costs per affected airplane.

FAA recognizes that operators might incur additional costs, such as airplane downtime. However, FAA anticipates this AD will not trigger any downtime costs because the requirements of this AD can be performed during regularly scheduled maintenance.

The FAA uses a two-year analysis period for estimating the annualized costs of this AD. Upon this AD's promulgation, all Group 1 airplanes must be inspected within 12 months or 750 flight hours, and all Group 2 airplanes must be inspected within 24 months or 1,000 flight hours. In this analysis, FAA assumes all Group 1 costs will be incurred in year 1, and all Group 2 costs will be incurred in year 2. The following tables display the annual AD compliance costs and summarize the AD's quantified and unquantified benefits and costs.

ANNUAL COMPLIANCE COSTS

Year	Affected airplanes	Low-case cost	High-case cost
1	27	$36,720	$403,650
2	14	19,040	209,300
Total	41	55,760	612,950

SUMMARY OF BENEFITS AND COSTS

Qualitative Benefits

• This AD addresses an unsafe condition. The unsafe condition, if not addressed, could result in unacceptable vibration levels and reduced controllability of the airplane.					

Qualitative Costs

• Airplane downtime.

Quantified Costs

Undiscounted	7%	3%	7%	3%	
Industry Costs		Present Value		Annualized	
Low-Case Cost	$55,760	$50,948	$53,598	$28,179	$28,011
High-Case Cost	612,950	560,054	589,179	309,761	307,911

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

Authority for This Rulemaking

Title 49 of the United States Code specifies the FAA's authority to issue rules on aviation safety. Subtitle I, section 106, describes the authority of

the FAA Administrator. Subtitle VII: Aviation Programs, describes in more detail the scope of the Agency's authority.

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

Regulatory Findings

This AD will not have federalism implications under Executive Order 13132. This AD will 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 that this AD:

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

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

(3) Will 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 Amendment

Accordingly, under the authority delegated to me by the Administrator, the FAA amends 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:

2026–10–18 Embraer S.A.: Amendment 39–23358; Docket No. FAA–2025–3993; Project Identifier MCAI–2025–00630–A.

(a) Effective Date

This airworthiness directive (AD) is effective July 6, 2026.

(b) Affected ADs

None.

(c) Applicability

This AD applies to Embraer S.A. Model EMB–505 airplanes, as identified in Agência Nacional de Aviação Civil (ANAC) AD 2025–04–01, effective April 15, 2025 (ANAC AD 2025–04–01), certificated in any category.

(d) Subject

Joint Aircraft System Component (JASC) Code 2700, Flight Control System.

(e) Unsafe Condition

This AD was prompted by the discovery that some airplanes may have invalid horizontal stabilizer (HS) backlash test results due to incorrect procedures being performed. The FAA is issuing this AD to address the unsafe condition. The unsafe condition, if not addressed, could result in unacceptable vibration levels and reduced controllability of the airplane.

(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, ANAC AD 2025–04–01.

(h) Exceptions to ANAC AD 2025–04–01

(1) Where ANAC AD 2025–04–01 refers to its effective date, this AD requires using the effective date of this AD for both Group 1 and Group 2 airplanes.

(2) Where the material specified in ANAC AD 2025–04–01 allows the use of alternative or similar parts in place of the ones specified in the kits, provided these alternative or similar parts are approved by Embraer, this AD requires approval from either the Manager, International Validation Branch, FAA; ANAC; or ANAC's authorized Designee. If approved by the ANAC Designee, the approval must include the Designee's authorized signature.

(3) Where ANAC AD 2025–04–01 refers to removal and replacement of attachment parts and pitch trim actuators in paragraphs (b)(1), (c)(1), (d)(1), (d)(2), (e)(1), (e)(2), and (f)(1), this AD specifies accomplishing the removal and replacement in these paragraphs in accordance with the appropriate procedures contained in the material referenced in ANAC AD 2025–04–01.

(4) Where the material referenced in ANAC AD 2025–04–01 specifies discarding parts, this AD requires removing those parts from service.

(5) This AD does not adopt paragraph (h) of ANAC AD 2025–04–01.

(i) No Reporting Requirement

Although the material referenced in ANAC AD 2025–04–01 specifies to submit information to the manufacturer, this AD does not require that action.

(j) Credit for Previous Actions

This paragraph provides credit for the actions required by paragraph (g) of this AD, if those actions were performed before the effective date of this AD using Embraer Service Bulletin No. 505–27–0034, dated September 19, 2024; or Embraer Service Bulletin No. 505–27–0034, Revision 01, dated October 4, 2024.

(k) 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 (l)(1) 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.

(l) Additional Information

(1) For more information about this AD, contact Jim Rutherford, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: (816) 329–4165; email: *jim.rutherford@faa.gov.*

(2) For Embraer material identified in this AD that is not incorporated by reference, contact Embraer S.A., Technical Publications Avenida Brigadeiro Faria Lima, 2170, São Jose dos Campos—SP, Brazil; phone: +551239275852; email: *distrib@embraer.com.br;* website: *https://www.flyembraer.com/irj/portal.*

(m) 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) Agência Nacional de Aviação Civil (ANAC) AD 2025–04–01, effective April 15, 2025.

(ii) [Reserved]

(3) For ANAC material identified in this AD, contact ANAC, Continuing Airworthiness Technical Branch (GTAC), Rua Doutor Orlando Feirabend Filho, 230—Centro Empresarial Aquarius-Torre B-Andares 14 a 18, Parque Residencial Aquarius, CEP 12.246–190–São José dos Campos-SP, Brazil; phone: 55 (12) 3203–6600; email: *pac@anac.gov.br;* website: *anac.gov.br/en/.* You may find this material on the ANAC website at *sistemas.anac.gov.br/certificacao/DA/DAE.asp.*

(4) You may view this material at the FAA, Airworthiness Products Section, Operational Safety Branch, 901 Locust, Kansas City, MO

64106. For information on the availability of this material at the FAA, call (817) 222–5110.

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

Issued on May 18, 2026.

Steven W. Thompson,

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

[FR Doc. 2026–10854 Filed 5–29–26; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 97

[Docket No. 31665; Amdt. No. 4219]

Standard Instrument Approach Procedures, and Takeoff Minimums and Obstacle Departure Procedures; Miscellaneous Amendments

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This rule establishes, amends, suspends, or removes Standard Instrument Approach Procedures (SIAPS) and associated Takeoff Minimums and Obstacle Departure procedures (ODPs) for operations at certain airports. These regulatory actions are needed because of the adoption of new or revised criteria, or because of changes occurring in the National Airspace System, such as the commissioning of new navigational facilities, adding new obstacles, or changing air traffic requirements. These changes are designed to provide safe and efficient use of the navigable airspace and to promote safe flight operations under instrument flight rules at the affected airports.

DATES: This rule is effective June 1, 2026. The compliance date for each SIAP, associated Takeoff Minimums, and ODP is specified in the amendatory provisions.

The incorporation by reference of certain publications listed in the regulations is approved by the Director of the Federal Register as of June 1, 2026.

ADDRESSES: Availability of matters incorporated by reference in the amendment is as follows:

For Examination

1. U.S. Department of Transportation, Docket Ops-M30. 1200 New Jersey Avenue SE, West Bldg., Ground Floor, Washington, DC 20590–0001.

2. The FAA Air Traffic Organization Service Area in which the affected airport is located;

3. The office of Aeronautical Information Services, 6500 South MacArthur Blvd., Oklahoma City, OK 73169 or,

4. 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.*

Availability

All SIAPs and Takeoff Minimums and ODPs are available online free of charge. Visit the National Flight Data Center at *nfdc.faa.gov* to register. Additionally, individual SIAP and Takeoff Minimums and ODP copies may be obtained from the FAA Air Traffic Organization Service Area in which the affected airport is located.

FOR FURTHER INFORMATION CONTACT: Gary W. Petty, Manager (Acting), Standards Section, Flight Procedures and Airspace Group, Aviation Safety, Federal Aviation Administration. Mailing Address: FAA Mike Monroney Aeronautical Center, Flight Procedures and Airspace Group, 6500 South MacArthur Blvd., STB Annex, Bldg. 26, Room 217, Oklahoma City, OK 73099. Telephone (405) 954–1139.

SUPPLEMENTARY INFORMATION: This rule amends 14 CFR part 97 by establishing, amending, suspending, or removes SIAPS, Takeoff Minimums and/or ODPS. The complete regulatory description of each SIAP and its associated Takeoff Minimums or ODP for an identified airport is listed on FAA form documents which are incorporated by reference in this amendment under 5 U.S.C. 552(a), 1 CFR part 51, and 14 CFR 97.20. The applicable FAA Forms are 8260–3, 8260–4, 8260–5, 8260–15A, 8260–15B, when required by an entry on 8260–15A, and 8260–15C.

The large number of SIAPs, Takeoff Minimums and ODPs, their complex nature, and the need for a special format make publication in the **Federal Register** expensive and impractical. Further, pilots do not use the regulatory text of the SIAPs, Takeoff Minimums or ODPs, but instead refer to their graphic depiction on charts printed by publishers of aeronautical materials. Thus, the advantages of incorporation by reference are realized and publication of the complete description of each SIAP, Takeoff Minimums and ODP listed on FAA form documents is unnecessary. This amendment provides the affected CFR sections and specifies the types of SIAPS, Takeoff Minimums and ODPs with their applicable effective dates. This amendment also identifies the airport and its location, the procedure, and the amendment number.

Availability and Summary of Material Incorporated by Reference

The material incorporated by reference is publicly available as listed in the **ADDRESSES** section.

The material incorporated by reference describes SIAPS, Takeoff Minimums and/or ODPs as identified in the amendatory language for part 97 of this final rule.

The Rule

This amendment to 14 CFR part 97 is effective upon publication of each separate SIAP, Takeoff Minimums and ODP as amended in the transmittal. Some SIAP and Takeoff Minimums and textual ODP amendments may have been issued previously by the FAA in a Flight Data Center (FDC) Notice to Airmen (NOTAM) as an emergency action of immediate flights safety relating directly to published aeronautical charts.

The circumstances that created the need for some SIAP and Takeoff Minimums and ODP amendments may require making them effective in less than 30 days. For the remaining SIAPs and Takeoff Minimums and ODPs, an effective date at least 30 days after publication is provided.

Further, the SIAPs and Takeoff Minimums and ODPs contained in this amendment are based on the criteria contained in the U.S. Standard for Terminal Instrument Procedures (TERPS). In developing these SIAPs and Takeoff Minimums and ODPs, the TERPS criteria were applied to the conditions existing or anticipated at the affected airports. Because of the close and immediate relationship between these SIAPs, Takeoff Minimums and ODPs, and safety in air commerce, I find that notice and public procedure under 5 U.S.C. 553(b) are impracticable and contrary to the public interest and, where applicable, under 5 U.S.C. 553(d), good cause exists for making some SIAPs effective in less than 30 days.

The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. It, therefore—(1) is not a ''significant regulatory action'' under Executive Order 12866; (2) is not a ''significant rule'' under DOT Regulatory Policies and Procedures (44

FR 11034; February 26, 1979); and (3) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. For the same reason, the FAA certifies that this amendment will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

Lists of Subjects in 14 CFR Part 97

Air traffic control, Airports, Incorporation by reference, Navigation (air).

Issued in Washington, DC, on May 22, 2026.

Gary W. Petty,

Manager (Acting), Standards Section, Flight Procedures and Airspace Group, Flight Technologies & Procedures Division, Federal Aviation Administration.

Adoption of the Amendment

Accordingly, pursuant to the authority delegated to me, 14 CFR part 97 is amended by establishing, amending, suspending, or removing Standard Instrument Approach Procedures and/or Takeoff Minimums and Obstacle Departure Procedures effective at 0901 UTC on the dates specified, as follows:

PART 97—STANDARD INSTRUMENT APPROACH PROCEDURES

■ 1. The authority citation for part 97 continues to read as follows:

Authority: 49 U.S.C. 106(f), 106(g), 40103, 40106, 40113, 40114, 40120, 44502, 44514, 44701, 44719, 44721–44722.

■ 2. Part 97 is amended to read as follows:

Effective 9 July 2026

Eek, AK, EEK/PAEE, RNAV (GPS) RWY 18, Amdt 1A
Gambell, AK, GAM/PAGM, RNAV (GPS) RWY 34, Amdt 1A
Centreville, AL, 0A8, Takeoff Minimums and Obstacle DP, Amdt 1
Courtland, AL, 9A4, RNAV (GPS) RWY 13, Amdt 2D
Courtland, AL, 9A4, RNAV (GPS) RWY 31, Amdt 2C
Courtland, AL, 9A4, Takeoff Minimums and Obstacle DP, Amdt 3
Hot Springs, AR, HOT, Takeoff Minimums and Obstacle DP, Amdt 8
West Palm Beach, FL, PBI, AHABB ONE, Graphic DP, CANCELED
West Palm Beach, FL, DJT, ILS OR LOC RWY 10L, Amdt 29A
West Palm Beach, FL, DJT, ILS OR LOC RWY 28R, Amdt 4B
West Palm Beach, FL, DJT, RNAV (GPS) X RWY 28R, Orig-A
West Palm Beach, FL, DJT, RNAV (GPS) Y RWY 10L, Amdt 5A
West Palm Beach, FL, DJT, RNAV (GPS) Y RWY 14, Amdt 4B
West Palm Beach, FL, DJT, RNAV (GPS) Y RWY 28R, Amdt 3B
West Palm Beach, FL, DJT, RNAV (GPS) Y RWY 32, Amdt 3A
West Palm Beach, FL, DJT, RNAV (RNP) W RWY 28R, Orig-A
West Palm Beach, FL, DJT, RNAV (RNP) Z RWY 10L, Amdt 2B
West Palm Beach, FL, DJT, RNAV (RNP) Z RWY 14, Amdt 1A
West Palm Beach, FL, DJT, RNAV (RNP) Z RWY 28R, Amdt 1A
West Palm Beach, FL, DJT, RNAV (RNP) Z RWY 32, Amdt 2A
West Palm Beach, FL, DJT, Takeoff Minimums and Obstacle DP, Amdt 4A
Quitman, GA, 4J5, RNAV (GPS) RWY 28, Amdt 2
Cahokia/St Louis, IL, CPS, ILS OR LOC RWY 30L, Amdt 10
Brazil, IN, 0I2, Takeoff Minimums and Obstacle DP, Amdt 2
New Roads, LA, HZR, RNAV (GPS) RWY 18, Amdt 1A
New Roads, LA, HZR, RNAV (GPS) RWY 36, Amdt 1A
Falmouth, MA, FMH, RNAV (GPS) RWY 23, Amdt 1
Portland, ME, PWM, Takeoff Minimums and Obstacle DP, Amdt 8
International Falls, MN, INL, COPTER ILS OR LOC RWY 31, Amdt 3
International Falls, MN, INL, ILS OR LOC RWY 31, Amdt 12
International Falls, MN, INL, RNAV (GPS) RWY 13, Orig-C
International Falls, MN, INL, VOR RWY 13, Amdt 14C
International Falls, MN, INL, VOR RWY 31, Amdt 15D
Roundup, MT, RPX, Takeoff Minimums and Obstacle DP, Amdt 1
Chadron, NE, CDR, ILS OR LOC RWY 3, Amdt 3
Ardmore, OK, ADM, ILS OR LOC RWY 31, Amdt 7
Woodward, OK, WWR, VOR/DME–A, Amdt 7C, CANCELED
Bend, OR, BDN, BEND THREE, Graphic DP
Bend, OR, BDN, RNAV (GPS) RWY 35, Amdt 2
Bend, OR, BDN, RNAV (GPS) Y RWY 17, Amdt 4
Bend, OR, BDN, RNAV (GPS) Z RWY 17, Amdt 2
Bend, OR, BDN, VOR RWY 17, Amdt 12
Lebanon, TN, M54, RNAV (GPS) RWY 1, Amdt 1
Lebanon, TN, M54, RNAV (GPS) RWY 19, Amdt 1
Castroville, TX, CVB, RNAV (GPS) RWY 16, Amdt 2
Norfolk, VA, ORF, RNAV (GPS) Z RWY 5, Amdt 3
Norfolk, VA, ORF, RNAV (RNP) Y RWY 5, Amdt 2
Wise, VA, LNP, RNAV (GPS) RWY 6, Amdt 2
Park Falls, WI, PKF, RNAV (GPS) RWY 18, Amdt 1
Park Falls, WI, PKF, RNAV (GPS) RWY 36, Amdt 1

[FR Doc. 2026–10895 Filed 5–29–26; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 97

[Docket No. 31666; Amdt. No. 4220]

Standard Instrument Approach Procedures, and Takeoff Minimums and Obstacle Departure Procedures; Miscellaneous Amendments

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This rule amends, suspends, or removes Standard Instrument Approach Procedures (SIAPs) and associated Takeoff Minimums and Obstacle Departure Procedures for operations at certain airports. These regulatory actions are needed because of the adoption of new or revised criteria, or because of changes occurring in the National Airspace System, such as the commissioning of new navigational facilities, adding new obstacles, or changing air traffic requirements. These changes are designed to provide for the safe and efficient use of the navigable airspace and to promote safe flight operations under instrument flight rules at the affected airports.

DATES: This rule is effective June 1, 2026. The compliance date for each SIAP, associated Takeoff Minimums, and ODP is specified in the amendatory provisions.

The incorporation by reference of certain publications listed in the regulations is approved by the Director of the Federal Register as of June 1, 2026.

ADDRESSES: Availability of matter incorporated by reference in the amendment is as follows:

For Examination

1. U.S. Department of Transportation, Docket Ops–M30, 1200 New Jersey Avenue SE, West Bldg., Ground Floor, Washington, DC 20590–0001;

2. The FAA Air Traffic Organization Service Area in which the affected airport is located;

3. The office of Aeronautical Information Services, 6500 South MacArthur Blvd., Oklahoma City, OK 73169 or,

4. 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.*

Availability

All SIAPs and Takeoff Minimums and ODPs are available online free of charge. Visit the National Flight Data Center online at *nfdc.faa.gov* to register. Additionally, individual SIAP and Takeoff Minimums and ODP copies may be obtained from the FAA Air Traffic Organization Service Area in which the affected airport is located.

FOR FURTHER INFORMATION CONTACT: Gary W. Petty, Manager (Acting), Standards Section, Flight Procedures and Airspace Group, Aviation Safety, Federal Aviation Administration. Mailing Address: FAA Mike Monroney Aeronautical Center, Flight Procedures and Airspace Group, 6500 South MacArthur Blvd., STB Annex, Bldg. 26, Room 217, Oklahoma City, OK 73099. Telephone (405) 954–1139.

SUPPLEMENTARY INFORMATION: This rule amends 14 CFR part 97 by amending the referenced SIAPs. The complete regulatory description of each SIAP is listed on the appropriate FAA Form 8260, as modified by the National Flight Data Center (NFDC)/Permanent Notice to Airmen (P–NOTAM), and is incorporated by reference under 5 U.S.C. 552(a), 1 CFR part 51, and 14 CFR 97.20. The large number of SIAPs, their complex nature, and the need for a special format make their verbatim publication in the **Federal Register** expensive and impractical. Further, pilots do not use the regulatory text of the SIAPs, but refer to their graphic depiction on charts printed by publishers of aeronautical materials. Thus, the advantages of incorporation by reference are realized and publication of the complete description of each SIAP contained on FAA form documents is unnecessary. This amendment provides the affected CFR sections, and specifies the SIAPs and Takeoff Minimums and ODPs with their applicable effective dates. This amendment also identifies the airport and its location, the procedure and the amendment number.

Availability and Summary of Material Incorporated by Reference

The material incorporated by reference is publicly available as listed in the **ADDRESSES** section.

The material incorporated by reference describes SIAPs, Takeoff Minimums and ODPs as identified in the amendatory language for part 97 of this final rule.

The Rule

This amendment to 14 CFR part 97 is effective upon publication of each separate SIAP and Takeoff Minimums and ODP as amended in the transmittal. For safety and timeliness of change considerations, this amendment incorporates only specific changes contained for each SIAP and Takeoff Minimums and ODP as modified by FDC permanent NOTAMs.

The SIAPs and Takeoff Minimums and ODPs, as modified by FDC permanent NOTAM, and contained in this amendment are based on criteria contained in the U.S. Standard for Terminal Instrument Procedures (TERPS). In developing these changes to SIAPs and Takeoff Minimums and ODPs, the TERPS criteria were applied only to specific conditions existing at the affected airports. All SIAP amendments in this rule have been previously issued by the FAA in a FDC NOTAM as an emergency action of immediate flight safety relating directly to published aeronautical charts.

The circumstances that created the need for these SIAP and Takeoff Minimums and ODP amendments require making them effective in less than 30 days.

Because of the close and immediate relationship between these SIAPs, Takeoff Minimums and ODPs, and safety in air commerce, I find that notice and public procedure under 5 U.S.C. 553(b) are impracticable and contrary to the public interest and, where applicable, under 5 U.S.C. 553(d), good cause exists for making these SIAPs effective in less than 30 days.

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

List of Subjects in 14 CFR Part 97

Air Traffic Control, Airports, Incorporation by reference, Navigation (Air).

Issued in Washington, DC, May 22, 2026.

Gary W. Petty,

Manager (Acting), Standards Section, Flight Procedures and Airspace Group, Flight Technologies & Procedures Division, Federal Aviation Administration.

Adoption of the Amendment

Accordingly, pursuant to the authority delegated to me, 14 CFR part 97 is amended by amending Standard Instrument Approach Procedures and Takeoff Minimums and ODPs, effective at 0901 UTC on the dates specified, as follows:

PART 97—STANDARD INSTRUMENT APPROACH PROCEDURES

■ 1. The authority citation for part 97 continues to read as follows:

Authority: 49 U.S.C. 106(f), 106(g), 40103, 40106, 40113, 40114, 40120, 44502, 44514, 44701, 44719, 44721–44722.

■ 2. Part 97 is amended to read as follows:

By amending: § 97.23 VOR, VOR/DME, VOR or TACAN, and VOR/DME or TACAN; § 97.25 LOC, LOC/DME, LDA, LDA/DME, SDF, SDF/DME; § 97.27 NDB, NDB/DME; § 97.29 ILS, ILS/DME, MLS, MLS/DME, MLS/RNAV; § 97.31 RADAR SIAPs; § 97.33 RNAV SIAPs; and § 97.35 COPTER SIAPs, Identified as follows:

** * * Effective Upon Publication*

AIRAC date	State	City	Airport	FDC No.	FDC date	Procedure name
9–Jul–26	MO	Clinton	Clinton Rgnl	6/1141	3/19/2026	RNAV (GPS) RWY 18, Orig-B.
9–Jul–26	OR	Corvallis	Corvallis Muni	6/1820	1/12/2026	ILS OR LOC RWY 17, Amdt 6.
9–Jul–26	AK	Manley Hot Springs	Manley Hot Springs	6/2794	3/4/2026	RNAV (GPS) RWY 36, Orig-A.
9–Jul–26	AK	Manley Hot Springs	Manley Hot Springs	6/2795	3/4/2026	RNAV (GPS) RWY 18, Orig-A.
9–Jul–26	NJ	Atlantic City	Atlantic City Intl	6/3342	3/4/2026	RNAV (GPS) Y RWY 13, Amdt 4B.
9–Jul–26	NJ	Atlantic City	Atlantic City Intl	6/3344	3/4/2026	RNAV (GPS) RWY 22, Amdt 4C.
9–Jul–26	IA	Ames	Ames Muni	6/3345	3/5/2026	RNAV (GPS) RWY 1, Amdt 2B.
9–Jul–26	IA	Ames	Ames Muni	6/3346	3/5/2026	RNAV (GPS) RWY 31, Amdt 1B.
9–Jul–26	IA	Ames	Ames Muni	6/3347	3/5/2026	RNAV (GPS) RWY 13, Amdt 1B.

AIRAC date	State	City	Airport	FDC No.	FDC date	Procedure name
9–Jul–26	MT	Fort Benton	Fort Benton	6/3348	3/6/2026	RNAV (GPS) RWY 23, Orig-A.
9–Jul–26	MN	Appleton	Appleton Muni	6/3349	3/5/2026	RNAV (GPS) RWY 13, Orig-B.
9–Jul–26	MI	Bad Axe	Huron County Meml	6/3350	3/5/2026	RNAV (GPS) RWY 17, Orig-B.
9–Jul–26	GA	Bainbridge	Decatur County Industrial Air Park.	6/3351	3/4/2026	RNAV (GPS) RWY 9, Amdt 1A.
9–Jul–26	TX	Big Spring	Big Spring/Mc Mahon-Wrinkle	6/3352	3/5/2026	RNAV (GPS) RWY 35, Amdt 1A.
9–Jul–26	TX	Childress	Childress Muni	6/3353	3/5/2026	VOR RWY 36, Amdt 10B.
9–Jul–26	IA	Cedar Rapids	The Eastern Iowa	6/3359	3/5/2026	RNAV (GPS) RWY 13, Amdt 1D.
9–Jul–26	OH	Wapakoneta	Neil Armstrong	6/3371	3/5/2026	RNAV (GPS) RWY 8, Orig-D.
9–Jul–26	NE	Scottsbluff	Scottsbluff/Western Nebraska Rgnl/Wm B Heilig Fld.	6/3917	3/6/2026	RNAV (GPS) RWY 12, Amdt 1A.
9–Jul–26	NE	Scottsbluff	Scottsbluff/Western Nebraska Rgnl/Wm B Heilig Fld.	6/3919	3/6/2026	RNAV (GPS) RWY 23, Orig-A.
9–Jul–26	CA	Brawley	Brawley Muni	6/3922	3/6/2026	RNAV (GPS) RWY 26, Orig-B.
9–Jul–26	NE	Ainsworth	Ainsworth Rgnl	6/3953	3/6/2026	VOR RWY 17, Amdt 3A.
9–Jul–26	TX	Houston	Houston/Southwest	6/3957	3/5/2026	RNAV (GPS) RWY 27, Amdt 1A.
9–Jul–26	AK	Togiak Village	Togiak	6/4516	3/16/2026	RNAV (GPS) RWY 3, Amdt 1.
9–Jul–26	AK	Togiak Village	Togiak	6/4517	3/16/2026	RNAV (GPS) RWY 21, Amdt 2.
9–Jul–26	AK	Koliganek	Koliganek	6/4520	3/16/2026	RNAV (GPS) RWY 9, Amdt 1A.
9–Jul–26	AK	Koliganek	Koliganek	6/4521	3/16/2026	RNAV (GPS) RWY 27, Amdt 1A.
9–Jul–26	OR	Redmond	Roberts Fld	6/6521	2/24/2026	VOR–A, Amdt 7.
9–Jul–26	CA	Calipatria	Cliff Hatfield Meml	6/6655	3/16/2026	RNAV (GPS) RWY 8, Amdt 1.
9–Jul–26	CA	Bishop	Bishop	6/6656	3/16/2026	RNAV (GPS) Z RWY 12, Orig-F.
9–Jul–26	CA	Camarillo	Camarillo	6/6657	3/16/2026	RNAV (GPS) Y RWY 26, Orig-A.
9–Jul–26	LA	Alexandria	Alexandria Intl	6/6667	3/16/2026	ILS OR LOC RWY 14, Amdt 1C.
9–Jul–26	LA	Alexandria	Alexandria Intl	6/6672	3/16/2026	RNAV (GPS) RWY 14, Amdt 1C.
9–Jul–26	NY	Ogdensburg	Ogdensburg Intl	6/8649	3/16/2026	RNAV (GPS) RWY 27, Amdt 2B.
9–Jul–26	IA	Waterloo	Waterloo Rgnl	6/8758	2/23/2026	RNAV (GPS) RWY 12, Amdt 1.
9–Jul–26	SC	Camden	Woodward Fld	6/8781	3/17/2026	RNAV (GPS) RWY 6, Orig-A.
9–Jul–26	SC	Camden	Woodward Fld	6/8782	3/17/2026	RNAV (GPS) RWY 24, Orig-A.
9–Jul–26	CA	Mammoth Lakes	Mammoth Yosemite	6/8800	2/24/2026	RNAV (GPS) RWY 27, Amdt 2.
9–Jul–26	WI	Oshkosh	Wittman Rgnl	6/9161	3/17/2026	VOR RWY 9, Amdt 10C.
9–Jul–26	WI	Oshkosh	Wittman Rgnl	6/9163	3/17/2026	VOR RWY 36, Amdt 17B.
9–Jul–26	IA	Grinnell	Grinnell Rgnl	6/9950	3/18/2026	RNAV (GPS) RWY 13, Amdt 1.
9–Jul–26	PA	Meadville	Port Meadville	6/9951	3/18/2026	RNAV (GPS) RWY 25, Amdt 1F.

[FR Doc. 2026–10896 Filed 5–29–26; 8:45 am]
BILLING CODE 4910–13–P

SECURITIES AND EXCHANGE COMMISSION

17 CFR Parts 240 and 249

[Release No. 34–104903A]

RIN 3235–AN75

Holding Foreign Insiders Accountable Act Disclosure; Correction

AGENCY: Securities and Exchange Commission.

ACTION: Final rule; technical corrections.

SUMMARY: This document makes technical corrections to certain amendments to the Commission's disclosure rules and forms adopted in Release No. 34–104903 (February 27, 2026), which was published in the **Federal Register** on March 3, 2026. Specifically, these technical corrections remove certain language that inadvertently was included in a rule and remove obsolete references to a repealed Congressional act in two forms.

DATES: Effective date: June 1, 2026.

FOR FURTHER INFORMATION CONTACT: Kateryna Kuntsevich, Special Counsel, Office of International Corporate Finance, Division of Corporation Finance, at (202) 551–3450, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549.

SUPPLEMENTARY INFORMATION: This document makes technical corrections to the following rule and forms, amendments to which were published in the **Federal Register** on March 3, 2026 (91 FR 10320):

Commission reference	CFR citation (17 CFR)
Securities Exchange Act of 1934 ("Exchange Act"): [1]	
Rule 16a–2	§ 240.16a–2
Form 4	§ 249.104
Form 5	§ 249.105

The corrections to Rule 16a–2 and Forms 4 and 5 are technical in nature. Rule 16a–2 is amended to remove a quotation mark and the text ''after the first sentence.'' appearing after the second sentence in the introductory text that inadvertently was included in the rule. Additionally, Form 4 and Form 5 are amended to remove the reference to Section 17(a) of the Public Utility Holding Company Act of 1935, which Congress repealed in 2005, that was inadvertently retained in the amended forms.[2]

Statutory Authority

These technical corrections are being made under the authority set forth in Section 23(a) of the Exchange Act and the Holding Foreign Insiders Accountable Act.[3]

List of Subjects in 17 CFR Parts 240 and 249

Reporting and recordkeeping requirements, Securities.

Text of Amendments

For the reasons set out above, we are amending title 17, chapter II of the Code of Federal Regulations as follows:

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

[2] *See* Sec. 1263, Energy Policy Act of 2005, Public Law 109–58, 119 Stat. 594 (Aug. 8, 2005).

[3] Sec. 8103 of the National Defense Authorization Act (cited as Holding Foreign Insiders Accountable Act), Public Law 119–60, 139 Stat. 718 (Dec. 18, 2025).

PART 240—GENERAL RULES AND REGULATIONS, SECURITIES EXCHANGE ACT OF 1934

■ 1. The 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, 78k, 78k–1, 78*l,* 78m, 78n, 78n–1, 78o, 78o–4, 78o–10, 78p, 78q, 78q–1, 78s, 78u–5, 78w, 78x, 78dd, 78*ll,* 78mm, 80a–20, 80a–23, 80a–29, 80a–37, 80b–3, 80b–4, 80b–11, 1681w(a)(1), 6801–6809, 6825, 7201 *et seq.,* and 8302; 7 U.S.C. 2(c)(2)(E); 12 U.S.C. 5221(e)(3); 18 U.S.C. 1350; Pub. L. 111–203, 939A, 124 Stat. 1376 (2010); and Pub. L. 112–106, sec. 503 and 602, 126 Stat. 326 (2012), unless otherwise noted.

* * * * *

■ 2. Amend § 240.16a–2 by revising the introductory text to read as follows:

§ 240.16a–2 Persons and transactions subject to section 16.

Any person who is the beneficial owner, directly or indirectly, of more than ten percent of any class of equity securities (''ten percent beneficial owner'') registered pursuant to section 12 of the Act (15 U.S.C. 78*l*), any director or officer of the issuer of such securities, and any person specified in section 30(h) of the Investment Company Act of 1940 (15 U.S.C. 80a–29(h)), including any person specified in § 240.16a–8, shall be subject to the provisions of section 16 of the Act (15 U.S.C. 78p). The rules under section 16(a) of the Act do not apply to ten percent beneficial owners of an issuer that is a foreign private issuer, as defined in Rule 3b–4 (§ 240.3b–4 of this chapter). The rules under section 16 of the Act apply to any class of equity securities of an issuer whether or not registered under section 12 of the Act. The rules under section 16 of the Act also apply to non-equity securities as provided by the Investment Company Act of 1940. With respect to transactions by persons subject to section 16 of the Act:

* * * * *

PART 249—FORMS, SECURITIES EXCHANGE ACT OF 1934

■ 3. 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), 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.

* * * * *

■ 4. Amend Form 4 (referenced in § 249.104) by revising the first page to remove the text '', Section 17(a) of the Public Utility Holding Company Act of 1935''.

Note: The text of Form 4 does not, and this amendment will not appear in the Code of Federal Regulations.

■ 5. Amend Form 5 (referenced in § 249.105) by revising the first page to remove the text '', Section 17(a) of the Public Utility Holding Company Act of 1935''.

Note: The text of Form 5 does not, and this amendment will not appear in the Code of Federal Regulations.

Dated: May 28, 2026.

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–10916 Filed 5–29–26; 8:45 am]

BILLING CODE 8011–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

21 CFR Part 864

[Docket No. FDA–2026–N–5725]

Medical Devices; Hematology and Pathology Devices; Classification of the Von Willebrand Factor Assay

AGENCY: Food and Drug Administration, HHS.

ACTION: Final amendment; final order.

SUMMARY: The Food and Drug Administration (FDA) is classifying the von Willebrand factor assay into class II (special controls). The special controls that apply to the device type are identified in this order and will be part of the codified language for classification of the von Willebrand factor assay. We are taking this action because we have determined that classifying the device into class II will provide a reasonable assurance of safety and effectiveness of the device. We believe this action will also enhance patients' access to beneficial innovative devices, in part by reducing regulatory burdens.

DATES: This order is effective June 1, 2026. The classification was applicable on September 29, 2022.

FOR FURTHER INFORMATION CONTACT: Yan Cai, Center for Devices and Radiological Health, Food and Drug Administration, 10903 New Hampshire Ave., Bldg. 66, Rm. 3453, Silver Spring, MD 20993–0002, 240–402–1094, *Yan.Cai@fda.hhs.gov.*

SUPPLEMENTARY INFORMATION:

I. Background

Upon request, FDA (the Agency or we) has classified the von Willebrand factor (VWF) assay into class II (special controls), which we have determined will provide a reasonable assurance of safety and effectiveness of the device. In addition, we believe this action will enhance patients' access to beneficial innovation, in part by reducing regulatory burdens by placing the device into a lower device class than the automatic class III assignment.

The automatic assignment of class III occurs by operation of law and without any action by FDA, regardless of the level of risk posed by the new device. Any device that was not in commercial distribution before May 28, 1976, is automatically classified into, and remains within, class III and requires premarket approval unless and until FDA takes an action to classify or reclassify the device (21 U.S.C. 360c(f)(1)). We refer to these devices as ''postamendments devices'' because they were not in commercial distribution prior to the date of enactment of the Medical Device Amendments of 1976, which amended the Federal Food, Drug, and Cosmetic Act (FD&C Act).

FDA may take a variety of actions in appropriate circumstances to classify or reclassify a device into class I or II. We may issue an order finding a new device to be substantially equivalent under section 513(i) of the FD&C Act (21 U.S.C. 360c(i)) to a predicate device that does not require premarket approval. We determine whether a new device is substantially equivalent to a predicate device by means of the procedures for premarket notification under section 510(k) of the FD&C Act (21 U.S.C. 360(k)) and part 807 (21 CFR part 807).

FDA may also classify a device through ''De Novo'' classification, a common name for the process authorized under section 513(f)(2) of the FD&C Act (see also part 860, subpart D (21 CFR part 860, subpart D)). Section 207 of the Food and Drug Administration Modernization Act of 1997 (Pub. L. 105–115) established the first procedure for De Novo classification. Section 607 of the Food and Drug Administration Safety and Innovation Act (Pub. L. 112–144) modified the De Novo classification process by adding a second procedure. A device sponsor may utilize either procedure for De Novo classification.

Under the first procedure, the person submits a premarket notification (510(k)) for a device that has not previously been classified. After receiving an order from FDA classifying the device into class III under section 513(f)(1) of the FD&C Act, the person then requests a classification under section 513(f)(2).

Under the second procedure, rather than first submitting a 510(k) and then a request for classification, if the person determines that there is no legally marketed device upon which to base a determination of substantial equivalence, that person requests a classification under section 513(f)(2) of the FD&C Act.

Under either procedure for De Novo classification, FDA is required to classify the device by written order within 120 days. The classification will be according to the criteria under section 513(a)(1) of the FD&C Act. Although the device was automatically placed within class III, the De Novo classification is considered to be the initial classification of the device.

We believe this De Novo classification will enhance patients' access to beneficial innovation, in part by reducing regulatory burdens. When FDA classifies a device into class I or II via the De Novo process, the device can serve as a predicate for future devices of that type, including for 510(k)s (see section 513(f)(2)(B)(i) of the FD&C Act). As a result, other device sponsors do not have to submit a De Novo request or premarket approval application to market a substantially equivalent device (see section 513(i) of the FD&C Act, defining ''substantial equivalence''). Instead, sponsors can use the less burdensome 510(k) process, when necessary, to market their device.

II. De Novo Classification

On October 28, 2020, FDA received Siemens Healthcare Diagnostics Products GmbH's request for De Novo classification of the INNOVANCE VWF Ac device. FDA reviewed the request in order to classify the device under the criteria for classification set forth in section 513(a)(1) of the FD&C Act.

We classify devices into class II if general controls by themselves are insufficient to provide reasonable assurance of safety and effectiveness of the device, but there is sufficient information to establish special controls that, in combination with the general controls, provide reasonable assurance of the safety and effectiveness of the device for its intended use (see section 513(a)(1)(B) of the FD&C Act). After review of the information submitted in the request, we determined that the device can be classified into class II with the establishment of special controls. FDA has determined that these special controls, in addition to the general controls, will provide reasonable assurance of the safety and effectiveness of the device.

Therefore, on September 29, 2022, FDA issued an order to the requester classifying the device into class II. In this final order, FDA is codifying the classification of the device by adding 21 CFR 864.7293.[1] We have named the generic type of device ''von Willebrand factor assay,'' and it is identified as a prescription device intended for the measurement of von Willebrand factor activity or von Willebrand factor size distribution in human plasma. This device is indicated to aid in the diagnosis and management of patients being evaluated for von Willebrand factor disorders in conjunction with other clinical and laboratory findings.

FDA has identified the risks to health associated with this type of device and the measures required to mitigate these risks in table 1.

TABLE 1—RISKS TO HEALTH AND MITIGATION MEASURES FOR VON WILLEBRAND FACTOR ASSAYS

Identified risks to health	Mitigation measures
Falsely elevated VWF activity results may lead to delayed diagnosis and delayed patient management of von Willebrand disease (VWD). Patients with delayed diagnosis and resulting delayed patient management of VWD are at increased risk of bleeding due to the withholding of appropriate treatment.	Certain design verification and validation identified in special control (1), including documentation of certain analytical studies and clinical studies. Certain labeling information identified in special control (2), including limitations and performance information identified in special control (1).
Falsely depressed VWF activity results may lead the physician to suspect VWD in patients who do not have the disease. As a result, the patients may receive unnecessary follow-up testing and unnecessary treatment as well as delays in receiving a correct diagnosis and appropriate patient management. In addition, affected patients may experience mental anxiety because of the erroneous diagnosis.	Certain design verification and validation identified in special control (1), including documentation of certain analytical studies and clinical studies. Certain labeling information identified in special control (2), including limitations and performance information identified in special control (1).
No results may lead to delayed patient management	Certain design verification and validation identified in special control (1), including documentation of certain analytical studies and clinical studies. Certain labeling information identified in special control (2), including limitations and performance information identified in special control (1).

FDA has determined that special controls, in combination with the general controls, address these risks to health and provide reasonable assurance of safety and effectiveness of the device. For a device to fall within this classification, and thus avoid automatic classification in class III, it would have to comply with the special controls named in this final order. The necessary special controls appear in the regulation codified by this final order.

At the time of classification, von Willebrand factor assays are for prescription use only. Therefore, these devices are subject to the prescription labeling requirements for in vitro diagnostic (IVD) products (see 21 CFR 809.10(a)(4) and (b)(5)(ii)).

Under the FD&C Act, submission of a premarket notification under section 510(k) is required to reasonably assure the safety and effectiveness of class II devices unless FDA determines that the

[1] FDA notes that the ''ACTION'' caption for this final order is styled as ''Final amendment; final order,'' rather than ''Final order.'' Beginning in December 2019, this editorial change was made to indicate that the document ''amends'' the Code of Federal Regulations. The change was made in accordance with the Office of Federal Register's (OFR) interpretations of the Federal Register Act (44 U.S.C. chapter 15), its implementing regulations (1 CFR 5.9 and parts 21 and 22), and the Document Drafting Handbook.

device type should be exempt under section 510(m) of the FD&C Act. At this time FDA has not made this determination for von Willebrand factor assays. This device is therefore subject to premarket notification requirements under section 510(k) of the FD&C Act.

III. Analysis of Environmental Impact

The Agency has determined under 21 CFR 25.34(b) that this action is of a type that does not normally have a significant effect on the human environment. Therefore, neither an environmental assessment nor an environmental impact statement is required.

IV. Paperwork Reduction Act of 1995

This final order establishes special controls that refer to previously approved collections of information found in other FDA regulations and guidance. These collections of information are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3521). The collections of information in part 860, subpart D, regarding De Novo classification have been approved under OMB control number 0910–0844; the collections of information in 21 CFR part 814, subparts A through E, regarding premarket approval have been approved under OMB control number 0910–0231; the collections of information in part 807, subpart E, regarding premarket notification submissions have been approved under OMB control number 0910–0120; the collections of information in 21 CFR part 820 regarding quality management system regulation have been approved under OMB control number 0910–0073; and the collections of information in 21 CFR parts 801 and 809 regarding labeling have been approved under OMB control number 0910–0485.

List of Subjects in 21 CFR Part 864

Blood, Medical devices, Packaging and containers.

Therefore, under the Federal Food, Drug, and Cosmetic Act and under authority delegated to the Commissioner of Food and Drugs, 21 CFR part 864 is amended as follows:

PART 864—HEMATOLOGY AND PATHOLOGY DEVICES

■ 1. The authority citation for part 864 continues to read as follows:

Authority: 21 U.S.C. 351, 360, 360c, 360e, 360j, 360l, 371.

■ 2. Add § 864.7293 to subpart H to read as follows:

§ 864.7293 von Willebrand factor assay.

(a) *Identification.* A von Willebrand factor assay is a prescription device intended for the measurement of von Willebrand factor activity or von Willebrand factor size distribution in human plasma. This device is indicated to aid in the diagnosis and management of patients being evaluated for von Willebrand factor disorders in conjunction with other clinical and laboratory findings.

(b) *Classification.* Class II (special controls). The special controls for this device are:

(1) Design verification and validation must include:

(i) Detailed documentation of studies demonstrating acceptable, as determined by FDA, analytical performance, including, as applicable, precision, linearity, assay interference, detection capability, specimen and reagent stability, and hook effect, with a sufficient number of specimens tested in order to obtain unbiased estimates of analytical performance. For devices measuring multiple analytes, the detailed documentation must include studies demonstrating the analytical performance of the device in regard to each individual analyte, including precision, linearity, assay interference, cross-reactivity, detection capability, specimen and reagent stability, and hook effect, as applicable.

(ii) Detailed documentation of a comparison study of clinical samples demonstrating performance relative to clinically relevant and appropriate, as determined by FDA, clinically validated laboratory tests. Further, the studies must meet all of the following criteria:

(A) All eligible subjects must meet appropriate study inclusion and exclusion criteria that define the intended use population. Specimens must be representative of the intended use population(s) and must representatively cover the full range of the device output and any clinically relevant decision points, as appropriate;

(B) The study must be conducted at a minimum of three external sites representative of the intended use setting by operators representative of the intended user population;

(C) For all intended pediatric patient populations, clinical outcome validation studies must study those populations in accordance with paragraphs (b)(1)(ii)(A) and (B) of this section; and (D) Expected (reference) values for test output must be demonstrated by testing a statistically appropriate number of samples from apparently healthy normal individuals in all relevant subpopulations (*i.e.,* blood group O and non-O, male and female, and, if applicable, pediatric and adults), as applicable to the intended use of the device.

(2) The labeling required under § 809.10(b) of this chapter must include:

(i) Limiting statements indicating, as applicable:

(A) This device should always be used in conjunction with the patient's medical history, clinical presentation, and other laboratory findings.

(B) Identification of any known interferents, including all endogenous, exogenous, technology-specific, and patient population-specific interferents, specific to the test outputs. The information must include the concentration(s) or level(s) of the interferent at which clinically significant interference was found to occur, and the concentration range or levels at which interference was not found to occur.

(ii) A detailed summary of the performance testing results of analytical and clinical performance testing, including results of concordance evaluation (overall agreement, positive percentage agreement and negative percentage agreement) as required under paragraph (b)(1) of this section.

Grace R. Graham,

Deputy Commissioner for Policy, Legislation, and International Affairs.

[FR Doc. 2026–10898 Filed 5–29–26; 8:45 am]

BILLING CODE 4164–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

21 CFR Part 868

[Docket No. FDA–2026–N–5722]

Medical Devices; Anesthesiology Devices; Classification of the Real-Time Ultrasound Anatomy Visualization and Labeling Device for Ultrasound Guided Regional Anesthesia

AGENCY: Food and Drug Administration, HHS.

ACTION: Final amendment; final order.

SUMMARY: The Food and Drug Administration (FDA) is classifying the real-time ultrasound anatomy visualization and labeling device for ultrasound guided regional anesthesia into class II (special controls). The special controls that apply to the device type are identified in this order and will be part of the codified language for classification of the real-time ultrasound anatomy visualization and labeling device for ultrasound guided regional

anesthesia. We are taking this action because we have determined that classifying the device into class II will provide a reasonable assurance of safety and effectiveness of the device. We believe this action will also enhance patients' access to beneficial innovative devices, in part by reducing regulatory burdens.

DATES: This order is effective June 1, 2026. The classification was applicable on October 18, 2022.

FOR FURTHER INFORMATION CONTACT: Annie Abraham, Center for Devices and Radiological Health, Food and Drug Administration, 10903 New Hampshire Ave., Bldg. 66, Rm. 1264, Silver Spring, MD 20993–0002, 240–402–5219, *Annie.Abraham@fda.hhs.gov*.

SUPPLEMENTARY INFORMATION:

I. Background

Upon request, FDA (the Agency or we) has classified the real-time ultrasound anatomy visualization and labeling device for ultrasound guided regional anesthesia into class II (special controls), which we have determined will provide a reasonable assurance of safety and effectiveness of the device. In addition, we believe this action will enhance patients' access to beneficial innovation, in part by reducing regulatory burdens by placing the device into a lower device class than the automatic class III assignment.

The automatic assignment of class III occurs by operation of law and without any action by FDA, regardless of the level of risk posed by the new device. Any device that was not in commercial distribution before May 28, 1976, is automatically classified into, and remains within, class III and requires premarket approval unless and until FDA takes an action to classify or reclassify the device (21 U.S.C. 360c(f)(1)). We refer to these devices as ''postamendments devices'' because they were not in commercial distribution prior to the date of enactment of the Medical Device Amendments of 1976, which amended the Federal Food, Drug, and Cosmetic Act (FD&C Act).

FDA may take a variety of actions in appropriate circumstances to classify or reclassify a device into class I or II. We may issue an order finding a new device to be substantially equivalent under section 513(i) of the FD&C Act (21 U.S.C. 360c(i)) to a predicate device that does not require premarket approval. We determine whether a new device is substantially equivalent to a predicate device by means of the procedures for premarket notification under section 510(k) of the FD&C Act (21 U.S.C. 360(k)) and part 807 (21 CFR part 807).

FDA may also classify a device through ''De Novo'' classification, a common name for the process authorized under section 513(f)(2) of the FD&C Act (see also part 860, subpart D (21 CFR part 860, subpart D)). Section 207 of the Food and Drug Administration Modernization Act of 1997 (Pub. L. 105–115) established the first procedure for De Novo classification. Section 607 of the Food and Drug Administration Safety and Innovation Act (Pub. L. 112–144) modified the De Novo classification process by adding a second procedure. A device sponsor may utilize either procedure for De Novo classification.

Under the first procedure, the person submits a premarket notification (510(k)) for a device that has not previously been classified. After receiving an order from FDA classifying the device into class III under section 513(f)(1) of the FD&C Act, the person then requests a classification under section 513(f)(2).

Under the second procedure, rather than first submitting a 510(k) and then a request for classification, if the person determines that there is no legally marketed device upon which to base a determination of substantial equivalence, that person requests a classification under section 513(f)(2) of the FD&C Act.

Under either procedure for De Novo classification, FDA is required to classify the device by written order within 120 days. The classification will be according to the criteria under section 513(a)(1) of the FD&C Act. Although the device was automatically placed within class III, the De Novo classification is considered to be the initial classification of the device.

We believe this De Novo classification will enhance patients' access to beneficial innovation, in part by reducing regulatory burdens. When FDA classifies a device into class I or II via the De Novo process, the device can serve as a predicate for future devices of that type, including for 510(k)s (see section 513(f)(2)(B)(i) of the FD&C Act). As a result, other device sponsors do not have to submit a De Novo request or premarket approval application to market a substantially equivalent device (see section 513(i) of the FD&C Act, defining ''substantial equivalence''). Instead, sponsors can use the less burdensome 510(k) process, when necessary, to market their device.

II. De Novo Classification

On April 8, 2022, FDA received Intelligent Ultrasound Limited's request for De Novo classification of the ScanNav Anatomy Peripheral Nerve Block device. FDA reviewed the request in order to classify the device under the criteria for classification set forth in section 513(a)(1) of the FD&C Act.

We classify devices into class II if general controls by themselves are insufficient to provide reasonable assurance of safety and effectiveness of the device, but there is sufficient information to establish special controls that, in combination with the general controls, provide reasonable assurance of the safety and effectiveness of the device for its intended use (see section 513(a)(1)(B) of the FD&C Act). After review of the information submitted in the request, we determined that the device can be classified into class II with the establishment of special controls. FDA has determined that these special controls, in addition to the general controls, will provide reasonable assurance of the safety and effectiveness of the device.

Therefore, on October 18, 2022, FDA issued an order to the requester classifying the device into class II. In this final order, FDA is codifying the classification of the device by adding 21 CFR 868.1980.[1] We have named the generic type of device ''real-time ultrasound anatomy visualization and labeling device for ultrasound guided regional anesthesia,'' and it is identified as a device that provides real-time interpretation and enhanced visualization of live ultrasound images by highlighting anatomical landmarks in preparation for performing regional anesthesia.

FDA has identified the risks to health associated with this type of device and the measures required to mitigate these risks in table 1.

[1] FDA notes that the ''ACTION'' caption for this final order is styled as ''Final amendment; final order,'' rather than ''Final order.'' Beginning in December 2019, this editorial change was made to indicate that the document ''amends'' the Code of Federal Regulations. The change was made in accordance with the Office of Federal Register's (OFR) interpretations of the Federal Register Act (44 U.S.C. chapter 15), its implementing regulations (1 CFR 5.9 and parts 21 and 22), and the Document Drafting Handbook.

TABLE 1—RISKS TO HEALTH AND MITIGATION MEASURES FOR REAL-TIME ULTRASOUND ANATOMY VISUALIZATION AND LABELING DEVICES FOR ULTRASOUND GUIDED REGIONAL ANESTHESIA

Identified risks to health	Mitigation measures
Adverse events due to inaccurate location identification for ultrasound guided procedures.	Clinical performance testing; Human factors testing; Software verification, validation, and hazard analysis; and Labeling.
Users without expertise operating the device leading to adverse events or ineffective procedure.	Labeling.
Procedure delay due to corruption in image transfer or software failure	Clinical performance testing; and Software verification, validation, and hazard analysis.

FDA has determined that special controls, in combination with the general controls, address these risks to health and provide reasonable assurance of safety and effectiveness of the device. For a device to fall within this classification, and thus avoid automatic classification in class III, it would have to comply with the special controls named in this final order. The necessary special controls appear in the regulation codified by this final order.

Under the FD&C Act, submission of a premarket notification under section 510(k) is required to reasonably assure the safety and effectiveness of class II devices unless FDA determines that the device type should be exempt under section 510(m) of the FD&C Act. At this time FDA has not made this determination for real-time ultrasound anatomy visualization and labeling devices for ultrasound guided regional anesthesia. This device is therefore subject to premarket notification requirements under section 510(k) of the FD&C Act.

III. Analysis of Environmental Impact

The Agency has determined under 21 CFR 25.34(b) that this action is of a type that does not normally have a significant effect on the human environment. Therefore, neither an environmental assessment nor an environmental impact statement is required.

IV. Paperwork Reduction Act of 1995

This final order establishes special controls that refer to previously approved collections of information found in other FDA regulations and guidance. These collections of information are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3521). The collections of information in part 860, subpart D, regarding De Novo classification have been approved under OMB control number 0910–0844; the collections of information in 21 CFR part 814, subparts A through E, regarding premarket approval have been approved under OMB control number 0910–0231; the collections of information in part 807, subpart E, regarding premarket notification submissions have been approved under OMB control number 0910–0120; the collections of information in 21 CFR part 820 regarding quality management system regulation have been approved under OMB control number 0910–0073; and the collections of information in 21 CFR part 801 regarding labeling have been approved under OMB control number 0910–0485.

List of Subjects in 21 CFR Part 868

Medical devices.

Therefore, under the Federal Food, Drug, and Cosmetic Act and under authority delegated to the Commissioner of Food and Drugs, 21 CFR part 868 is amended as follows:

PART 868—ANESTHESIOLOGY DEVICES

■ 1. The authority citation for part 868 continues to read as follows:

Authority: 21 U.S.C. 351, 360, 360c, 360e, 360j, 360l, 371.

■ 2. Add § 868.1980 to subpart B to read as follows:

§ 868.1980 Real-time ultrasound anatomy visualization and labeling device for ultrasound guided regional anesthesia.

(a) *Identification.* This device provides real-time interpretation and enhanced visualization of live ultrasound images by highlighting anatomical landmarks in preparation for performing regional anesthesia.

(b) *Classification.* Class II (special controls). The special controls for this device are:

(1) Clinical performance testing under anticipated conditions of use must evaluate the location accuracy of anatomical landmarks identified by the device.

(2) Human factors testing must demonstrate that the user can correctly use the device to identify anatomical structures, based solely on reading the instructions for use.

(3) Software verification, validation, and hazard analysis must be performed, including demonstrated compatibility with ultrasound devices labeled to be compatible with the device.

(4) Labeling must include:

(i) The recommended training for safe use of the device;

(ii) Pertinent details of the clinical data collected to evaluate the performance of the device; and

(iii) A warning against over-reliance on device output.

Grace R. Graham,

Deputy Commissioner for Policy, Legislation, and International Affairs.

[FR Doc. 2026–10907 Filed 5–29–26; 8:45 am]

BILLING CODE 4164–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

21 CFR Part 868

[Docket No. FDA–2026–N–5825]

Medical Devices; Anesthesiology Devices; Classification of the Adjunctive Pain Measurement Device for Anesthesiology

AGENCY: Food and Drug Administration, HHS.

ACTION: Final amendment; final order.

SUMMARY: The Food and Drug Administration (FDA) is classifying the adjunctive pain measurement device for anesthesiology into class II (special controls). The special controls that apply to the device type are identified in this order and will be part of the codified language for classification of the adjunctive pain measurement device for anesthesiology. We are taking this action because we have determined that classifying the device into class II will provide a reasonable assurance of safety and effectiveness of the device. We believe this action will also enhance patients' access to beneficial innovative devices, in part by reducing regulatory burdens.

DATES: This order is effective June 1, 2026. The classification was applicable on February 17, 2023.

FOR FURTHER INFORMATION CONTACT: Neel Patel, Center for Devices and Radiological Health, Food and Drug Administration, 10903 New Hampshire Ave., Bldg. 66, Rm. 1232, Silver Spring, MD 20993–0002, 301–796–6274, *Neel.Patel@fda.hhs.gov*.

SUPPLEMENTARY INFORMATION:

I. Background

Upon request, FDA (the Agency or we) has classified the adjunctive pain measurement device for anesthesiology into class II (special controls), which we have determined will provide a reasonable assurance of safety and effectiveness of the device. In addition, we believe this action will enhance patients' access to beneficial innovation, in part by reducing regulatory burdens by placing the device into a lower device class than the automatic class III assignment.

The automatic assignment of class III occurs by operation of law and without any action by FDA, regardless of the level of risk posed by the new device. Any device that was not in commercial distribution before May 28, 1976, is automatically classified into, and remains within, class III and requires premarket approval unless and until FDA takes an action to classify or reclassify the device (21 U.S.C. 360c(f)(1)). We refer to these devices as ''postamendments devices'' because they were not in commercial distribution prior to the date of enactment of the Medical Device Amendments of 1976, which amended the Federal Food, Drug, and Cosmetic Act (FD&C Act).

FDA may take a variety of actions in appropriate circumstances to classify or reclassify a device into class I or II. We may issue an order finding a new device to be substantially equivalent under section 513(i) of the FD&C Act (21 U.S.C. 360c(i)) to a predicate device that does not require premarket approval. We determine whether a new device is substantially equivalent to a predicate device by means of the procedures for premarket notification under section 510(k) of the FD&C Act (21 U.S.C. 360(k)) and part 807 (21 CFR part 807).

FDA may also classify a device through ''De Novo'' classification, a common name for the process authorized under section 513(f)(2) of the FD&C Act (see also part 860, subpart D (21 CFR part 860, subpart D)). Section 207 of the Food and Drug Administration Modernization Act of 1997 (Pub. L. 105–115) established the first procedure for De Novo classification. Section 607 of the Food and Drug Administration Safety and Innovation Act (Pub. L. 112–144) modified the De Novo classification process by adding a second procedure. A device sponsor may utilize either procedure for De Novo classification.

Under the first procedure, the person submits a premarket notification (510(k)) for a device that has not previously been classified. After receiving an order from FDA classifying the device into class III under section 513(f)(1) of the FD&C Act, the person then requests a classification under section 513(f)(2).

Under the second procedure, rather than first submitting a 510(k) and then a request for classification, if the person determines that there is no legally marketed device upon which to base a determination of substantial equivalence, that person requests a classification under section 513(f)(2) of the FD&C Act.

Under either procedure for De Novo classification, FDA is required to classify the device by written order within 120 days. The classification will be according to the criteria under section 513(a)(1) of the FD&C Act. Although the device was automatically placed within class III, the De Novo classification is considered to be the initial classification of the device.

We believe this De Novo classification will enhance patients' access to beneficial innovation, in part by reducing regulatory burdens. When FDA classifies a device into class I or II via the De Novo process, the device can serve as a predicate for future devices of that type, including for 510(k)s (see section 513(f)(2)(B)(i) of the FD&C Act). As a result, other device sponsors do not have to submit a De Novo request or premarket approval application to market a substantially equivalent device (see section 513(i) of the FD&C Act, defining ''substantial equivalence''). Instead, sponsors can use the less burdensome 510(k) process, when necessary, to market their device.

II. De Novo Classification

On June 4, 2021, FDA received Medasense Biometrics Ltd.'s request for De Novo classification of the PMD–200 device. FDA reviewed the request in order to classify the device under the criteria for classification set forth in section 513(a)(1) of the FD&C Act.

We classify devices into class II if general controls by themselves are insufficient to provide reasonable assurance of safety and effectiveness of the device, but there is sufficient information to establish special controls that, in combination with the general controls, provide reasonable assurance of the safety and effectiveness of the device for its intended use (see section 513(a)(1)(B) of the FD&C Act). After review of the information submitted in the request, we determined that the device can be classified into class II with the establishment of special controls. FDA has determined that these special controls, in addition to the general controls, will provide reasonable assurance of the safety and effectiveness of the device.

Therefore, on February 17, 2023, FDA issued an order to the requester classifying the device into class II. In this final order, FDA is codifying the classification of the device by adding 21 CFR 868.2200.[1] We have named the generic type of device ''adjunctive pain measurement device for anesthesiology,'' and it is identified as a prescription device that includes software algorithms to analyze physiological sensor data and measure response to painful stimuli in patients under general anesthesia. The device may be software-only or it may include hardware such as physiological sensors. This device type is intended for adjunctive use to tailor analgesic administration to a patient's actual response to painful stimuli and is not intended to independently direct decision-making.

FDA has identified the risks to health associated with this type of device and the measures required to mitigate these risks in table 1.

[1] FDA notes that the ''ACTION'' caption for this final order is styled as ''Final amendment; final order,'' rather than ''Final order.'' Beginning in December 2019, this editorial change was made to indicate that the document ''amends'' the Code of Federal Regulations. The change was made in accordance with the Office of Federal Register's (OFR) interpretations of the Federal Register Act (44 U.S.C. chapter 15), its implementing regulations (1 CFR 5.9 and parts 21 and 22), and the Document Drafting Handbook.

TABLE 1—RISKS TO HEALTH AND MITIGATION MEASURES FOR ADJUNCTIVE PAIN MEASUREMENT DEVICES FOR ANESTHESIOLOGY

identified risks to health	Mitigation measures
Delayed or incorrect treatment due to erroneous device output resulting from software malfunction or algorithm error.	Clinical performance testing; Non-clinical performance testing; Software verification, validation, and hazard analysis; and Labeling.
Delayed or incorrect treatment due to user misinterpretation or overreliance on indicator.	Usability assessment; and Labeling.
Adverse tissue reaction	Biocompatibility evaluation.
Electric shock/electromagnetic interference related to hardware	Electrical safety testing; and Electromagnetic compatibility testing.

FDA has determined that special controls, in combination with the general controls, address these risks to health and provide reasonable assurance of safety and effectiveness of the device. For a device to fall within this classification, and thus avoid automatic classification in class III, it would have to comply with the special controls named in this final order. The necessary special controls appear in the regulation codified by this final order.

At the time of classification, adjunctive pain measurement devices for anesthesiology are for prescription use only. Prescription devices are exempt from the requirement for adequate directions for use for the layperson under section 502(f)(1) of the FD&C Act (21 U.S.C. 352(f)(1)) and 21 CFR 801.5, as long as the conditions of 21 CFR 801.109 are met.

Under the FD&C Act, submission of a premarket notification under section 510(k) is required to reasonably assure the safety and effectiveness of class II devices unless FDA determines that the device type should be exempt under section 510(m) of the FD&C Act. At this time FDA has not made this determination for adjunctive pain measurement devices for anesthesiology. This device is therefore subject to premarket notification requirements under section 510(k) of the FD&C Act.

III. Analysis of Environmental Impact

The Agency has determined under 21 CFR 25.34(b) that this action is of a type that does not normally have a significant effect on the human environment. Therefore, neither an environmental assessment nor an environmental impact statement is required.

IV. Paperwork Reduction Act of 1995

This final order establishes special controls that refer to previously approved collections of information found in other FDA regulations and guidance. These collections of information are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3521). The collections of information in part 860, subpart D, regarding De Novo classification have been approved under OMB control number 0910–0844; the collections of information in 21 CFR part 814, subparts A through E, regarding premarket approval have been approved under OMB control number 0910–0231; the collections of information in part 807, subpart E, regarding premarket notification submissions have been approved under OMB control number 0910–0120; the collections of information in 21 CFR part 820 regarding quality management system regulation have been approved under OMB control number 0910–0073; and the collections of information in 21 CFR part 801 regarding labeling have been approved under OMB control number 0910–0485.

List of Subjects in 21 CFR Part 868

Medical devices.

Therefore, under the Federal Food, Drug, and Cosmetic Act and under authority delegated to the Commissioner of Food and Drugs, 21 CFR part 868 is amended as follows:

PART 868—ANESTHESIOLOGY DEVICES

■ 1. The authority citation for part 868 continues to read as follows:

Authority: 21 U.S.C. 351, 360, 360c, 360e, 360j, 360l, 371.

■ 2. Add § 868.2200 to subpart C to read as follows:

§ 868.2200 Adjunctive pain measurement device for anesthesiology.

(a) *Identification.* An adjunctive pain measurement device for anesthesiology is a prescription device that includes software algorithms to analyze physiological sensor data and measure response to painful stimuli in patients under general anesthesia. The device may be software-only or it may include hardware such as physiological sensors. This device type is intended for adjunctive use to tailor analgesic administration to a patient's actual response to painful stimuli and is not intended to independently direct decision-making.

(b) *Classification.* Class II (special controls). The special controls for this device are:

(1) Clinical data must be provided to validate the algorithm in support of the intended use and include the following:

(i) Comparison of output measure(s) to a reference method to demonstrate the required accuracy and/or sensitivity and specificity of the output measure(s);

(ii) Demonstration of the consistency of the output and representativeness of the range of data sources and data quality likely to be encountered in the intended use population and relevant use conditions in the intended use environment;

(iii) Evaluation of the type of pain (*e.g.,* nociceptive, somatic, visceral, neuropathic) that is within the scope of the indicated use; and

(iv) For devices using algorithms based on machine learning, the clinical validation must be completed using a dataset that is separate from the training dataset.

(2) Software description, verification, and validation based on comprehensive hazard analysis must be performed. Software documentation must include:

(i) Full characterization of technical parameters of the software, including any algorithm(s);

(ii) Description of mechanisms for handling of noisy or missing data and poor signal quality under expected conditions of use;

(iii) Specification of acceptable incoming sensor data quality control measures;

(iv) Mitigation of impact of user error or failure of any subsystem components (signal detection and analysis, data display, and storage) on output accuracy; and

(v) Justification for the validity of the algorithm(s) (*e.g.,* clinical relevance of decision threshold).

(3) Non-clinical performance data must demonstrate that the device performs as intended under anticipated conditions of use. Performance testing under anticipated conditions of use must demonstrate the ability of the

device software/algorithm to detect adequate input signal quality and handle noisy or missing data and poor signal quality.

(4) Usability assessment must be provided to mitigate the risk of misinterpretation of device output.

(5) The patient contacting components of the device must be demonstrated to be biocompatible.

(6) Performance testing must demonstrate the electromagnetic compatibility and electrical safety of any hardware components of the device.

(7) Labeling must include the following:

(i) A summary of the clinical validation data, including demographics and other relevant characteristics of the clinical study participants (including age, sex, race or ethnicity, and patient condition), the anesthetic regimen (including types (*e.g.,* morphine, hydromorphone, fentanyl) and doses of pain medication used), a summary of results, and information on subpopulations (age, sex, race, or ethnicity) that may experience disparate performance.

(ii) A description of what the device measures and outputs to the user.

(iii) The type of sensor data used, including specification of compatible sensors for data acquisition.

(iv) Warnings identifying sensor signal-acquisition factors that may impact output.

(v) Warnings to identify and avoid specific patient conditions or concomitant medical therapies that could mask pain or negatively impact device performance leading to inaccurate measurements.

(8) Recommendations for clinical interpretation of the output, including warning(s) emphasizing the adjunctive use of the output measure(s).

Grace R. Graham,

Deputy Commissioner for Policy, Legislation, and International Affairs.

[FR Doc. 2026–10905 Filed 5–29–26; 8:45 am]

BILLING CODE 4164–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

21 CFR Part 872

[Docket No. FDA–2026–N–5724]

Medical Devices; Dental Devices; Classification of the Intraoral Cooling Device

AGENCY: Food and Drug Administration, HHS.

ACTION: Final amendment; final order.

SUMMARY: The Food and Drug Administration (FDA) is classifying the intraoral cooling device into class II (special controls). The special controls that apply to the device type are identified in this order and will be part of the codified language for classification of the intraoral cooling device. We are taking this action because we have determined that classifying the device into class II will provide a reasonable assurance of safety and effectiveness of the device. We believe this action will also enhance patients' access to beneficial innovative devices, in part by reducing regulatory burdens.

DATES: This order is effective June 1, 2026. The classification was applicable on October 14, 2022.

FOR FURTHER INFORMATION CONTACT: Anita Belani, Center for Devices and Radiological Health, Food and Drug Administration, 10903 New Hampshire Ave., Bldg. 66, Rm. G236, Silver Spring, MD 20993–0002, 301–796–3944, *Anita.Belani@fda.hhs.gov.*

SUPPLEMENTARY INFORMATION:

I. Background

Upon request, FDA (the Agency or we) has classified the intraoral cooling device into class II (special controls), which we have determined will provide a reasonable assurance of safety and effectiveness of the device. In addition, we believe this action will enhance patients' access to beneficial innovation, in part by reducing regulatory burdens by placing the device into a lower device class than the automatic class III assignment.

The automatic assignment of class III occurs by operation of law and without any action by FDA, regardless of the level of risk posed by the new device. Any device that was not in commercial distribution before May 28, 1976, is automatically classified into, and remains within, class III and requires premarket approval unless and until FDA takes an action to classify or reclassify the device (21 U.S.C. 360c(f)(1)). We refer to these devices as ''postamendments devices'' because they were not in commercial distribution prior to the date of enactment of the Medical Device Amendments of 1976, which amended the Federal Food, Drug, and Cosmetic Act (FD&C Act).

FDA may take a variety of actions in appropriate circumstances to classify or reclassify a device into class I or II. We may issue an order finding a new device to be substantially equivalent under section 513(i) of the FD&C Act (21 U.S.C. 360c(i)) to a predicate device that does not require premarket approval. We determine whether a new device is substantially equivalent to a predicate device by means of the procedures for premarket notification under section 510(k) of the FD&C Act (21 U.S.C. 360(k)) and part 807 (21 CFR part 807).

FDA may also classify a device through ''De Novo'' classification, a common name for the process authorized under section 513(f)(2) of the FD&C Act (see also part 860, subpart D (21 CFR part 860, subpart D)). Section 207 of the Food and Drug Administration Modernization Act of 1997 (Pub. L. 105–115) established the first procedure for De Novo classification. Section 607 of the Food and Drug Administration Safety and Innovation Act (Pub. L. 112–144) modified the De Novo classification process by adding a second procedure. A device sponsor may utilize either procedure for De Novo classification.

Under the first procedure, the person submits a premarket notification (510(k)) for a device that has not previously been classified. After receiving an order from FDA classifying the device into class III under section 513(f)(1) of the FD&C Act, the person then requests a classification under section 513(f)(2).

Under the second procedure, rather than first submitting a 510(k) and then a request for classification, if the person determines that there is no legally marketed device upon which to base a determination of substantial equivalence, that person requests a classification under section 513(f)(2) of the FD&C Act.

Under either procedure for De Novo classification, FDA is required to classify the device by written order within 120 days. The classification will be according to the criteria under section 513(a)(1) of the FD&C Act. Although the device was automatically placed within class III, the De Novo classification is considered to be the initial classification of the device.

We believe this De Novo classification will enhance patients' access to beneficial innovation, in part by reducing regulatory burdens. When FDA classifies a device into class I or II via the De Novo process, the device can serve as a predicate for future devices of that type, including for 510(k)s (see section 513(f)(2)(B)(i) of the FD&C Act). As a result, other device sponsors do not have to submit a De Novo request or premarket approval application to market a substantially equivalent device (see section 513(i) of the FD&C Act, defining ''substantial equivalence'').

Instead, sponsors can use the less burdensome 510(k) process, when necessary, to market their device.

II. De Novo Classification

On July 2, 2021, FDA received BrainCool AB's request for De Novo classification of The Cooral System. FDA reviewed the request in order to classify the device under the criteria for classification set forth in section 513(a)(1) of the FD&C Act.

We classify devices into class II if general controls by themselves are insufficient to provide reasonable assurance of safety and effectiveness of the device, but there is sufficient information to establish special controls that, in combination with the general controls, provide reasonable assurance of the safety and effectiveness of the device for its intended use (see section 513(a)(1)(B) of the FD&C Act). After review of the information submitted in the request, we determined that the device can be classified into class II with the establishment of special controls. FDA has determined that these special controls, in addition to the general controls, will provide reasonable assurance of the safety and effectiveness of the device.

Therefore, on October 14, 2022, FDA issued an order to the requester classifying the device into class II. In this final order, FDA is codifying the classification of the device by adding 21 CFR 872.5590.[1] We have named the generic type of device ''intraoral cooling device,'' and it is identified as a prescription use device that is intended to cool the mouth for patients to reduce the likelihood of oral mucositis. The device consists of a removable mouthpiece that cools the oral mucosal surfaces.

FDA has identified the risks to health associated with this type of device and the measures required to mitigate these risks in table 1.

TABLE 1—RISKS TO HEALTH AND MITIGATION MEASURES FOR INTRAORAL COOLING DEVICES

Identified risks to health	Mitigation measures
Thermal tissue damage	Non-clinical performance testing; Software verification, validation & hazard analysis; and Labeling.
Electrical shock, or device failure due to electromagnetic interference	Electromagnetic compatibility testing; and Electrical safety testing.
Adverse tissue reaction	Biocompatibility evaluation.
Discomfort	Labeling.
Obstruction or device leakage leading to patient injury	Non-clinical performance testing; and Labeling.

FDA has determined that special controls, in combination with the general controls, address these risks to health and provide reasonable assurance of safety and effectiveness of the device. For a device to fall within this classification, and thus avoid automatic classification in class III, it would have to comply with the special controls named in this final order. The necessary special controls appear in the regulation codified by this final order.

At the time of classification, intraoral cooling devices are for prescription use only. Prescription devices are exempt from the requirement for adequate directions for use for the layperson under section 502(f)(1) of the FD&C Act (21 U.S.C. 352(f)(1)) and 21 CFR 801.5, as long as the conditions of 21 CFR 801.109 are met.

Under the FD&C Act, submission of a premarket notification under section 510(k) is required to reasonably assure the safety and effectiveness of class II devices unless FDA determines that the device type should be exempt under section 510(m) of the FD&C Act. At this time FDA has not made this determination for intraoral cooling devices. This device is therefore subject to premarket notification requirements under section 510(k) of the FD&C Act.

III. Analysis of Environmental Impact

The Agency has determined under 21 CFR 25.34(b) that this action is of a type that does not normally have a significant effect on the human environment. Therefore, neither an environmental assessment nor an environmental impact statement is required.

IV. Paperwork Reduction Act of 1995

This final order establishes special controls that refer to previously approved collections of information found in other FDA regulations and guidance. These collections of information are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3521). The collections of information in part 860, subpart D, regarding De Novo classification have been approved under OMB control number 0910–0844; the collections of information in 21 CFR part 814, subparts A through E, regarding premarket approval have been approved under OMB control number 0910–0231; the collections of information in part 807, subpart E, regarding premarket notification submissions have been approved under OMB control number 0910–0120; the collections of information in 21 CFR part 820 regarding quality management system regulation have been approved under OMB control number 0910–0073; and the collections of information in 21 CFR part 801 regarding labeling have been approved under OMB control number 0910–0485.

List of Subjects in 21 CFR Part 872

Medical devices.

Therefore, under the Federal Food, Drug, and Cosmetic Act and under authority delegated to the Commissioner of Food and Drugs, 21 CFR part 872 is amended as follows:

PART 872—DENTAL DEVICES

■ 1. The authority citation for part 872 continues to read as follows:

Authority: 21 U.S.C. 351, 360, 360c, 360e, 360j, 360l, 371.

■ 2. Add § 872.5590 to subpart F to read as follows:

§ 872.5590 Intraoral cooling device.

(a) *Identification.* An intraoral cooling device is a prescription use device that is intended to cool the mouth for patients to reduce the likelihood of oral mucositis. The device consists of a removable mouthpiece that cools the oral mucosal surfaces.

(b) *Classification.* Class II (special controls). The special controls for this device are:

[1] FDA notes that the ''ACTION'' caption for this final order is styled as ''Final amendment; final order,'' rather than ''Final order.'' Beginning in December 2019, this editorial change was made to indicate that the document ''amends'' the Code of Federal Regulations. The change was made in accordance with the Office of Federal Register's (OFR) interpretations of the Federal Register Act (44 U.S.C. chapter 15), its implementing regulations (1 CFR 5.9 and parts 21 and 22), and the Document Drafting Handbook.

(1) Non-clinical performance testing must demonstrate that the device performs as intended under anticipated conditions of use and must include:

(i) Thermal testing to evaluate cooling consistency and performance; and

(ii) Testing of the device to demonstrate material integrity.

(2) Electromagnetic compatibility and electrical safety testing must be performed for any electrical components.

(3) Software verification, validation, and hazard analysis must be performed for any software components of the device.

(4) The patient contacting components of the device must be demonstrated to be biocompatible.

(5) Labeling must include the following:

(i) A summary of the device specifications, including temperature cooling range and duration of cooling; and

(ii) Instructions to stop the use of the device if skin irritation or sensitivities develop, or if the device leaks or does not maintain its material integrity.

Grace R. Graham,

Deputy Commissioner for Policy, Legislation, and International Affairs.

[FR Doc. 2026–10899 Filed 5–29–26; 8:45 am]

BILLING CODE 4164–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

21 CFR Part 874

[Docket No. FDA–2026–N–5723]

Medical Devices; Ear, Nose, and Throat Devices; Classification of the Oropharyngeal Electrical Stimulator

AGENCY: Food and Drug Administration, HHS.

ACTION: Final amendment; final order.

SUMMARY: The Food and Drug Administration (FDA) is classifying the oropharyngeal electrical stimulator into class II (special controls). The special controls that apply to the device type are identified in this order and will be part of the codified language for classification of the oropharyngeal electrical stimulator. We are taking this action because we have determined that classifying the device into class II will provide a reasonable assurance of safety and effectiveness of the device. We believe this action will also enhance patients' access to beneficial innovative devices, in part by reducing regulatory burdens.

DATES: This order is effective June 1, 2026. The classification was applicable on September 16, 2022.

FOR FURTHER INFORMATION CONTACT: Sunny Park, Center for Devices and Radiological Health, Food and Drug Administration, 10903 New Hampshire Ave., Bldg. 66, Rm. 1266, Silver Spring, MD 20993–0002, 301–796–7059, *Sunny.Park@fda.hhs.gov*.

SUPPLEMENTARY INFORMATION:

I. Background

Upon request, FDA (the Agency or we) has classified the oropharyngeal electrical stimulator into class II (special controls), which we have determined will provide a reasonable assurance of safety and effectiveness of the device. In addition, we believe this action will enhance patients' access to beneficial innovation, in part by reducing regulatory burdens by placing the device into a lower device class than the automatic class III assignment.

The automatic assignment of class III occurs by operation of law and without any action by FDA, regardless of the level of risk posed by the new device. Any device that was not in commercial distribution before May 28, 1976, is automatically classified into, and remains within, class III and requires premarket approval unless and until FDA takes an action to classify or reclassify the device (21 U.S.C. 360c(f)(1)). We refer to these devices as ''postamendments devices'' because they were not in commercial distribution prior to the date of enactment of the Medical Device Amendments of 1976, which amended the Federal Food, Drug, and Cosmetic Act (FD&C Act).

FDA may take a variety of actions in appropriate circumstances to classify or reclassify a device into class I or II. We may issue an order finding a new device to be substantially equivalent under section 513(i) of the FD&C Act (21 U.S.C. 360c(i)) to a predicate device that does not require premarket approval. We determine whether a new device is substantially equivalent to a predicate device by means of the procedures for premarket notification under section 510(k) of the FD&C Act (21 U.S.C. 360(k)) and part 807 (21 CFR part 807).

FDA may also classify a device through ''De Novo'' classification, a common name for the process authorized under section 513(f)(2) of the FD&C Act (see also part 860, subpart D (21 CFR part 860, subpart D)). Section 207 of the Food and Drug Administration Modernization Act of 1997 (Pub. L. 105–115) established the first procedure for De Novo classification. Section 607 of the Food and Drug Administration Safety and Innovation Act (Pub. L. 112–144) modified the De Novo classification process by adding a second procedure. A device sponsor may utilize either procedure for De Novo classification.

Under the first procedure, the person submits a premarket notification (510(k)) for a device that has not previously been classified. After receiving an order from FDA classifying the device into class III under section 513(f)(1) of the FD&C Act, the person then requests a classification under section 513(f)(2).

Under the second procedure, rather than first submitting a 510(k) and then a request for classification, if the person determines that there is no legally marketed device upon which to base a determination of substantial equivalence, that person requests a classification under section 513(f)(2) of the FD&C Act.

Under either procedure for De Novo classification, FDA is required to classify the device by written order within 120 days. The classification will be according to the criteria under section 513(a)(1) of the FD&C Act. Although the device was automatically placed within class III, the De Novo classification is considered to be the initial classification of the device.

We believe this De Novo classification will enhance patients' access to beneficial innovation, in part by reducing regulatory burdens. When FDA classifies a device into class I or II via the De Novo process, the device can serve as a predicate for future devices of that type, including for 510(k)s (see section 513(f)(2)(B)(i) of the FD&C Act). As a result, other device sponsors do not have to submit a De Novo request or premarket approval application to market a substantially equivalent device (see section 513(i) of the FD&C Act, defining ''substantial equivalence''). Instead, sponsors can use the less burdensome 510(k) process, when necessary, to market their device.

II. De Novo Classification

On April 19, 2022, FDA received Phagenesis Limited's request for De Novo classification of the Phagenyx System. FDA reviewed the request in order to classify the device under the criteria for classification set forth in section 513(a)(1) of the FD&C Act.

We classify devices into class II if general controls by themselves are insufficient to provide reasonable assurance of safety and effectiveness of the device, but there is sufficient information to establish special controls

that, in combination with the general controls, provide reasonable assurance of the safety and effectiveness of the device for its intended use (see section 513(a)(1)(B) of the FD&C Act). After review of the information submitted in the request, we determined that the device can be classified into class II with the establishment of special controls. FDA has determined that these special controls, in addition to the general controls, will provide reasonable assurance of the safety and effectiveness of the device.

Therefore, on September 16, 2022, FDA issued an order to the requester classifying the device into class II. In this final order, FDA is codifying the classification of the device by adding 21 CFR 874.5950.[1] We have named the generic type of device ''oropharyngeal electrical stimulator,'' and it is identified as a device that stimulates afferent nerve fibers of oropharyngeal mucosa. The device is intended to treat swallowing dysfunction. The device may incorporate a feeding tube.

FDA has identified the risks to health associated with this type of device and the measures required to mitigate these risks in table 1.

TABLE 1—RISKS TO HEALTH AND MITIGATION MEASURES FOR OROPHARYNGEAL ELECTRICAL STIMULATORS

Identified risks to health	Mitigation measures
Incorrect stimulation output leading to discomfort or delayed treatment, or incorrect location of stimuli leading to jaw chattering or facial/ear pain.	Non-clinical performance testing; Software verification, validation and hazard analysis; Usability testing; and Training.
Off target neurostimulation due to patient specific injury resulting in harmful neurological activity.	Usability testing; and Training.
Tissue damage due to mechanical stress, electrical effects, or heating effects	Usability testing; Training; and Electrical safety testing.
Electrical shock from electrical component malfunction	Non-clinical performance testing; and Electrical safety testing.
Interference with other devices leading to malfunction or injury	Electromagnetic compatibility testing.
Adverse tissue reaction	Biocompatibility evaluation.
Infection	Sterilization validation; Reprocessing validation; Shelf life testing; and Labeling.
Software failure leading to delayed treatment or discomfort	Software verification, validation and hazard analysis.
Fire hazard in the presence of supplementary oxygen	Non-clinical performance testing; and Training.
For devices with feeding tubes, leakage and misplacement of feeding tube leading to feeding-related complications (e.g., temporary suboptimal nutrition, reflux aspiration, respiratory distress).	Non-clinical performance testing; Training; and Usability testing.

FDA has determined that special controls, in combination with the general controls, address these risks to health and provide reasonable assurance of safety and effectiveness of the device. For a device to fall within this classification, and thus avoid automatic classification in class III, it would have to comply with the special controls named in this final order. The necessary special controls appear in the regulation codified by this final order.

Under the FD&C Act, submission of a premarket notification under section 510(k) is required to reasonably assure the safety and effectiveness of class II devices unless FDA determines that the device type should be exempt under section 510(m) of the FD&C Act. At this time FDA has not made this determination for oropharyngeal electrical stimulators. This device is therefore subject to premarket notification requirements under section 510(k) of the FD&C Act.

III. Analysis of Environmental Impact

The Agency has determined under 21 CFR 25.34(b) that this action is of a type that does not normally have a significant effect on the human environment. Therefore, neither an environmental assessment nor an environmental impact statement is required.

IV. Paperwork Reduction Act of 1995

This final order establishes special controls that refer to previously approved collections of information found in other FDA regulations and guidance. These collections of information are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3521). The collections of information in part 860, subpart D, regarding De Novo classification have been approved under OMB control number 0910–0844; the collections of information in 21 CFR part 814, subparts A through E, regarding premarket approval have been approved under OMB control number 0910–0231; the collections of information in part 807, subpart E, regarding premarket notification submissions have been approved under OMB control number 0910–0120; the collections of information in 21 CFR part 820 regarding quality management system regulation have been approved under OMB control number 0910–0073; and the collections of information in 21 CFR part 801 regarding labeling have been approved under OMB control number 0910–0485.

List of Subjects in 21 CFR part 874

Medical devices.

Therefore, under the Federal Food, Drug, and Cosmetic Act and under authority delegated to the Commissioner of Food and Drugs, 21 CFR part 874 is amended as follows:

PART 874—EAR, NOSE, AND THROAT DEVICES

■ 1. The authority citation for part 874 continues to read as follows:

Authority: 21 U.S.C. 351, 360, 360c, 360e, 360j, 360l, 371.

■ 2. Add § 874.5950 to subpart F to read as follows:

§ 874.5950 Oropharyngeal electrical stimulator.

(a) *Identification.* An oropharyngeal electrical stimulator is a device that stimulates afferent nerve fibers of oropharyngeal mucosa. The device is intended to treat swallowing dysfunction. The device may incorporate a feeding tube.

(b) *Classification.* Class II (special controls). The special controls for this device are:

[1] FDA notes that the ''ACTION'' caption for this final order is styled as ''Final amendment; final order,'' rather than ''Final order.'' Beginning in December 2019, this editorial change was made to indicate that the document ''amends'' the Code of Federal Regulations. The change was made in accordance with the Office of Federal Register's (OFR) interpretations of the Federal Register Act (44 U.S.C. chapter 15), its implementing regulations (1 CFR 5.9 and parts 21 and 22), and the Document Drafting Handbook.

(1) Non-clinical performance testing must demonstrate the device performs as intended under anticipated conditions of use, including the following:

(i) Electrical output testing;

(ii) Mechanical integrity testing of electrical components;

(iii) Testing to verify safe use of the electrical stimulator component in the presence of supplementary oxygen; and

(iv) If the device incorporates a feeding tube, feeding tube functionality testing, including mechanical integrity, liquid leakage, flow rate and connector compatibility.

(2) The patient-contacting components of the device must be demonstrated to be biocompatible.

(3) Performance testing must demonstrate the sterility of the components intended to be provided sterile.

(4) Performance data must validate the reprocessing instructions for any reusable components of the device.

(5) Performance testing must support the shelf life of the device by demonstrating continued sterility, package integrity, and device functionality over the labeled shelf life.

(6) Software verification, validation and hazard analysis must be performed for any software components of the device.

(7) Performance testing must demonstrate the electromagnetic compatibility and electrical safety of any electrical components.

(8) A training program must be included with sufficient educational elements so that upon completion of the training program, the user can correctly operate the device.

(9) Usability testing must demonstrate that the device can be correctly used as per training and labeling.

(10) The labeling must include a shelf life for any sterile components.

Grace R. Graham,

Deputy Commissioner for Policy, Legislation, and International Affairs.

[FR Doc. 2026–10894 Filed 5–29–26; 8:45 am]

BILLING CODE 4164–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

21 CFR Part 876

[Docket No. FDA–2026–N–5196]

Medical Devices; Gastroenterology-Urology Devices; Classification of the Orally Ingested Transient Device for Constipation

AGENCY: Food and Drug Administration, HHS.

ACTION: Final amendment; final order.

SUMMARY: The Food and Drug Administration (FDA) is classifying the orally ingested transient device for constipation into class II (special controls). The special controls that apply to the device type are identified in this order and will be part of the codified language for classification of the orally ingested transient device for constipation. We are taking this action because we have determined that classifying the device into class II will provide a reasonable assurance of safety and effectiveness of the device. We believe this action will also enhance patients' access to beneficial innovative devices, in part by reducing regulatory burdens.

DATES: This order is effective June 1, 2026. The classification was applicable on August 26, 2022.

FOR FURTHER INFORMATION CONTACT: Joseph Nielsen, Center for Devices and Radiological Health, Food and Drug Administration, 10903 New Hampshire Ave., Bldg. 66, Rm. 2676, Silver Spring, MD 20993–0002, 301–796–6244, *Joseph.Nielsen@fda.hhs.gov.*

SUPPLEMENTARY INFORMATION:

I. Background

Upon request, FDA (the Agency or we) has classified the orally ingested transient device for constipation into class II (special controls), which we have determined will provide a reasonable assurance of safety and effectiveness of the device. In addition, we believe this action will enhance patients' access to beneficial innovation, in part by reducing regulatory burdens by placing the device into a lower device class than the automatic class III assignment.

The automatic assignment of class III occurs by operation of law and without any action by FDA, regardless of the level of risk posed by the new device. Any device that was not in commercial distribution before May 28, 1976, is automatically classified into, and remains within, class III and requires premarket approval unless and until FDA takes an action to classify or reclassify the device (21 U.S.C. 360c(f)(1)). We refer to these devices as ''postamendments devices'' because they were not in commercial distribution prior to the date of enactment of the Medical Device Amendments of 1976, which amended the Federal Food, Drug, and Cosmetic Act (FD&C Act).

FDA may take a variety of actions in appropriate circumstances to classify or reclassify a device into class I or II. We may issue an order finding a new device to be substantially equivalent under section 513(i) of the FD&C Act (21 U.S.C. 360c(i)) to a predicate device that does not require premarket approval. We determine whether a new device is substantially equivalent to a predicate device by means of the procedures for premarket notification under section 510(k) of the FD&C Act (21 U.S.C. 360(k)) and part 807 (21 CFR part 807).

FDA may also classify a device through ''De Novo'' classification, a common name for the process authorized under section 513(f)(2) of the FD&C Act (see also part 860, subpart D (21 CFR part 860, subpart D)). Section 207 of the Food and Drug Administration Modernization Act of 1997 (Pub. L. 105–115) established the first procedure for De Novo classification. Section 607 of the Food and Drug Administration Safety and Innovation Act (Pub. L. 112–144) modified the De Novo classification process by adding a second procedure. A device sponsor may utilize either procedure for De Novo classification.

Under the first procedure, the person submits a premarket notification (510(k)) for a device that has not previously been classified. After receiving an order from FDA classifying the device into class III under section 513(f)(1) of the FD&C Act, the person then requests a classification under section 513(f)(2).

Under the second procedure, rather than first submitting a 510(k) and then a request for classification, if the person determines that there is no legally marketed device upon which to base a determination of substantial equivalence, that person requests a classification under section 513(f)(2) of the FD&C Act.

Under either procedure for De Novo classification, FDA is required to classify the device by written order within 120 days. The classification will be according to the criteria under section 513(a)(1) of the FD&C Act. Although the device was automatically placed within class III, the De Novo

classification is considered to be the initial classification of the device.

We believe this De Novo classification will enhance patients' access to beneficial innovation, in part by reducing regulatory burdens. When FDA classifies a device into class I or II via the De Novo process, the device can serve as a predicate for future devices of that type, including for 510(k)s (see section 513(f)(2)(B)(i) of the FD&C Act). As a result, other device sponsors do not have to submit a De Novo request or premarket approval application to market a substantially equivalent device (see section 513(i) of the FD&C Act, defining ''substantial equivalence''). Instead, sponsors can use the less burdensome 510(k) process, when necessary, to market their device.

II. De Novo Classification

On November 30, 2021, FDA received Vibrant Ltd.'s request for De Novo classification of the Vibrant System. FDA reviewed the request in order to classify the device under the criteria for classification set forth in section 513(a)(1) of the FD&C Act.

We classify devices into class II if general controls by themselves are insufficient to provide reasonable assurance of safety and effectiveness of the device, but there is sufficient information to establish special controls that, in combination with the general controls, provide reasonable assurance of the safety and effectiveness of the device for its intended use (see section 513(a)(1)(B) of the FD&C Act). After review of the information submitted in the request, we determined that the device can be classified into class II with the establishment of special controls. FDA has determined that these special controls, in addition to the general controls, will provide reasonable assurance of the safety and effectiveness of the device.

Therefore, on August 26, 2022, FDA issued an order to the requester classifying the device into class II. In this final order, FDA is codifying the classification of the device by adding 21 CFR 876.5940.[1] We have named the generic type of device ''orally ingested transient device for constipation,'' and it is identified as an electric swallowable capsule that naturally passes through the gastrointestinal tract for the treatment of constipation.

FDA has identified the risks to health associated with this type of device and the measures required to mitigate these risks in table 1.

TABLE 1—RISKS TO HEALTH AND MITIGATION MEASURES FOR ORALLY INGESTED TRANSIENT DEVICES FOR CONSTIPATION

Identified risks to health	Mitigation measures
Infection	Bioburden testing; Labeling; and Shelf life testing.
Adverse tissue reaction	Biocompatibility evaluation.
Device malfunction leading to injury	Electrical safety testing; Software validation, verification, and hazard analysis; Non-clinical performance testing; Labeling; and Shelf life testing.
Interference with other devices	Electromagnetic compatibility testing.
Failure to excrete capsule	Clinical data; and Labeling.
Device related adverse events including: • Choking • Abdominal pain • Abdominal distension • Abdominal discomfort • Vomiting • Nausea • Proctalgia • Diarrhea	Clinical data; Non-clinical performance testing; and Labeling.
Device ineffective leading to constipation and effects of delayed treatment.	Clinical data; and Labeling.

FDA has determined that special controls, in combination with the general controls, address these risks to health and provide reasonable assurance of safety and effectiveness of the device. For a device to fall within this classification, and thus avoid automatic classification in class III, it would have to comply with the special controls named in this final order. The necessary special controls appear in the regulation codified by this final order.

Under the FD&C Act, submission of a premarket notification under section 510(k) is required to reasonably assure the safety and effectiveness of class II devices unless FDA determines that the device type should be exempt under section 510(m) of the FD&C Act. At this time FDA has not made this determination for orally ingested transient devices for constipation. This device is therefore subject to premarket notification requirements under section 510(k) of the FD&C Act.

III. Analysis of Environmental Impact

The Agency has determined under 21 CFR 25.34(b) that this action is of a type that does not normally have a significant effect on the human environment. Therefore, neither an environmental assessment nor an environmental impact statement is required.

IV. Paperwork Reduction Act of 1995

This final order establishes special controls that refer to previously approved collections of information

[1] FDA notes that the ''ACTION'' caption for this final order is styled as ''Final amendment; final order,'' rather than ''Final order.'' Beginning in December 2019, this editorial change was made to indicate that the document ''amends'' the Code of Federal Regulations. The change was made in accordance with the Office of Federal Register's (OFR) interpretations of the Federal Register Act (44 U.S.C. chapter 15), its implementing regulations (1 CFR 5.9 and parts 21 and 22), and the Document Drafting Handbook.

found in other FDA regulations and guidance. These collections of information are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3521). The collections of information in part 860, subpart D, regarding De Novo classification have been approved under OMB control number 0910–0844; the collections of information in 21 CFR part 814, subparts A through E, regarding premarket approval have been approved under OMB control number 0910–0231; the collections of information in part 807, subpart E, regarding premarket notification submissions have been approved under OMB control number 0910–0120; the collections of information in 21 CFR part 820 regarding quality management system regulation have been approved under OMB control number 0910–0073; and the collections of information in 21 CFR part 801 regarding labeling have been approved under OMB control number 0910–0485.

List of Subjects in 21 CFR Part 876

Medical devices.

Therefore, under the Federal Food, Drug, and Cosmetic Act and under authority delegated to the Commissioner of Food and Drugs, 21 CFR part 876 is amended as follows:

PART 876—GASTROENTEROLOGY–UROLOGY DEVICES

■ 1. The authority citation for part 876 continues to read as follows:

Authority: 21 U.S.C. 351, 360, 360c, 360e, 360j, 360l, 371.

■ 2. Add § 876.5940 to subpart F to read as follows:

§ 876.5940 Orally ingested transient device for constipation.

(a) *Identification.* An orally ingested transient device for constipation is an electric swallowable capsule that naturally passes through the gastrointestinal tract for the treatment of constipation.

(b) *Classification.* Class II (special controls). The special controls for this device are:

(1) Clinical data must demonstrate the device performs as intended and evaluate the following:

(i) Treatment of constipation; and

(ii) All adverse events.

(2) Non-clinical performance data must demonstrate that the device performs as intended under anticipated conditions of use. The following performance characteristics must be tested:

(i) Dimensional testing must verify device dimensions;

(ii) Performance bench testing must verify functional aspects of the device design;

(iii) Leak testing must verify device integrity under worst case clinical conditions;

(iv) Bite testing must demonstrate that the device can withstand bite forces;

(v) pH resistance testing must evaluate integrity of the capsule when exposed to a physiological relevant range of pH values; and

(vi) Bioburden testing must demonstrate the device does not pose an infection risk throughout the labeled shelf life.

(3) The patient-contacting components of the device must be demonstrated to be biocompatible.

(4) Performance data must support the shelf life of the device by demonstrating continued package integrity and device functionality over the labeled shelf life.

(5) Software validation, verification, and hazard analysis must be performed.

(6) Electrical safety and electromagnetic compatibility testing must be performed for any electrical components of the device.

(7) Labeling for the device must include:

(i) A summary of clinical data for the device, including a discussion of adverse events and clinical benefit; and

(ii) A shelf life.

Grace R. Graham,

Deputy Commissioner for Policy, Legislation, and International Affairs.

[FR Doc. 2026–10904 Filed 5–29–26; 8:45 am]

BILLING CODE 4164–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

21 CFR Part 880

[Docket No. FDA–2026–N–5199]

Medical Devices; General Hospital and Personal Use Devices; Classification of the Rigid Sterilization Container With Electronic Monitoring

AGENCY: Food and Drug Administration, HHS.

ACTION: Final amendment; final order.

SUMMARY: The Food and Drug Administration (FDA) is classifying the rigid sterilization container with electronic monitoring into class II (special controls). The special controls that apply to the device type are identified in this order and will be part of the codified language for classification of the rigid sterilization container with electronic monitoring. We are taking this action because we have determined that classifying the device into class II will provide a reasonable assurance of safety and effectiveness of the device. We believe this action will also enhance patients' access to beneficial innovative devices, in part by reducing regulatory burdens.

DATES: This order is effective June 1, 2026. The classification was applicable on June 17, 2022.

FOR FURTHER INFORMATION CONTACT: Christopher Dugard, Center for Devices and Radiological Health, Food and Drug Administration, 10903 New Hampshire Ave., Bldg. 66, Rm. 4618, Silver Spring, MD 20993–0002, 240–402–6031, *Christopher.Dugard@fda.hhs.gov.*

SUPPLEMENTARY INFORMATION:

I. Background

Upon request, FDA (the Agency or we) has classified the rigid sterilization container with electronic monitoring into class II (special controls), which we have determined will provide a reasonable assurance of safety and effectiveness of the device. In addition, we believe this action will enhance patients' access to beneficial innovation, in part by reducing regulatory burdens by placing the device into a lower device class than the automatic class III assignment.

The automatic assignment of class III occurs by operation of law and without any action by FDA, regardless of the level of risk posed by the new device. Any device that was not in commercial distribution before May 28, 1976, is automatically classified into, and remains within, class III and requires premarket approval unless and until FDA takes an action to classify or reclassify the device (21 U.S.C. 360c(f)(1)). We refer to these devices as ''postamendments devices'' because they were not in commercial distribution prior to the date of enactment of the Medical Device Amendments of 1976, which amended the Federal Food, Drug, and Cosmetic Act (FD&C Act).

FDA may take a variety of actions in appropriate circumstances to classify or reclassify a device into class I or II. We may issue an order finding a new device to be substantially equivalent under section 513(i) of the FD&C Act (21 U.S.C. 360c(i)) to a predicate device that does not require premarket approval. We determine whether a new device is substantially equivalent to a predicate device by means of the procedures for premarket notification under section

510(k) of the FD&C Act (21 U.S.C. 360(k)) and part 807 (21 CFR part 807).

FDA may also classify a device through ''De Novo'' classification, a common name for the process authorized under section 513(f)(2) of the FD&C Act (see also part 860, subpart D (21 CFR part 860, subpart D)). Section 207 of the Food and Drug Administration Modernization Act of 1997 (Pub. L. 105–115) established the first procedure for De Novo classification. Section 607 of the Food and Drug Administration Safety and Innovation Act (Pub. L. 112–144) modified the De Novo classification process by adding a second procedure. A device sponsor may utilize either procedure for De Novo classification.

Under the first procedure, the person submits a premarket notification (510(k)) for a device that has not previously been classified. After receiving an order from FDA classifying the device into class III under section 513(f)(1) of the FD&C Act, the person then requests a classification under section 513(f)(2).

Under the second procedure, rather than first submitting a 510(k) and then a request for classification, if the person determines that there is no legally marketed device upon which to base a determination of substantial equivalence, that person requests a classification under section 513(f)(2) of the FD&C Act.

Under either procedure for De Novo classification, FDA is required to classify the device by written order within 120 days. The classification will be according to the criteria under section 513(a)(1) of the FD&C Act. Although the device was automatically placed within class III, the De Novo classification is considered to be the initial classification of the device.

We believe this De Novo classification will enhance patients' access to beneficial innovation, in part by reducing regulatory burdens. When FDA classifies a device into class I or II via the De Novo process, the device can serve as a predicate for future devices of that type, including for 510(k)s (see section 513(f)(2)(B)(i) of the FD&C Act). As a result, other device sponsors do not have to submit a De Novo request or premarket approval application to market a substantially equivalent device (see section 513(i) of the FD&C Act, defining ''substantial equivalence''). Instead, sponsors can use the less burdensome 510(k) process, when necessary, to market their device.

II. De Novo Classification

On February 16, 2021, FDA received Zuno Medical, Inc.'s request for De Novo classification of the Zuno Smart Sterilization Container. FDA reviewed the request in order to classify the device under the criteria for classification set forth in section 513(a)(1) of the FD&C Act.

We classify devices into class II if general controls by themselves are insufficient to provide reasonable assurance of safety and effectiveness of the device, but there is sufficient information to establish special controls that, in combination with the general controls, provide reasonable assurance of the safety and effectiveness of the device for its intended use (see section 513(a)(1)(B) of the FD&C Act). After review of the information submitted in the request, we determined that the device can be classified into class II with the establishment of special controls. FDA has determined that these special controls, in addition to the general controls, will provide reasonable assurance of the safety and effectiveness of the device.

Therefore, on June 17, 2022, FDA issued an order to the requester classifying the device into class II. In this final order, FDA is codifying the classification of the device by adding 21 CFR 880.6855.[1] We have named the generic type of device ''rigid sterilization container with electronic monitoring,'' and it is identified as a device intended to be used to enclose medical devices that are to be sterilized by a health care provider. It is intended to allow sterilization of the enclosed medical devices and maintain sterility of the enclosed devices until used. The device provides sterility status of the enclosed medical devices via real time electronic monitoring.

FDA has identified the risks to health associated with this type of device and the measures required to mitigate these risks in table 1.

TABLE 1—RISKS TO HEALTH AND MITIGATION MEASURES FOR RIGID STERILIZATION CONTAINERS WITH ELECTRONIC MONITORING

Identified risks to health	Mitigation measures
Infection resulting from exposure to unsterile instruments due to device failure or failure to properly interpret sterile barrier status.	Sterilization validation; Software verification, validation, and hazard analysis; Reprocessing validation; Non-clinical performance testing; Labeling; and Human factors testing.
Delayed or cancelled treatment due to device failure	Non-clinical performance testing.
Adverse tissue reaction	Biocompatibility evaluation.
Electric shock to user	Electrical safety testing; Electromagnetic compatibility testing; and Labeling.

FDA has determined that special controls, in combination with the general controls, address these risks to health and provide reasonable assurance of safety and effectiveness of the device. For a device to fall within this classification, and thus avoid automatic classification in class III, it would have to comply with the special controls named in this final order. The necessary special controls appear in the regulation codified by this final order.

Under the FD&C Act, submission of a premarket notification under section 510(k) is required to reasonably assure the safety and effectiveness of class II devices unless FDA determines that the device type should be exempt under section 510(m) of the FD&C Act. At this time FDA has not made this determination for rigid sterilization containers with electronic monitoring. This device is therefore subject to premarket notification requirements under section 510(k) of the FD&C Act.

III. Analysis of Environmental Impact

The Agency has determined under 21 CFR 25.34(b) that this action is of a type that does not normally have a

[1] FDA notes that the ''ACTION'' caption for this final order is styled as ''Final amendment; final order,'' rather than ''Final order.'' Beginning in December 2019, this editorial change was made to indicate that the document ''amends'' the Code of Federal Regulations. The change was made in accordance with the Office of Federal Register's (OFR) interpretations of the Federal Register Act (44 U.S.C. chapter 15), its implementing regulations (1 CFR 5.9 and parts 21 and 22), and the Document Drafting Handbook.

significant effect on the human environment. Therefore, neither an environmental assessment nor an environmental impact statement is required.

IV. Paperwork Reduction Act of 1995

This final order establishes special controls that refer to previously approved collections of information found in other FDA regulations and guidance. These collections of information are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3521). The collections of information in part 860, subpart D, regarding De Novo classification have been approved under OMB control number 0910–0844; the collections of information in 21 CFR part 814, subparts A through E, regarding premarket approval have been approved under OMB control number 0910–0231; the collections of information in part 807, subpart E, regarding premarket notification submissions have been approved under OMB control number 0910–0120; the collections of information in 21 CFR part 820 regarding quality management system regulation have been approved under OMB control number 0910–0073; and the collections of information in 21 CFR part 801 regarding labeling have been approved under OMB control number 0910–0485.

List of Subjects in 21 CFR Part 880

Medical devices.

Therefore, under the Federal Food, Drug, and Cosmetic Act and under authority delegated to the Commissioner of Food and Drugs, 21 CFR part 880 is amended as follows:

PART 880—GENERAL HOSPITAL AND PERSONAL USE DEVICES

■ 1. The authority citation for part 880 continues to read as follows:

Authority: 21 U.S.C. 351, 360, 360c, 360e, 360j, 360l, 371.

■ 2. Add § 880.6855 to subpart G to read as follows:

§ 880.6855 Rigid sterilization container with electronic monitoring.

(a) *Identification.* A rigid sterilization container with electronic monitoring is a device intended to be used to enclose medical devices that are to be sterilized by a health care provider. It is intended to allow sterilization of the enclosed medical devices and maintain sterility of the enclosed devices until used. The device provides sterility status of the enclosed medical devices via real time electronic monitoring.

(b) *Classification.* Class II (special controls). The special controls for this device are:

(1) Non-clinical performance testing must demonstrate that the device performs as intended under anticipated conditions of use. The following performance characteristics must be evaluated to ensure device function and integrity during challenging use:

(i) Vent-to-volume testing must demonstrate adequate sterilant penetration.

(ii) Sterilization validation must demonstrate that the contents to be sterilized can adequately achieve the proposed Sterility Assurance Level (SAL).

(iii) Performance testing must demonstrate the device accurately informs the end-user of the sterile status of the contents.

(iv) Performance testing must demonstrate the device can maintain sterility of the enclosed medical products for a minimum 30-day storage period.

(v) Battery performance and shelf life testing must demonstrate the device maintains its function throughout its total use-life.

(vi) Battery performance and shelf life testing must demonstrate the device maintains its function during storage, throughout a minimum 30-day sterile storage period.

(vii) Moisture/sterilant ingress testing must support that the electronic components are adequately sealed and do not allow moisture/sterilant ingress.

(viii) Microbial barrier testing must support that the seals, gaskets, valves, etc. provide an adequate barrier to microbial ingress.

(ix) Seal integrity testing must demonstrate that an adequate seal is created and maintained throughout the sterile storage period.

(x) Mechanical functionality testing must demonstrate proper function of any valves, gaskets, or other components essential to the function of the device.

(xi) For devices with handles, handle strength testing must demonstrate the handles can withstand the maximum indicated load weight.

(xii) Corrosion resistance testing must demonstrate adequate function of any components susceptible to corrosion following the most challenging use.

(xiii) Dryness evaluation testing must demonstrate the contents to be sterilized are dry prior to storage.

(xiv) Simulated use testing must evaluate device performance (including maintenance of sterility and accurate sterility status monitoring) under real-world worst-case use conditions.

(2) Device components that may contact medical products must be demonstrated to be biocompatible.

(3) Performance data must validate the reprocessing instructions for the reusable components of the device.

(4) Software verification, validation, and hazard analysis must be performed.

(5) Human factors testing must be performed to demonstrate that end user(s) can safely and correctly use the device, based solely on the directions for use.

(6) Performance data must demonstrate the electromagnetic compatibility and electrical safety of the device.

(7) Labeling must include:

(i) Warnings, cautions, and limitations for safe use of the device including:

(A) A precaution that the lids/trays and any accessories should only be used with the sterilization container.

(B) A precaution that the use of nonabsorbent tray liners can cause condensate to pool.

(ii) Device operating procedures including:

(A) Instructions for closures, gaskets, type, sizes, and valve assembly weight as appropriate.

(B) Instructions for density and distribution of contents, stacking patterns, or any other recommendations pertaining to load configuration of the medical devices to be sterilized.

(iii) A description of the validated length of time sterility can be maintained.

(iv) Identification of any replaceable components, information about the expected life of these components, and instructions for procedures on replacement when needed.

(v) Identification of products intended for sterilization that are compatible for use with the device.

(vi) Description of the required preparation of products intended for sterilization in the device.

Grace R. Graham,

Deputy Commissioner for Policy, Legislation, and International Affairs.

[FR Doc. 2026–10908 Filed 5–29–26; 8:45 am]

BILLING CODE 4164–01–P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 100

[Docket No. USCG–2026–0567

Special Local Regulations; Marine Events Within the USCG East District—Cape May, NJ

AGENCY: Coast Guard, DHS.

ACTION: Notification of enforcement of regulation.

SUMMARY: The Coast Guard will enforce a special local regulation for the Around the Island Paddle on June 28, 2026. This action is necessary to provide for the safety of life on navigable waterways during this event. Our regulation for marine events within the USCG East District identifies the regulated area for this event. During the enforcement period, the operator of any vessel in the regulated area must comply with directions from the Patrol Commander or any Official Patrol displaying a Coast Guard ensign. Non-participants must request permission to enter the regulated area.

DATES: The regulations in 33 CFR 100.501 will be enforced for the special local regulation listed in Table 1 to Paragraph (i)(1) of § 100.501 for the Around the Island Paddle from 8 a.m. through 2 p.m. on June 28, 2026.

FOR FURTHER INFORMATION CONTACT: If you have questions about this notice of enforcement, you may call or email Petty Officer Dominick Dobridge, U.S. Coast Guard, Sector Delaware Bay, Waterways Management Division, telephone 206–815–6688, option 3, email *SecDelBayWWM@uscg.mil.*

SUPPLEMENTARY INFORMATION: The Coast Guard will enforce the special local regulation in Table 1 to Paragraph (i)(1) in 33 CFR 100.501 for the regulated area of the Around the Island Paddle from 8 a.m. through 2 p.m. on June 28, 2026. This action is being taken to provide for the safety of life on navigable waterways during this event. Our regulation for marine events within the USCG East District, § 100.501, specifies the location of the regulated area for the ''Around the Island Paddle'' which encompasses portions of Cape May Harbor, Atlantic Ocean, and Delaware Bay in Cape May, NJ. During the enforcement period, as reflected in § 100.501(g), the operator of a vessel in the regulated area must comply with directions from the Patrol Commander or any Official Patrol displaying a Coast Guard ensign. Non-participants are only allowed inside the regulated area to pass through or enter and remain within a designated spectator area. A non-participant must contact the Event Patrol Commander or an official patrol vessel to request permission to either enter the Spectator Area or pass through the regulated area.

In addition to this notification of enforcement in the **Federal Register**, the Coast Guard plans to provide notification of this enforcement period via the Local Notice to Mariners and Broadcast Notice to Mariners.

Dated: May 19, 2026.

Kate F. Higgins-Bloom,

Captain, U. S. Coast Guard, Captain of the Port, Sector Delaware Bay.

[FR Doc. 2026–10887 Filed 5–29–26; 8:45 am]

BILLING CODE 9110–04–P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 100

[Docket Number USCG–2026–0409]

RIN 1625–AA08

Special Local Regulation; Atlantic Ocean, Atlantic City, NJ

AGENCY: Coast Guard, Department of Homeland Security.

ACTION: Temporary final rule.

SUMMARY: The Coast Guard is establishing a temporary special local regulation (SLR) for the navigable waters of the Atlantic Ocean, near Atlantic City, NJ. This action is necessary to provide for the safety of life on these navigable waters during an offshore boat race on June 27, 2026 and June 28, 2026. This regulation prohibits persons and vessels from entering the regulated area unless specifically authorized by the Captain of the Port Delaware Bay or their designated representative.

DATES: This rule is effective from 10 a.m. on June 27, 2026 until 6 p.m. on June 28, 2026. It will only be subject to enforcement, however, between the hours of 10 a.m. and 6 p.m. on each of those two days.

ADDRESSES: To view documents referred to as being available in the docket, go to *https://www.regulations.gov* and search for USCG–2026–0409.

FOR FURTHER INFORMATION CONTACT: If you have questions about this rule, contact MST2 Dominick Dobridge, Waterways Management Division, Sector Delaware Bay, U.S. Coast Guard; telephone (206) 815–6688, option 3; email *SecDelBayWWM@uscg.mil.*

SUPPLEMENTARY INFORMATION:

I. Table of Abbreviations

CFR Code of Federal Regulations
COTP Captain of the Port, Sector Delaware Bay
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

On March 2, 2026, Race World Offshore submitted an application to the Coast Guard under 33 CFR 100.15 for a marine event permit. The application requests permission to host an offshore powerboat grand prix on a 4-mile long course on June 27, 2026, from 10 a.m. to 6 p.m., and during those same hours on June 28, 2026. The event will be held in the Atlantic Ocean, off Atlantic City, NJ and will include approximately 50 participants.

The COTP has determined that the offshore boat race could pose a risk to participants or waterway users if normal vessel traffic were allowed to interfere with the event. Possible hazards include risks of participant injury or death from near or actual collisions with spectators, and non-participant vessels transiting the area where the event will take place. Having approved the application for a marine event permit, the Captain of the Port, Delaware Bay (COTP) is issuing this Special Local Regulation (SLR) under authority in 46 U.S.C. 70041 and 33 CFR 100.35(a). The purpose of this rulemaking is to protect event participants, spectators, and transiting vessels before, during, and after the scheduled event.

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. The Coast Guard was notified of this event on March 2, 2026, but we must establish this SLR by June 27, 2026, to protect personnel, vessels, and the marine environment. Therefore, we have do not have 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 10 a.m. on June 27, 2026 until 6 p.m. on June 28, 2026. The regulated area will cover all navigable waters of

the Atlantic Ocean near Atlantic City, NJ, within a polygon bounded by the following: originating on the shore line at approximate position latitude 39°21′51″ N longitude 074°24′26″ W; thence southeast to approximate position 39°20′43″ N longitude 074°24′04″ W thence southwest to approximate position to latitude 39°20′03″ N, longitude 074°26′29″ W; thence northwest to the shoreline at approximate position latitude 39°20′49″ N, longitude 074°27′05″ W; thence northeast along the shoreline to the point of origin.

Inside of the regulated area detailed above, there is a spectator area reserved for non-participant vessels to watch the event. The spectator area is within a polygon bounded by the following: beginning at approximate position latitude 39°20′45″ N, longitude 074°25′33″ W; thence northeast to approximate position latitude 39°21′00″ N, longitude 074°24′44″ W; thence southeast to approximate position latitude 39°20′50″ N, longitude 074°24′39″ W; thence southwest to approximate position latitude 39°20′35″ N, longitude 074°25′28″ W; thence northwest to the point of origin. 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. 4321–4370f), 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 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 Record of Environmental Consideration supporting this determination is available in the docket.

List of Subjects in 33 CFR part 100

Marine safety, Navigation (water), Reporting and recordkeeping requirements, 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.T599–0409 to read as follows:

§ 100.T599–0409 Special Local Regulation; Atlantic Ocean, Atlantic City, NJ.

(a) *Location.* This special local regulation applies to the following area:

(1) *Regulated Area.* All navigable waters of Atlantic Ocean near Atlantic City, NJ, within a polygon bounded by the following: originating on the shore line at approximate position latitude 39°21′51″ N longitude 074°24′26″ W; thence southeast to approximate position 39°20′43″ N longitude 074°24′04″ W; thence southwest to approximate position to latitude 39°20′03″ N, longitude 074°26′29″ W; thence northwest to the shoreline at approximate position latitude 39°20′49″ N, longitude 074°27′05″ W; thence northeast along the shoreline to the point of origin. These coordinates are based on World Geodetic System (WGS 84).

(2) *Spectator area.* All navigable waters of Atlantic Ocean near Atlantic City, NJ, within a polygon inside the regulated area bounded by the following: beginning at approximate position latitude 39°20′45″ N, longitude 074°25′33″ W; thence northeast to approximate position latitude 39°21′00″ N, longitude 074°24′44″ W; thence southeast to approximate position latitude 39°20′50″ N, longitude 074°24′39″ W; thence southwest to approximate position latitude 39°20′35″ N, longitude 074°25′28″ W; thence northwest to the point of origin. These coordinates are based on World Geodetic System (WGS 84).

(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 Delaware Bay (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. 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 periods.* This section will be enforced from 10 a.m. to 6 p.m. on June 27, 2026 and from 10 a.m. to 6 p.m. on June 28, 2026.

Dated: May 19, 2026.

Kate F. Higgins-Bloom,

Captain, U.S. Coast Guard, Captain of the Port, Sector Delaware Bay.

[FR Doc. 2026–10883 Filed 5–29–26; 8:45 am]

BILLING CODE 9110–04–P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 165

[Docket No. USCG–2026–0542]

Safety Zones; Fireworks Displays in the USCG East District; Philadelphia, PA

AGENCY: Coast Guard, DHS.

ACTION: Notification of enforcement of regulation.

SUMMARY: The Coast Guard will enforce a safety zone for a fireworks display on June 27, 2026, to provide for the safety of life on navigable waterways during this event. Our regulation for marine events within the USCG East District identifies the regulated area for this event in Philadelphia, PA. During the enforcement period, the operator of any vessel in the regulated area must comply with directions from the Patrol Commander or any Official Patrol displaying a Coast Guard ensign.

DATES: The regulations in 33 CFR 165.506, for Philadelphia, PA, will be enforced for the location identified in entry 10 of table 1 to paragraph (h)(1) from 9:30 p.m. through 9:45 p.m. on June 27, 2026.

FOR FURTHER INFORMATION CONTACT: If you have questions about this notification of enforcement, you may call or email Petty Officer Dominick Dobridge, U.S. Coast Guard, Sector Delaware Bay, Waterways Management Division, telephone: 206–815–6688, option 3, email: *SecDelBayWWM@uscg.mil.*

SUPPLEMENTARY INFORMATION: *The Coast Guard will enforce a safety zone for the Delaware River, Philadelphia, PA, from 9:30 p.m. to 9:45 p.m. on June 27, 2026. This action is necessary to ensure safety of life on the navigable waters of the United States immediately prior to, during, and immediately after fireworks displays. Our regulation for safety zones of fireworks displays within the USCG East District, table 1 to paragraph (h)(1) to 33 CFR 165.506, entry 10 specifies the location of the regulated area as all waters of the Delaware River adjacent to Penn's Landing, Philadelphia, PA, within a 500-feet radius of the fireworks barge position. On June 27, 2026, the approximate position will be 39°56′52″ N, 75°8′9.28″ W. During the enforcement period, as reflected in § 165.506(d), vessels may not enter, remain in, or transit through the safety zone unless authorized by the Captain of the Port or designated Coast Guard patrol personnel on-scene.*

In addition to this notification of enforcement in the **Federal Register**, the Coast Guard plans to provide notification of this enforcement period via the Local Notice to Mariners, marine information broadcasts, and Broadcast Notice to Mariners.

Dated: May 19, 2026.

Kate F. Higgins-Bloom,

Captain, U.S. Coast Guard, Captain of the Port, Sector Delaware Bay.

[FR Doc. 2026–10888 Filed 5–29–26; 8:45 am]

BILLING CODE 9110–04–P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 165

[Docket Number USCG–2026–0399]

RIN 1625–AA00

Safety Zone; Lake Champlain, Essex, NY

AGENCY: Coast Guard, Department of Homeland Security.

ACTION: Temporary final rule.

SUMMARY: The Coast Guard is establishing a temporary safety zone for certain navigable waters of the Lake Champlain. The safety zone is needed to protect personnel, vessels, and the marine environment from potential hazards created by a fireworks display. Entry of vessels or persons into this zone is prohibited unless specifically authorized by the Captain of the Port, Sector Northern New England, or their designated representative.

DATES: This rule is effective from 9 p.m. July 3, 2026, to 10:30 p.m. August 1, 2026. It will only be subject to enforcement, however, from 9 p.m. through 10:30 p.m. on Friday, July 3, 2026, unless the event is delayed because of weather conditions, in which case it would be subject to enforcement of those same hours on August 1, 2026.

ADDRESSES: To view available documents, go to *https://www.regulations.gov* and search for USCG–2026–0399.

FOR FURTHER INFORMATION CONTACT: If you have questions about this rule, contact MST1 Kyle Willis, Sector Northern New England Waterways Management Division, U.S. Coast Guard; telephone 207–808–9137, or email *kyle.d.willis@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 April 1, 2026, an organization notified the Coast Guard that they planned to launch fireworks from a barge on Lake Champlain near Essex, NY on July 3, 2026. Hazards from fireworks displays include accidental discharge of fireworks, dangerous projectiles, and falling hot embers or other debris. The Captain of the Port Sector Northern New England (COTP) has determined that potential hazards associated with fireworks are a safety concern for anyone within 200 yards of the fireworks display. The COTP is issuing this rule under the authority in 46 U.S.C. 70034, which is needed to protect personnel, vessels, and the marine environment in the navigable waters within the safety zone.

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 to do so within the short time period between April 1 and July 3, 2026 .

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 safety zone for a one day event on July 3, 2026, from 9 p.m. to 10:30 p.m., unless the event is delayed because of weather conditions in which case it will be subject to enforcement of those same hours on August 1, 2026. The safety zone would cover all navigable waters within 200 yards of the fireworks barge at 44°18′31.12″ N 73°20′48.57″ W expressed in Degrees (°) Minutes (′) Seconds (″) (DMS) based on the World Geodetic System (WGS 84)/North American Datum 83 (NAD 83). No vessel or person would be permitted to enter the safety zone without obtaining permission from the COTP or their designated representative. Vessels and persons will not be allowed to enter the zone during this time, unless authorized by the Captain of the Port.

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 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. Add § 165.T01–0399 to read as follows:

§ 165.T01–0399 Safety Zone; Lake Champlain, Essex, NY.

(a) *Location.* The following area is a safety zone: All waters of Lake Champlain, from surface to bottom, in a 200-yard radius from 44°18′31.12″ N, 73°20′48.57″ W. These coordinates are based on the World Geodetic System (WGS 84)/North American Datum 83 (NAD 83).

(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 Northern New England (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 on VHF–FM channel 16 or by telephone at (833) 449–2407. 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 period.* This rule is effective from 9 p.m. July 3, 2026, to 10:30 p.m. August 1, 2026. It will only be subject to enforcement, however, from 9 p.m. through 10:30 p.m. on Friday, July 3, 2026, unless the event is delayed because of weather conditions, in which case it may be subject to enforcement of those same hours on August 1, 2026.

Matthew S. Baker,

Captain, U.S. Coast Guard, Captain of the Port Sector Northern New England.

[FR Doc. 2026–10872 Filed 5–29–26; 8:45 am]

BILLING CODE 9110–04–P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 165

[Docket Number USCG–2026–0428]

RIN 1625–AA00

Safety Zone; Lake Michigan, Chicago, IL

AGENCY: Coast Guard, Department of Homeland Security.

ACTION: Temporary final rule.

SUMMARY: The Coast Guard is establishing a temporary safety zone for certain navigable waters of Lake Michigan. The safety zone is needed to protect personnel, vessels, and the marine environment from potential hazards surrounding a tandem bicycle race on a floating course. This safety zone would prohibit persons and vessels from being in the safety zone unless specifically authorized by the Captain of the Port, Sector Lake Michigan.

DATES: This rule is effective from 7:45 a.m. through 4:15 p.m. on June 13, 2026.

ADDRESSES: To view available documents go to *https://www.regulations.gov* and search for USCG–2026–0428.

FOR FURTHER INFORMATION CONTACT: If you have questions about this rule, contact LT Kyle Goetz, Marine Safety Unit Chicago, Waterways Management Division, U.S. Coast Guard; telephone 630–341–8320, or email *D09-SMB-MSUChicago-WWM@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 June 13, 2026, an organization will be hosting a bicycle racing event in Chicago, Illinois that involves teams of tandem bicycle riders competing to complete a dynamic floating race course constructed on floating structures. The Captain of the Port Sector Lake Michigan (COTP) has determined that potential hazards associated with this event (temporary floating structures built over navigable waters and high likelihood of race participants falling off the course and into the water) are a safety concern for participants and spectators involved in the show. Therefore, the COTP is proposing this rule under the authority in 46 U.S.C. 70034, which is needed to protect personnel, vessels, and the marine environment in the navigable waters within the safety zone.

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. We must establish this safety zone by June 13, 2026, to protect personnel, vessels, and the marine environment. Therefore, we do not have enough time to solicit and respond to comments.

For the same reason, 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 safety zone from 7:45 a.m. through 4:15 p.m. on June 13, 2026. The safety zone will cover all navigable waters of Lake Michigan beginning at 41°51′53.3″ N, 087°36′22.3″ W thence to position 41°51′53.4″ N, 087°36′16.9″ W, thence to position 41°51′43.5″ N, 087°36′16.8″ W, thence to position 41°51′43.4″ N, 087°36′22.1″ W, thence returning to the point of origin. Vessels and persons will not be allowed to enter the zone during this time, unless authorized by the COTP.

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 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. Add § 165.T09–0428 to read as follows:

§ 165.T09–0428 Safety Zone; Lake Michigan, Chicago, IL.

(a) *Location.* The following area is a safety zone: All waters of Lake Michigan, from surface to bottom, encompassed by a line connecting the following points beginning at 41°51′53.3″ N, 087°36′22.3″ W, thence to 41°51′53.4″ N, 087°36′16.9″ W, thence to 41°51′43.5″ N, 087°36′16.8″ W, thence to 41°51′43.4″ N, 087°36′22.1″ W and back to the beginning point. These coordinates are based on the World Geodetic System (WGS 84).

(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 Lake Michigan (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 on VHF–FM channel 16 or by telephone at (833) 900–2247. 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 period.* This section will be enforced from 7:45 a.m. to 4:15 p.m. on June 13, 2026.

R.N. Macon,

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

[FR Doc. 2026–10870 Filed 5–29–26; 8:45 am]

BILLING CODE 9110–04–P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Parts 70 and 71

[EPA–HQ–OAR–2016–0186; FRL–8961.1–02–OAR]

RIN 2060–AX05

Rescission of Title V Emergency Affirmative Defense Rule

AGENCY: Environmental Protection Agency (EPA).

ACTION: Final rule.

SUMMARY: The U.S. Environmental Protection Agency (EPA) is rescinding a 2023 final rule titled ''Removal of Title V Emergency Affirmative Defense Provisions From State Operating Permit Programs and Federal Operating Permit Program'' (''2023 Affirmative Defense Rule''). The 2023 Affirmative Defense Rule removed emergency-related affirmative defense provisions from Federal regulations governing title V operating permit programs. The EPA is taking this final action in response to a September 5, 2025, decision of the U.S. Court of Appeals for the District of Columbia (DC) Circuit which reversed the EPA's 2023 Affirmative Defense Rule. This rescission is necessary to carry out the court's mandate and reinstates the emergency-related affirmative defense provisions as they existed in the Code of Federal Regulations (CFR) before promulgation of the 2023 Affirmative Defense Rule.

DATES: This final rule is effective on June 1, 2026.

FOR FURTHER INFORMATION CONTACT: For information about this final rule, contact Sydney Lawrence, Permitting and Program Support Division, Office of State Air Partnerships, Environmental Protection Agency, 109 T.W. Alexander Drive, Research Triangle Park, NC 27711; telephone number: (919) 541–4768; email address: *lawrence.sydney@epa.gov.*

SUPPLEMENTARY INFORMATION: *Docket.* The EPA has established a docket for this action under Docket ID No. EPA–HQ–OAR–2016–0186. All documents in the docket are listed in *https://www.regulations.gov.* Although listed, some information is not publicly available, *e.g.,* Confidential Business Information (CBI) or other information the disclosure of which is restricted by statute. Certain other material, such as copyrighted material, is not placed on the internet and will be publicly available as PDF versions that can only be accessed on the EPA computers in the docket office reading room. Certain databases and physical items cannot be downloaded from the docket but may be requested by contacting the docket office at (202) 566–1744. With the exception of such material, publicly available docket materials are available electronically at *https://www.regulations.gov.*

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

APA Administrative Procedure Act
CAA Clean Air Act
CFR Code of Federal Regulations
EPA Environmental Protection Agency
FR Federal Register
OMB Office of Management and Budget
PBI Proprietary Business Information
PRA Paperwork Reduction Act
RFA Regulatory Flexibility Act
UMRA Unfunded Mandates Reform Act
U.S.C. United States Code

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I. General Information

A. Does this action apply to me?

Entities potentially affected by this final rule include Federal, State, local, and Tribal air pollution control agencies that administer title V operating permit programs, and owners and operators of emissions sources in all industry groups who hold or apply for title V operating permits.

B. Why is the EPA issuing this final rule?

The EPA is taking this action in response to the decision of the U.S. Court of Appeals for the D.C. Circuit in *SSM Litigation Group* v. *EPA,* 150 F.4th 593 (D.C. Cir. 2025) (''*SSM Litigation Group*''). In that decision, the D.C. Circuit found that the EPA's 2023 Affirmative Defense Rule,[1] which removed emergency-related affirmative defense provisions from Federal regulations governing title V operating permit programs and required States to remove such provisions from State operating permit programs and State-issued operating permits, was ''unreasonable and not in accordance with law.'' [2] The court issued the mandate in this case on January 12, 2026. The court's decision invalidated the 2023 Affirmative Defense Rule, and the EPA is now taking action to rescind the rule.

II. Background

On July 21, 2023, the EPA issued the 2023 Affirmative Defense Rule that rescinded the longstanding emergency-related affirmative defense provisions previously codified in the Agency's operating permit program regulations at 40 CFR 70.6(g) and 71.6(g).[3] The previously rescinded affirmative defense provisions that are now being reinstated define an emergency as: ''any situation arising from sudden and reasonably unforeseeable events beyond the control of the source, including acts of God, which situation requires immediate corrective action to restore normal operation, and that causes the source to exceed a technology-based emission limitation under the permit, due to unavoidable increases in emissions attributable to the emergency.'' [4] The regulations also provide that an emergency constitutes ''an affirmative defense to an action brought for noncompliance with such technology-based emission limitations'' if certain conditions are met.[5]

The 2023 Affirmative Defense Rule rescinded these longstanding provisions based on the EPA's conclusion that they were legally impermissible under the Clean Air Act (CAA).[6] As a result, the preamble to the 2023 Affirmative Defense Rule explained that removal of these provisions from the EPA's regulations meant that States were likewise required to remove from their operating permit program regulations and from existing operating permits any State affirmative defense provisions that were based on the rescinded Federal provisions.[7]

SSM Litigation Group filed a petition for review of the 2023 Affirmative Defense Rule in the D.C. Circuit, challenging the EPA's basis for rescinding the title V affirmative defense provisions. On September 5, 2025, the court issued a decision finding that the 2023 Affirmative Defense Rule rested entirely on erroneous legal justifications.[8] On January 12, 2026, the court issued its mandate in the case.[9]

III. Basis for the Final Rule

Because the D.C. Circuit in *SSM Litigation Group* reversed the 2023 Affirmative Defense Rule, the rule is now invalid. Accordingly, the EPA must rescind the 2023 Affirmative Defense Rule and restore the longstanding regulatory text that existed prior to that rule.

IV. Final Rule

The EPA is rescinding the 2023 Affirmative Defense Rule, consistent with the D.C. Circuit's decision in *SSM Litigation Group.* The effect of this action is to restore the text of 40 CFR 70.6(g) and 71.6(g) as these provisions existed before the EPA promulgated the 2023 Affirmative Defense Rule (*i.e.,* to reinstate the emergency-related affirmative defense provisions in 40 CFR 70.6(g) and 71.6(g) that the 2023 Affirmative Defense Rule rescinded). As a result of this final action, State, local, and Tribal permitting authorities are no longer required to submit revisions to their title V operating permit programs or to revise existing operating permits to implement the requirements of the 2023 Affirmative Defense Rule.

The EPA is taking this action as a final rule without providing an opportunity for public comment or a public hearing because the Agency finds that the Administrative Procedure Act (APA) ''good cause'' exemption applies. In general, the APA requires that general notice of proposed rulemaking be published in the **Federal Register**, and that such notice must provide an opportunity for public participation in the rulemaking process. However, the APA authorizes an agency to directly issue a final rulemaking in certain specific instances. This may occur when an agency for good cause finds (and incorporates the finding and a brief statement of reasons in the rule issued) that notice and public participation are ''impracticable, unnecessary, or contrary to the public interest.'' [10] Because the D.C. Circuit in *SSM Litigation Group* reversed the 2023 Affirmative Defense Rule, the rule is no longer valid and the EPA must rescind it. The EPA has determined that it is unnecessary to provide a public hearing or an opportunity for public comment on this action because the rescission of the 2023 Affirmative Defense Rule is a ministerial act necessary to carry out the D.C. Circuit's mandate in *SSM Litigation Group.* Because this action involves no exercise of Agency discretion and instead merely implements the binding decision of the court, it would serve no useful purpose to provide an opportunity for public comment or a public hearing on this action. For these reasons, the EPA finds good cause under 5 U.S.C. 553(b)(B) to issue a final rule without undergoing public notice and comment. For the same reasons, the EPA finds that good cause exists under 5 U.S.C. 553(d)(3) to make this final rule effective immediately.

V. Statutory and Executive Order Reviews

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

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

This action is not a significant regulatory action and was, therefore, not submitted to the Office of Management and Budget (OMB) for review.

[1] ''Removal of Title V Emergency Affirmative Defense Provisions From State Operating Permit Programs and Federal Operating Permit Program,'' 88 FR 47029 (July 21, 2023).

[2] 150 F. 4th at 599–600.

[3] *Id.* Parts 70 and 71 of title 40 of the CFR contain the requirements for State operating permit programs and the Federal operating permit program, respectively.

[4] 40 CFR 70.6(g)(1) (as effective 2022).

[5] 40 CFR 70.6(g)(2) (as effective 2022).

[6] 88 FR at 47030, 47039.

[7] *Id.* at 47030–31.

[8] *SSM Litigation Group,* 150 F.4th at 600.

[9] *SSM Litigation Group* v. *EPA,* Case No. 23–1267, Document 2152683 (order denying petition for rehearing, filed Jan. 2, 2026) and Document 2153880 (mandate, filed Jan. 12, 2026).

[10] 5 U.S.C. 553(b)(B).

B. Executive Order 14192: Unleashing Prosperity Through Deregulation

This action is considered an Executive Order 14192 deregulatory action. This final rule provides burden reduction because State, local, and Tribal permitting authorities are no longer required to submit revisions to their title V operating permit programs, or to revise existing operating permits.

C. Paperwork Reduction Act (PRA)

This action does not impose an information collection burden under the provisions of the PRA. This final action does not establish any new information collection requirement apart from what is already required by law. In this action, the EPA is reinstating certain provisions in the Agency's regulations. This action does not involve any requests for information, recordkeeping or reporting requirements, or other requirements that would constitute an information collection under the PRA

D. Regulatory Flexibility Act (RFA)

I certify that this action will not have a significant economic impact on a substantial number of small entities under the RFA. This action will not impose any requirements on small entities. Entities potentially affected directly by this proposal include State, local, and Tribal governments, and none of these governments would qualify as a small entity. Other types of small entities, including stationary sources of air pollution, are not directly subject to the requirements of this action.

E. Unfunded Mandates Reform Act of 1995 (UMRA)

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

F. Executive Order 13132: Federalism

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

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

This action does not have Tribal implications as specified in Executive Order 13175. This action rescinds a previous final rulemaking requiring the removal of emergency affirmative defense provisions from part 70 and part 71 operating permit programs. No Tribal government is subject to a requirement to revise their operating permit programs as a result of this action. Thus, Executive Order 13175 does not apply to this action.

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

The EPA interprets Executive Order 13045 as applying only to those regulatory actions that concern health or safety risks that the Agency has reason to believe may disproportionately affect children, per the definition of ''covered regulatory action'' in section 2–202 of the Executive order.

Therefore, this action is not subject to Executive Order 13045 because it does not concern an environmental health risk or safety risk. Since this action does not concern human health, EPA's Policy on Children's Health also does not apply.

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

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

J. National Technology Transfer and Advancement Act (NTTAA)

This final action does not involve technical standards.

K. Congressional Review Act (CRA)

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

VI. Statutory Authority

The statutory authority for this action is provided in CAA sections 502(b) and 502(d)(3), 42 U.S.C. 7661a(b) and (d)(3), which direct the Administrator of the EPA to promulgate regulations establishing State operating permit programs and give the Administrator the authority to establish a Federal operating permit program. Additional authority for this action is provided in 5 U.S.C. 553(b)(B) and (d)(3), which authorize the EPA to find that good cause exists to forego notice and public procedure and to issue a final rule that is effective immediately upon publication in the **Federal Register**.

VII. Judicial Review

CAA section 307(b)(1) governs judicial review of final actions by the EPA. This section generally provides that petitions for review of final actions that are nationally applicable must be filed in the U.S. Court of Appeals for the D.C. Circuit, and petitions for judicial review of actions that are locally or regionally applicable must be filed in the appropriate regional circuit.[11] However, petitions for judicial review of a final action that is locally or regionally applicable must be filed in the D.C. Circuit when ''such action is based on a determination of nationwide scope or effect and if in taking such action the Administrator finds and publishes that such action is based on such a determination.'' [12]

As the Supreme Court recently articulated in *EPA* v. *Calumet,* 605 U.S. 627 (2025), the first step in determining the appropriate venue for judicial review of an EPA final action is to ascertain whether the action at issue is ''nationally applicable'' or ''locally or regionally applicable.'' [13] To determine whether an action is ''nationally applicable'' or ''locally or regionally applicable,'' courts ask ''whether the action '[o]n its face' applies throughout the entire country, or only to particular localities or regions.'' *Calumet,* 605 U.S. at 638. If the action is nationally applicable, venue lies in the D.C. Circuit. If the action is locally or regionally applicable, the second step is to determine whether the EPA has appropriately invoked the ''nationwide scope or effect'' exception to ''override the default rule'' that judicial review of a locally or regionally applicable action belongs in the appropriate regional circuit.[14]

This final action is ''nationally applicable'' within the meaning of CAA section 307(b)(1). This final action rescinds a previous final action that had revised both the regulatory requirements in 40 CFR part 70 that govern State, local, Tribal, and U.S. territorial operating permit programs nationwide and the regulatory requirements in 40 CFR part 71 that govern Federal operating permits nationwide. Because this action rescinds a nationally applicable action, thereby reinstating nationally applicable title V regulations that had been rescinded in that action, this final action is also nationally applicable.

Per CAA section 307(b)(1), petitions for judicial review of this action must be filed in the U.S. Court of Appeals for the D.C. Circuit by July 31, 2026. Filing a petition for reconsideration by the

[11] 42 U.S.C. 7607(b)(1).

[12] *Id.*

[13] *Calumet,* 605 U.S. at 636–39.

[14] *Id.* at 642.

Administrator of this final action does not affect the finality of the action for the purposes of judicial review or extend the time within which a petition for judicial review must be filed and shall not postpone the effectiveness of such rule or action.

List of Subjects

40 CFR Part 70

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

40 CFR Part 71

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

Lee Zeldin,

Administrator.

For the reasons stated in the preamble, title 40, chapter I of the Code of Federal Regulations is amended as follows:

PART 70—STATE OPERATING PERMIT PROGRAMS

■ 1. The authority citation for part 70 continues to read as follows:

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

■ 2. In § 70.6, add paragraph (g) to read as follows:

§ 70.6 Permit content.

* * * * *

(g) *Emergency provision*—(1) *Definition.* An ''emergency'' means any situation arising from sudden and reasonably unforeseeable events beyond the control of the source, including acts of God, which situation requires immediate corrective action to restore normal operation, and that causes the source to exceed a technology-based emission limitation under the permit, due to unavoidable increases in emissions attributable to the emergency. An emergency shall not include noncompliance to the extent caused by improperly designed equipment, lack of preventative maintenance, careless or improper operation, or operator error.

(2) *Effect of an emergency.* An emergency constitutes an affirmative defense to an action bought my noncompliance with such technology-based emission limitations if the conditions of paragraph (g)(3) of this section are met.

(3) *Demonstration.* The affirmative defense of emergency shall be demonstrated through properly signed, contemporaneous operating logs, or other relevant evidence that:

(i) An emergency occurred and that the permittee can identify the cause(s) of the emergency;

(ii) The permitted facility was at the time being properly operated;

(iii) During the period of the emergency the permittee took all reasonable steps to minimize levels of emissions that exceeded the emission standards, or other requirements in the permit; and

(iv) The permittee submitted notice of the emergency to the permitting authority within 2 working days of the time when emission limitations were exceeded due to the emergency. This notice fulfills the requirement of paragraph (a)(3)(iii)(B) of this section. This notice must contain a description of the emergency, any steps taken to mitigate emissions, and corrective actions taken.

(4) *Burden of proof.* In any enforcement proceeding, the permittee seeking to establish the occurrence of an emergency has the burden of proof.

(5) *Applicability.* This provision is in addition to any emergency or upset provision contained in any applicable requirement.

PART 71—FEDERAL OPERATING PERMIT PROGRAMS

■ 3. The authority citation for part 71 continues to read as follows:

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

■ 4. In § 71.6, add paragraph (g) to read as follows:

§ 71.6 Permit content.

* * * * *

(g) *Emergency provision*—(1) *Definition.* An ''emergency'' means any situation arising from sudden and reasonably unforeseeable events beyond the control of the source, including acts of God, which situation requires immediate corrective action to restore normal operation, and that causes the source to exceed a technology-based emission limitation under the permit, due to unavoidable increases in emissions attributable to the emergency. An emergency shall not include noncompliance to the extent caused by improperly designed equipment, lack of preventative maintenance, careless or improper operation, or operator error.

(2) *Effect of an emergency.* An emergency constitutes an affirmative defense to an action bought my noncompliance with such technology-based emission limitations if the conditions of paragraph (g)(3) of this section are met.

(3) *Demonstration.* The affirmative defense of emergency shall be demonstrated through properly signed, contemporaneous operating logs, or other relevant evidence that:

(i) An emergency occurred and that the permittee can identify the cause(s) of the emergency;

(ii) The permitted facility was at the time being properly operated;

(iii) During the period of the emergency the permittee took all reasonable steps to minimize levels of emissions that exceeded the emission standards, or other requirements in the permit; and

(iv) The permittee submitted notice of the emergency to the permitting authority within 2 working days of the time when emission limitations were exceeded due to the emergency. This notice fulfills the requirement of paragraph (a)(3)(iii)(B) of this section. This notice must contain a description of the emergency, any steps taken to mitigate emissions, and corrective actions taken.

(4) *Burden of proof.* In any enforcement proceeding, the permittee seeking to establish the occurrence of an emergency has the burden of proof.

(5) *Applicability.* This provision is in addition to any emergency or upset provision contained in any applicable requirement.

[FR Doc. 2026–10875 Filed 5–29–26; 8:45 am]

BILLING CODE 6560–50–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 622

[Docket No. 240715–0194; RTID 0648–XF794]

Fisheries of the Caribbean, Gulf of America, and South Atlantic; Reef Fish Fishery of the Gulf of America; 2026–2027 Recreational Closure for Greater Amberjack

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

ACTION: Temporary rule; closure.

SUMMARY: NMFS implements an accountability measure (AM) for the recreational harvest of greater amberjack in Federal waters of the Gulf of America (Gulf). The 2026–2027 fishing season for greater amberjack begins on September 1, 2026. NMFS has projected that recreational landings of greater amberjack will reach the annual catch target (ACT) by October 14, 2026. Therefore, the recreational fishing season will be open from September 1

through October 13 and will close on October 14, 2026. NMFS implements this recreational AM to protect the greater amberjack resource.

DATES: This temporary rule is effective from October 14, 2026, through July 31, 2027.

FOR FURTHER INFORMATION CONTACT: Kelli O'Donnell, NMFS Southeast Regional Office, telephone, 727–824–5305, email: *kelli.odonnell@noaa.gov.*

SUPPLEMENTARY INFORMATION: NMFS manages the Gulf reef fish fishery and greater amberjack under the Fishery Management Plan for the Reef Fish Resources of the Gulf (FMP). The Gulf Fishery Management Council prepared the FMP, and NMFS implements the FMP under the authority of the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act) through regulations at 50 CFR part 622.

All greater amberjack weights discussed in this temporary rule are in round weight. The metric conversion for the imperial measurement used in this document is 1 pound (lb) equals approximately 0.45 kilograms.

For Gulf greater amberjack, the recreational fishing year begins on August 1 and extends through July 31 of the following calendar year (50 CFR 622.7(h)). However, there are seasonal closures of the recreational sector during each January through August and November through December (50 CFR 622.34(c)). Therefore, the recreational fishing season for greater amberjack is open during September and October. The recreational annual catch limit (ACL) is 404,000 lb, and the ACT, or recreational quota, is 335,320 lb (50 CFR 622.41(a)(2)(iii) and 622.39(a)(2)(ii)). Under the recreational AM at 50 CFR 622.41(a)(2)(i), NMFS is required to close the recreational harvest of greater amberjack if NMFS projects that landings will reach the recreational ACT during a fishing year. Based on a review of recreational landings data, NMFS has projected that for the 2026–2027 fishing year, the recreational ACT of 335,320 lb (152,099 kg) will be reached by October 14, 2026. Accordingly, NMFS closes recreational harvest of greater amberjack in or from Gulf Federal waters on October 14, 2026.

During the recreational closure, the bag and possession limits for greater amberjack harvested in or from Gulf Federal waters are zero. The possession of greater amberjack is also prohibited in state waters of the Gulf for any vessel issued a valid Federal charter vessel/headboat permit for Gulf reef fish (50 CFR 622.39(c)).

Classification

NMFS issues this action pursuant to section 305(d) of the Magnuson-Stevens Act. This action is required by 50 CFR 622.41(a)(2)(i), which was issued pursuant to section 304(b) of the Magnuson-Stevens Act, and is exempt from review under Executive Order 12866.

Pursuant to 5 U.S.C. 553(b)(B), there is good cause to waive prior notice and an opportunity for public comment on this action, as notice and comment are unnecessary and contrary to the public interest. Such procedures are unnecessary because the regulation associated with the closure of the greater amberjack recreational sector at 50 CFR 622.41(a)(2)(i) has already been subject to notice and public comment, and all that remains is to notify the public of the closure. Prior notice and opportunity for public comment are contrary to the public interest because there is a need to immediately implement this action to protect the greater amberjack stock. In addition, prior notice and opportunity for public comment would require time and many of those affected by the length of the recreational fishing season, particularly charter vessel and headboat operators who book trips for clients in advance, need as much notice as possible to adjust their business plans to account for the recreational fishing season.

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

Dated: May 28, 2026.

David R. Blankinship,

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

[FR Doc. 2026–10889 Filed 5–29–26; 8:45 am]

BILLING CODE 3510–22–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 635

[Docket No. 220919–0193; RTID 0648–XF752]

Atlantic Highly Migratory Species; Atlantic Bluefin Tuna Fisheries; Harpoon Category Retention Limit Adjustment

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

ACTION: Temporary rule; retention limit adjustments.

SUMMARY: NMFS is decreasing the Harpoon category daily retention limit from the default of no more than a combined total of 10 large medium and giant bluefin tuna (BFT) (*i.e.,* measuring 73 inches (185 cm) or greater curved fork length (CFL)), to no more than a combined total of 5 large medium and giant BFT. The incidental catch limit of two large medium BFT per vessel per day/trip remains unchanged. This retention limit applies to Atlantic Tunas Harpoon category permitted vessels from June 1 through the remainder of the 2026 Harpoon category fishing season, which concludes on November 15, 2026, or until further modified.

DATES: Effective from June 1, 2026, through November 15, 2026, or until NMFS announces via a notice in the **Federal Register** another adjustment to the retention limit.

FOR FURTHER INFORMATION CONTACT: Becky Curtis, *becky.curtis@noaa.gov,* or Larry Redd, Jr., *larry.redd@noaa.gov,* by email or by phone at 301–427–8503.

SUPPLEMENTARY INFORMATION: Atlantic BFT fisheries are managed under the 2006 Consolidated Highly Migratory Species Fishery Management Plan (HMS FMP) and its amendments, pursuant to the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act; 16 U.S.C. 1801 *et seq.*) and consistent with the Atlantic Tunas Convention Act (ATCA; 16 U.S.C. 971 *et seq.*). ATCA is the implementing statute for binding recommendations of the International Commission for the Conservation of Atlantic Tunas (ICCAT). The HMS FMP and its amendments are implemented by regulations are at 50 CFR part 635. Section 635.27(a) divides the U.S. BFT quota, established by ICCAT and as implemented by the United States among the various domestic fishing categories, per the allocations established in the HMS FMP and its amendments. NMFS is required under the Magnuson-Stevens Act at 16 U.S.C. 1854(g)(1)(D) to provide U.S. fishing vessels with a reasonable opportunity to harvest quotas under relevant international fishery agreements such as the ICCAT Convention, which is implemented domestically pursuant to ATCA.

As described in § 635.27(a), the current baseline U.S. BFT quota is 1,316.14 metric tons (mt) (not including the 25 mt ICCAT allocated to the United States to account for bycatch of BFT in pelagic longline fisheries in the Northeast Distant Gear Restricted Area). The Harpoon category baseline quota is 59.2 mt. As described in § 635.23(d)(1), the default Harpoon category daily retention limit is no more than 10 large medium and giant BFT, combined, per vessel per day/trip. As described in

§ 635.23(d)(2), the incidental daily catch limit is no more than two large medium BFT (*i.e.,* measuring 73 inches (185 cm) to less than 81 inches (206 cm) CFL) per vessel per day/trip. As such, under the default retention limit, if the vessel owner/operator retains two large medium BFT during a day/trip, they may retain a maximum of eight giant BFT on that same day/trip.

Separate from this action, NMFS published a proposed rulemaking that would implement the 2025 ICCAT recommendation (Recommendation 25–05) regarding western BFT management (91 FR 24789, May 7, 2026). Consistent with the recommendation, that proposed rule proposes increasing the baseline U.S. BFT quota from 1,316.14 mt to 1,509.98 mt and adjusting all the subquotas accordingly. In that proposed rule, the General category baseline quota would increase from 710.7 mt to 815.4 mt. The comment period on that proposed rule ends on June 8, 2026. Any final rule implementing ICCAT Recommendation 25–05 would likely be effective in mid-2026 or later.

Adjustment of the Harpoon Category Daily Retention Limit

NMFS may increase or decrease the Harpoon category daily retention limit after considering the regulatory determination criteria under § 635.27(a)(7). For the Harpoon category, NMFS may adjust the overall daily retention limit of large medium and giant BFT, combined, per vessel per day over a range of 5 to 10 BFT per vessel per day (see § 635.23(d)(1)). NMFS may also adjust the incidental daily catch limit for the Harpoon category over a range of two to four large medium BFT per vessel per day (see § 635.23(d)(2)).

As described below, NMFS has considered all relevant determination criteria for adjusting the BFT retention limit in the Harpoon category and has decided to decrease the overall daily retention limit for the Harpoon category to no more than five large medium and giant BFT, combined, per vessel per day/trip (*i.e.,* BFT measuring 73 inches (185 cm) CFL or greater). This action maintains the incidental daily catch limit of two large medium BFT (*i.e.,* measuring 73 inches (185 cm) to less than 81 inches (206 cm) CFL) per vessel per day/trip. As such, if two large medium BFT are retained during a day/trip, no more than three giant BFT may be retained on the same day/trip. Similarly, if no large medium BFT are retained, then all five BFT could be giant BFT. This adjustment would apply from June 1 through the remainder of the 2026 Harpoon category fishing season, which concludes on November 15, 2026, or until NMFS announces via a notice in the **Federal Register** another adjustment to the retention limit.

Regardless of the duration of a fishing trip, no more than a single day's daily retention limit may be possessed or retained at the end of the trip for Harpoon category vessels (§ 635.23(d)(3)). For example, a Harpoon category vessel cannot exceed the daily limit of five combined large medium and giant BFT, regardless of the trip's length or number of trips in a day. This retention limit is effective in all areas, except for the Gulf of America, where NMFS prohibits targeted fishing for BFT. The Harpoon category retention limit applies to those vessels permitted in the Harpoon category.

Consideration of the Determination Criteria

As described above, under § 635.23(d)(1), NMFS may adjust the daily retention limit of large medium and giant BFT in the Harpoon category after considering the regulatory determination criteria under § 635.27(a)(7). Regarding the usefulness of information obtained from catches in the particular category for biological sampling and monitoring of the status of the stock (§ 635.27(a)(7)(i)), biological samples collected from BFT landed by Harpoon category fishermen and provided by BFT dealers continue to provide NMFS with valuable parts and data for ongoing scientific studies of BFT age and growth, migration, and reproductive status. Additional opportunity to land BFT in the Harpoon category would support the continued collection of a broad range of data for these studies and for stock monitoring purposes.

NMFS also considered the catches of the Harpoon category quota in recent years (*i.e.,* most recently in 2025) and the likelihood of closure of the Harpoon category if no adjustment is made (§ 635.27(a)(7)(ii)). Commercial-size BFT are anticipated to migrate to the fishing grounds off the northeast U.S. coast by early June. Given the possibility of high catch rates in early June, decreasing the retention limit from a combined 10-fish limit to a combined 5-fish limit could assist in extending the time required to fully harvest the quota. If catch rates are lower than expected, NMFS could take another action later in the season to increase the retention limit.

NMFS also considered the effects of this retention limit adjustment on the BFT stock and the effects of the adjustment on accomplishing the objectives of the HMS FMP (§ 635.27(a)(7)(v) and (vi)). Adjusting the retention limit for this category would be consistent with established quotas and subquotas, which are implemented consistent with ICCAT recommendations, ATCA, and the objectives of the HMS FMP and amendments. In establishing these quotas and subquotas and associated management measures, ICCAT and NMFS considered the best scientific information available, objectives for stock management and status, and effects on the stock. Making this adjustment is in line with the established management measures and stock status determinations. It is also important that NMFS limit landings to the quotas and subquotas both to adhere to the domestic allocations and to ensure that landings are as consistent as possible with the pattern of fishing mortality (*e.g.,* fish caught at each age) that was assumed in the latest stock assessment. This retention limit adjustment is consistent with those objectives.

Another principal consideration in setting the retention limit is the objective of providing opportunities to harvest the available Harpoon category quota without exceeding the annual quota. This consideration is based on the objectives of the HMS FMP and its amendments, and includes achieving optimum yield on a continuing basis and optimizing the ability of all permit categories to harvest available BFT quota allocations (related to § 635.27(a)(7)(x)). NMFS will actively monitor catch rates for the Harpoon category and adjust the daily retention limit as needed throughout the fishing season to facilitate scientific data collection and maintain fishing opportunities while preventing the exceedance of available quota. For the Harpoon category, a 10-fish (combined) daily retention limit could result in diminished fishing opportunities, and the premature closure of the Harpoon category. A 5-fish (combined) daily retention limit for the remainder of the fishing season will provide equitable fishing opportunities for all Harpoon category participants.

Given these considerations, NMFS has determined that a 5-fish (combined) daily retention limit for the Harpoon category is warranted for the fishing year. This retention limit would provide a reasonable opportunity to harvest the available U.S. BFT quota, without exceeding it, while maintaining an equitable distribution of fishing opportunities; help optimize the ability of the Harpoon category to harvest the available quota; allow the collection of a broad range of data for stock monitoring purposes; and be consistent

with the objectives of the HMS FMP and amendments.

Monitoring and Reporting

NMFS will continue to monitor the BFT fishery closely. Per § 635.5(b)(2)(i)(A), dealers are required to submit landing reports within 24 hours of receiving BFT. Late reporting by dealers compromises NMFS' ability to timely implement actions such as quota and retention limit adjustment, as well as closures, and may result in enforcement actions. Additionally, and separate from the dealer reporting requirement, Harpoon category permitted vessel owners are required per § 635.5(a)(4) to report their own catch of all BFT retained or discarded dead within 24 hours of the landing(s) or end of each trip, by accessing *https://hmspermits.noaa.gov* or by using the HMS Catch Reporting app, or calling (888) 872–8862 (Monday through Friday from 8 a.m. until 4:30 p.m.).

Depending on the level of fishing effort and catch rates of BFT at that time, and after consideration of all the criteria specified at § 635.27(a)(7), NMFS may determine that additional adjustments are necessary to ensure the available quota is not exceeded or to enhance scientific data collection from, and fishing opportunities in, all geographic areas. If needed, subsequent adjustments will be published in the **Federal Register**. In addition, fishermen may access *https://hmspermits.noaa.gov,* for updates on quota monitoring and inseason adjustments.

Classification

NMFS issues this action pursuant to section 305(d) of the Magnuson-Stevens Act (16 U.S.C. 1855(d)) and regulations at 50 CFR part 635 and this action is exempt from review under Executive Order 12866.

The Assistant Administrator for NMFS (AA) finds that pursuant to 5 U.S.C. 533(b)(B), there is good cause to waive prior notice of, and an opportunity for public comment on, this action because it is impracticable and contrary to the public interest for the following reasons. Specifically, the regulations implementing the HMS FMP and its amendments provide for inseason retention limit adjustments to respond to the unpredictable nature of BFT availability on the fishing grounds, the migratory nature of this species, and the regional variations in the BFT fishery. Providing for prior notice and opportunity to comment is impracticable and contrary to the public interest as this fishery is currently underway and, based on available BFT quota, recent fishery performance, and the presence of BFT on fishing grounds, responsive adjustments to the Harpoon category BFT daily retention limit from its default level is warranted. This adjustment aims to enable fishermen to capitalize on the availability of fish and quota. NMFS could not have proposed this adjustment earlier, as it needed to thoroughly assess updated data and information concerning fishery conditions and this year's landings. Offering a public comment period now, after appropriately considering this data, would prevent fishermen from legally harvesting BFT in alignment with all regulatory criteria. Additionally, it could lead to the use of a retention limit unsuitable to the available quota for the period.

Adjustment of the Harpoon category retention limit needs to be effective June 1, 2026, or as soon as possible thereafter, to minimize any unnecessary disruption in fishing patterns, to allow the impacted sectors to benefit from the adjustment, and to not preclude fishing opportunities for fishermen in geographic areas with access to the fishery only during this time period. The Harpoon category will commence on June 1, and thus prior notice would be contrary to the public interest. Delays in decreasing this retention limit would adversely affect Harpoon category permitted vessels, that would otherwise have an opportunity to harvest BFT if the fishery were to remain open for as long as feasible throughout the year. Limited opportunities to harvest the available quota may have negative social and economic impacts for U.S. fishermen that depend upon catching the available quota designated in the HMS FMP and amendments. Analysis of available data shows that adjustment to the BFT daily retention limit from the default level would decrease any risks of exceeding the ICCAT-allocated quota. NMFS provides notification of retention limit adjustments by publishing the notice in the **Federal Register**, emailing individuals who have subscribed to the Atlantic HMS News electronic newsletter, and updating the information posted on the Atlantic Tunas Information Line and on *https://hmspermits.noaa.gov.*

For all of the above reasons, the AA finds that pursuant to 5 U.S.C. 553(d), there is also good cause to waive the 30-day delay in effective date.

Authority: 16 U.S.C. 971 *et seq.* and 1801 *et seq.*

Dated: May 28, 2026.

David R. Blankinship,

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

[FR Doc. 2026–10891 Filed 5–28–26; 4:15 pm]

BILLING CODE 3510–22–P

Proposed Rules

Federal Register
Vol. 91, No. 104
Monday, June 1, 2026

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

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2026–4648; Project Identifier MCAI–2025–01834–E]

RIN 2120–AA64

Airworthiness Directives; Rolls-Royce Deutschland Ltd & Co KG Engines

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: The FAA proposes to adopt a new airworthiness directive (AD) for all Rolls-Royce Deutschland Ltd & Co KG (RRD) Model RB211 Trent 768–60, 772–60, and 772B–60 engines. This proposed AD was prompted by a report that a batch of low-pressure compressor (LPC) blades were exposed to a non-conforming repair and are more prone to cracking due to a deviation from the approved blade configuration design. This proposed AD would require removal from service of the affected LPC blades and replacement with a serviceable part. The FAA is proposing this AD to address the unsafe condition on these products.

DATES: The FAA must receive comments on this NPRM by July 16, 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–2026–4648; 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 this material on the EASA website at *ad.easa.europa.eu.*
- You may view this material at the FAA, Airworthiness Products Section, Operational Safety Branch, 1200 District Avenue, Burlington, MA 01803. For information on the availability of this material at the FAA, call (817) 222–5110.

FOR FURTHER INFORMATION CONTACT: Alexis Whitaker, Aviation Safety Engineer, FAA, 2200 South 216th Street, Des Moines, WA 98198; phone: (516) 228–7309; email: *alexis.j.whitaker@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–2026–4648; Project Identifier MCAI–2025–01834–E'' at the beginning of your comments. The most helpful comments reference a specific portion of the proposal, explain the reason for any recommended change, and include supporting data. The FAA will consider all comments received by the closing date and may 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 Alexis Whitaker, Aviation Safety Engineer, FAA, 2200 South 216th Street, Des Moines, WA 98198. Any commentary that the FAA receives which is not specifically designated as CBI will be placed in the public docket for this rulemaking.

Background

EASA, which is the Technical Agent for the Member States of the European Union, issued EASA AD 2024–0130, dated July 8, 2024 (EASA AD 2024–0130), to correct an unsafe condition on RRD Model RB211 Trent 768–60, 772–60, 772B–60, and 772C–60 engines. EASA AD 2024–0130 states that a batch of LPC blades were exposed in service to non-conforming repair procedures that resulted in blade configuration deviating from the approved design. These LPC blades that do not conform to the approved design are prone to blade cracking. EASA AD 2024–0130 required removal from service of the affected LPC blades and replacement with a serviceable part.

EASA superseded EASA AD 2024–0130 with EASA AD 2025–0288, dated December 17, 2025 (EASA AD 2025–0288) (also referred to as the MCAI), after the manufacturer published service material expanding the list of affected parts. The MCAI retains the removal from service and replacement requirements for the affected LPC blades in EASA AD 2024–0130 and expands the list of affected parts. This condition, if not addressed, could lead to multiple

structural failures of the affected parts, which could result in increased risk of in-flight shutdown, engine fire, and uncontained high-energy debris release.

You may examine the MCAI in the AD docket at *regulations.gov* under Docket No. FAA–2026–4648.

Material Incorporated by Reference Under 1 CFR Part 51

The FAA reviewed EASA AD 2025–0288, which specifies procedures for removal from service of the affected LPC blades and replacement with a serviceable part. This material is reasonably available because the interested parties have access to it through their normal course of business or by the means identified in the **ADDRESSES** section.

FAA's Determination

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

Proposed AD Requirements in This NPRM

This proposed AD would require accomplishing the actions specified in the MCAI described previously, 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 proposed AD.

Differences Between This Proposed AD and the MCAI

Where EASA AD 2025–0288 applies to RRD Model RB211 Trent 772C–60 engines this proposed AD does not, as these engines do not have an FAA type certificate.

Explanation of Required Compliance Information

In the FAA's ongoing efforts to improve the efficiency of the AD process, the FAA developed a process to use some CAA ADs as the primary source of information for compliance with requirements for corresponding FAA ADs. The FAA has been coordinating this process with manufacturers and CAAs. As a result, the FAA proposes to incorporate EASA AD 2025–0288 by reference in the FAA final rule. This proposed AD would, therefore, require compliance with EASA AD 2025–0288 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 2025–0288 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 2025–0288. Material required in EASA AD 2025–0288 for compliance will be available at regulations.gov under Docket No. FAA–2026–4648 after the FAA final rule is published.

Costs of Compliance

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

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

ESTIMATED COSTS

Action	Labor cost	Parts cost	Cost per product	Cost on U.S. operators
Replace LPC blades	2 work-hours × $85 per hour = $170.	$225,000	$225,170	$1,801,360

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:

Rolls-Royce Deutschland Ltd & Co KG: Docket No. FAA–2026–4648; Project Identifier MCAI–2025–01834–E.

(a) Comments Due Date

The FAA must receive comments on this airworthiness directive (AD) by July 16, 2026.

(b) Affected ADs

None.

(c) Applicability

This AD applies to all Rolls-Royce Deutschland Ltd & Co KG Model RB211 Trent 768–60, 772–60, and 772B–60 engines.

(d) Subject

Joint Aircraft System Component (JASC) Code 7230, Turbine Engine Compressor Section.

(e) Unsafe Condition

This AD was prompted by a report that a batch of low-pressure compressor blades were exposed to a non-conforming repair and are more prone to cracking due to a deviation from the approved blade configuration design. The FAA is issuing this AD to prevent blade cracking. The unsafe condition, if not addressed, could lead to multiple structural failures of the affected parts, which could result in increased risk of in-flight shutdown, engine fire, and uncontained high-energy debris release.

(f) Compliance

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

(g) Required Actions

Except as specified in paragraph (h) of this AD: Perform all required actions within the compliance times specified in, and in accordance with, European Union Aviation Safety Agency AD 2025–0288, dated December 17, 2025 (EASA AD 2025–0288).

(h) Exceptions to EASA AD 2025–0288

(1) Where EASA AD 2025–0288 refers to its effective date, this AD requires using the effective date of this AD.

(2) Where EASA AD 2025–0288 refers to July 22, 2024 (the effective date of EASA AD 2024–0130), this AD requires using the effective date of this AD.

(3) This AD does not adopt the ''Remarks'' paragraph of EASA AD 2025–0288.

(i) Alternative Methods of Compliance (AMOCs)

(1) The Manager, AIR–520 Continued Operational Safety Branch, FAA, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19. In accordance with 14 CFR 39.19, send your request to your principal inspector or local Flight Standards District Office, as appropriate. If sending information directly to the manager of the AIR–520 Continued Operational Safety Branch, send it to the attention of the person identified in paragraph (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 Alexis Whitaker, Aviation Safety Engineer, FAA, 2200 South 216th Street, Des Moines, WA 98198; phone: (516) 228–7309; email: *alexis.j.whitaker@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) European Union Aviation Safety Agency (EASA) 2025–0288, dated December 17, 2025.

(ii) [Reserved]

(3) For EASA material identified in this AD, contact EASA, Konrad-Adenauer-Ufer 3, 50668 Cologne, Germany; phone: +49 221 8999 000; email: *ADs@easa.europa.eu;* website: *easa.europa.eu.* You may find this 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, 1200 District Avenue, Burlington, MA 01803. For information on the availability of this material at the FAA, call (817) 222–5110.

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

Issued on May 28, 2026.

Brian Knaup,

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

[FR Doc. 2026–10902 Filed 5–29–26; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[CC–00349656–26]

RIN 1545–BR10

Income of Foreign Governments and of International Organizations

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking; partial withdrawal of proposed rulemaking.

SUMMARY: This document contains proposed regulations regarding the applicability dates of proposed rules relating to the taxation of the income of foreign governments from investment in the United States. This document also withdraws a portion of the proposed regulations published on December 15, 2025, relating to applicability dates.

DATES: Written or electronic comments and requests for a public hearing must be received by July 31, 2026. As of June 1, 2026, proposed §§ 1.892–4(d) and 1.892–5(e), contained in the notice of proposed rulemaking published in the **Federal Register** on December 15, 2025 (90 FR 57928), are withdrawn.

ADDRESSES: Commenters are strongly encouraged to submit public comments electronically via the Federal eRulemaking Portal at *https://www.regulations.gov* (indicate IRS and CC–00349656–26) by following the online instructions for submitting comments. Requests for a public hearing must be submitted as prescribed in the ''Comments and Requests for a Public Hearing'' section. Once submitted to the Federal eRulemaking Portal, comments cannot be edited or withdrawn. The Department of the Treasury (Treasury Department) and the IRS will publish for public availability any comments submitted to the IRS's public docket. Send paper submissions to: CC:PA:01:PR (CC–00349656–26), Room 5503, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044.

FOR FURTHER INFORMATION CONTACT: Concerning the proposed regulations, Jack Zhou at (202) 317–6938; concerning submissions of comments, requests for a public hearing, and access to a public hearing, Publication and Regulations Section at (202) 317–6901 (not toll-free numbers) or by email to *publichearings@irs.gov* (preferred).

SUPPLEMENTARY INFORMATION:

Authority

This document contains proposed amendments to the Income Tax Regulations (26 CFR part 1) under section 892 of the Internal Revenue Code (Code). These proposed regulations are issued under the express delegations of authority under sections 892(c) and 7805(a) of the Code.

Background

I. 2025 Proposed Regulations Under Section 892

On December 15, 2025, the Treasury Department and the IRS published in the **Federal Register** (90 FR 57928) proposed regulations (the 2025 proposed regulations) under section 892 relating to taxation of the income of foreign governments from investments in the United States. The 2025 proposed regulations would provide guidance for determining whether an acquisition of debt is commercial activity, and whether a foreign government has

effective control of an entity. *See* proposed §§ 1.892–4(c)(1)(ii) and 1.892–5(c)(2). The 2025 proposed regulations are proposed to apply to taxable years beginning on or after the date of publication of the Treasury decision adopting the 2025 proposed regulations as final regulations (the final regulations). *See* proposed §§ 1.892–4(d) and 1.892–5(e).

II. Comments on the Proposed Applicability Dates

Following the publication of the 2025 proposed regulations, the Treasury Department and the IRS received comments requesting transitional relief with respect to the proposed applicability dates. Commenters requested that the proposed debt acquisition rules, when finalized, apply only to debt instruments acquired on or after the publication date of the final regulations (the publication date). Commenters also requested a rule that would preserve the application of existing rules under section 892 to debt acquired before the publication date and to debt acquired on or after the publication date pursuant to a legally binding commitment entered into before the publication date. Alternatively, a commenter requested an extended period of time after the publication date during which foreign governments could continue relying on the existing rules for outstanding debt instruments and commitments while they reposition their interests to accord with the final regulations. In addition, a commenter requested a transition rule that would preserve the application of existing rules for debt instruments acquired on or before 90 days after the publication date of the final regulations and for debt instruments acquired after that date but pursuant to a binding commitment entered into on or before that date.

Likewise, commenters requested that the proposed effective control rules, when finalized, apply only to rights granted (or materially expanded) on or after the publication date. Commenters recommended a rule that would preserve the application of existing rules under section 892 to arrangements in place before the publication date as well as to entity interests acquired pursuant to legally binding commitments entered into before the publication date. Alternatively, commenters requested an extended period after the publication date during which foreign governments may continue relying on the existing rules with respect to existing interests, and not have to consider renegotiating or restructuring certain legacy holdings solely due to the final regulations. Similarly, one commenter requested a transition rule that would preserve the application of the existing rules for agreements and other arrangements entered into on or before 90 days after the publication date.

Explanation of Provisions

I. New Proposed Applicability Dates

As a general matter, the Treasury Department and the IRS did not intend for the 2025 proposed regulations, once finalized, to apply retroactively to existing foreign government holdings of debt and of interests in entities (collectively, foreign government holdings). In addition, in response to the comments, these proposed regulations would include additional transitional relief. Accordingly, this notice of proposed rulemaking withdraws the applicability dates in §§ 1.892–4(d) and 1.892–5(e) of the 2025 proposed regulations and proposes new applicability dates to ensure that certain existing foreign government holdings, as well as holdings acquired during a transition period, would not be subject to the final regulations. The existing rules under section 892 would continue to apply to foreign government holdings acquired before the applicability date and to foreign government holdings acquired on or after the applicability date if acquired pursuant to a binding commitment entered into before the applicability date.

These proposed regulations would address only the proposed applicability dates of the 2025 proposed regulations. The Treasury Department and the IRS recognize the importance of the issues raised by stakeholders on the substantive aspects of the 2025 proposed regulations. The Treasury Department and the IRS have received 18 comments on the 2025 proposed regulations—including with respect to the debt acquisition rules and the effective control rules—and are evaluating how to reflect these comments in the next phase of this project by taking into account established market practices and the general policy to support current and future sovereign wealth fund investment in the United States. Any terms used but not defined in this preamble have the meanings given to them in the 2025 proposed regulations.

II. Applicability Date for Debt Acquisition Rules

Proposed § 1.892–4(d)(2) would provide foreign governments with a transition period of at least 90 days after the publication date, or until the start of the first taxable year after the publication date, before the debt acquisition rules in the final regulations apply.

Under proposed § 1.892–4(d)(4), if debt is acquired before the end of the transition period or is acquired pursuant to a binding commitment entered into before the end of the transition period, the existing rules applicable before the final regulations are published would continue to apply to determine whether that acquisition is commercial activity, and, accordingly, whether income received from that debt in future periods is derived from commercial activity.

Because it is the acquisition of debt, and not the mere holding of debt, that is potentially treated as commercial activity for purposes of section 892, a debt acquirer is not engaged in commercial activity in taxable years following the taxable year of the acquisition of the debt solely by reason of holding the debt in the subsequent taxable years. Furthermore, a debt that was acquired in a previous year and held in the current year does not cause other debt acquisitions in the current year to be treated as commercial activity.

III. Applicability Date for Effective Control Rules

Proposed § 1.892–5(e)(2)(i) would similarly provide foreign governments with a transition period of at least 90 days after the publication date, or until the start of the first taxable year after the publication date, before the effective control rules in the final regulations apply.

Under proposed § 1.892–5(e)(2)(ii), the effective control rules in the final regulations would not apply to a foreign government's existing interests in an entity unless the foreign government acquires, after the transition period, and excluding acquisitions pursuant to a binding commitment entered into before the end of the transition period, new interests in the entity that, by themselves, would provide the foreign government with effective control under the final regulations. Unless and until this occurs, whether that entity is a controlled commercial entity would be determined under the existing rules applicable before the final regulations are published, which will take into account all interests, regardless of when acquired.

Special Analyses

I. Regulatory Planning and Review—Economic Analysis

These proposed regulations are not subject to review under section 6(b) of Executive Order 12866 pursuant to the

Memorandum of Agreement (July 4, 2025) between the Treasury Department and the Office of Management and Budget (OMB) regarding review of tax regulations.

II. Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520) generally requires that a Federal agency obtain the approval of the OMB before collecting information from the public, whether such collection of information is mandatory, voluntary, or required to obtain or retain a benefit. There are no additional information collection requirements associated with these proposed regulations.

III. Regulatory Flexibility Act

Pursuant to the Regulatory Flexibility Act (5 U.S.C. chapter 6), it is hereby certified that this rulemaking will not have a significant economic impact on a substantial number of small entities within the meaning of section 601(6) of the Regulatory Flexibility Act. This certification is based on the fact that the proposed regulations affect foreign governments, including their controlled entities, with income from sources within the United States. Accordingly, the entities affected by the proposed regulations are not considered small entities, and a regulatory flexibility analysis under the Regulatory Flexibility Act is not required.

IV. Section 7805(f)

Pursuant to section 7805(f) of the Code, these proposed regulations will be submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on their impact on small business.

V. Unfunded Mandates Reform Act

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

VI. Executive Order 13132: Federalism

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

Comments and Requests for Public Hearing

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

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

Drafting Information

The principal authors of the proposed regulations are Jack Zhou and Peter Merkel of the Office of Associate Chief Counsel (International). However, other personnel from the Treasury Department and the IRS participated in their development.

Partial Withdrawal of Proposed Regulations

Under the authority of 26 U.S.C. 892(c) and 7805, proposed §§ 1.892–4(d) and 1.892–5(e), contained in the notice of proposed rulemaking that was published in the **Federal Register** on December 15, 2025 (90 FR 57928), are withdrawn.

List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

Proposed Amendments to the Regulations

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

PART 1—INCOME TAXES

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

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

■ **Par. 2.** Section 1.892–4 is amended by:
■ a. Redesignating paragraph (d) as paragraph (d)(1);
■ b. Revising the heading of newly redesignated paragraph (d)(1); and
■ c. Adding paragraphs (d)(2) introductory text and (d)(3) and (4).

The revision and additions read as follows:

§ 1.892–4 Commercial activities.

* * * * *

(d) *Applicability date*—(1) *In general.* * * *

(2) *Debt acquisition applicability date.* Except as provided in paragraph (d)(3) of this section, paragraph (c)(1) of this section applies to acquisitions of debt on or after the date that is the later of:

(i) The first day of the acquirer's first taxable year beginning on or after [DATE OF PUBLICATION OF FINAL RULE], or

(ii) 90 days after [DATE OF PUBLICATION OF FINAL RULE].

(3) *Binding commitment rule.* Paragraph (c)(1) of this section does not apply to debt acquired pursuant to a binding commitment entered into before the later of the dates described in paragraphs (d)(2)(i) and (ii) of this section.

(4) *Rules for debt acquisitions and commitments before the applicability date.* Debt acquired before the later of the dates described in paragraphs (d)(2)(i) and (ii) of this section or pursuant to a binding commitment described in paragraph (d)(3) of this section shall continue to be governed by §§ 1.892–4 and 1.892–4T, as contained in 26 CFR in part 1 in effect on April 1, 2026.

■ **Par. 3.** Section 1.892–5 is amended by:
■ a. Redesignating paragraph (e) as paragraph (e)(1);
■ b. Revising the heading of newly redesignated paragraph (e)(1); and
■ c. Adding paragraph (e)(2) introductory text.

The revision and addition read as follows:

§ 1.892–5 Controlled commercial entity.

* * * * *

(e) *Applicability date*—(1) *In general.* * * *

(2) *Effective control applicability date*—(i) *In general.* Except as provided in paragraph (e)(2)(ii) of this section,

paragraph (c)(2) of this section applies to determine whether a foreign government has effective control of an entity on or after the date that is the later of:

(A) The first day of the foreign government's first taxable year beginning on or after [DATE OF PUBLICATION OF FINAL RULE], or

(B) 90 days after [DATE OF PUBLICATION OF FINAL RULE].

(ii) *Rules with respect to previously acquired interests.* If a foreign government holds any previously acquired interests (as defined in paragraph (e)(2)(ii)(B) of this section) in an entity, paragraph (c)(2) of this section applies to determine whether the foreign government has effective control of the entity beginning on the date on which the foreign government first acquires new controlling interests (as defined in paragraph (e)(2)(ii)(A) of this section) in the entity. Until the date that the foreign government first acquires new controlling interests in the entity, all of the foreign government's interests in that entity shall continue to be governed by §§ 1.892–5 and 1.892–5T, as contained in 26 CFR in part 1 in effect on April 1, 2026.

(A) *New controlling interests.* For purposes of this paragraph (e)(2)(ii), the term *new controlling interests* means one or more interests in an entity, other than any previously acquired interests (as defined in paragraph (e)(2)(ii)(B) of this section), that in the aggregate result in effective control of the entity under paragraph (c)(2) of this section.

(B) *Previously acquired interests.* For purposes of this paragraph (e)(2)(ii), the term *previously acquired interests* means one or more interests in an entity acquired by a foreign government before the later of the dates described in paragraphs (e)(2)(i)(A) and (B) of this section, or acquired pursuant to a binding commitment entered into before the later of such dates.

Frank J. Bisignano,

Chief Executive Officer.

[FR Doc. 2026–10841 Filed 5–29–26; 8:45 am]

BILLING CODE 4831–GV–P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 165

[Docket Number USCG–2026–0610]

RIN 1625–AA00

Safety Zone; Bayfront Park 4th of July Fireworks Display, Intercoastal Waterway, Biscayne Bay, Miami, FL

AGENCY: Coast Guard, Department of Homeland Security.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Coast Guard is proposing to establish a temporary safety zone for certain navigable waters on the Intercoastal Waterway portion of Biscayne Bay in Miami, FL. The safety zone is needed to protect personnel, vessels, and the marine environment from potential hazards created by the fireworks display. This proposed rulemaking would prohibit persons and vessels from being in the safety zone unless specifically authorized by the Captain of the Port, Sector Miami. We invite your comments on this proposed rulemaking.

DATES: Comments and related material must be received by the Coast Guard on or before June 16, 2026.

ADDRESSES: To submit comments and view available documents, go to *https://www.regulations.gov* and search for USCG–2026–0610.

FOR FURTHER INFORMATION CONTACT: If you have questions about this proposed rule, contact MST2 Jodi Stoiber, Sector Miami Waterways Management Division, U.S. Coast Guard; telephone 786–295–9051, or email *SectorMiamiWaterways@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 May 1, 2026, Firepower Displays notified the Coast Guard that they will be launching fireworks from two barges in Biscayne Bay near Bayfront Park in Miami, FL from approximately 11:10 p.m. on July 4, 2026, through 12:10 a.m. on July 5, 2026. Hazards from fireworks displays include accidental discharge of fireworks, dangerous projectiles, and falling hot embers or other debris. The Captain of the Port Sector Miami (COTP) has determined that potential hazards associated with fireworks are a safety concern for anyone within a 250-yard radius of the fireworks display. Therefore, the COTP is proposing this rule under the authority in 46 U.S.C. 70034, which is needed to protect personnel, vessels, and the marine environment in the navigable waters within the safety zone.

The Coast Guard is requesting that interested parties provide comments within a shortened comment period of 15 days instead of the typical 30 days for this notice of proposed rulemaking. The Coast Guard believes the 15-day comment period still provides for a reasonable amount of time for interested parties to review the proposal and provide informed comments on it while also ensuring the Coast Guard has time to review and respond to any significant comments and has a final rule in effect in time for the scheduled event to protect against the identified hazards.

The regulatory text we are proposing appears at the end of this document.

III. Discussion of the Rule

This proposed rule would establish a safety zone from approximately 11:10 p.m. on July 4, 2026, through 12:10 a.m. on July 5, 2026. The safety zone would cover all navigable waters within 250 yards of the fireworks barges. 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 proposed 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, 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 under 5 U.S.C. 605(b) that this proposed rule would not have a significant economic impact on a substantial number of small entities for the following reasons.

For a singular occurrence, due to the active security zone being enforced in support of the FIFA World Cup and Fan Fest 2026, the ICW portion near Bayfront Park will be temporarily shut down from approximately 11:10 p.m. on July 4, 2026, through 12:10 a.m. on July 5, 2026, to also facilitate the Bayfront Park 4th of July Fireworks Display. During this period, vessel traffic through this regulated area will be prohibited as there will be both a security zone and safety zone. This regulation will only impact a small area for 60 minutes. The enforcement period is during a time when vessel traffic is normally low. In addition, the Coast Guard will issue a Broadcast Notice to Marines via VHF FM marine channel 16, which will allow small entities to adjust their transit plans.

If you think that your business, organization, or governmental jurisdiction qualifies as a small entity and that this proposed rule would have a significant economic impact on it, please submit a comment (see **ADDRESSES**) explaining why you think it qualifies and how and to what degree this proposed rule would economically affect it.

Under section 213(a) of the Small Business Regulatory Enforcement Fairness Act of 1996 (Pub. L. 104–121), if this proposed 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 proposed 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 proposed 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 proposed 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 proposed 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 proposed 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 proposed 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.

V. Public Participation and Request for Comments

We view public participation as essential to effective rulemaking and will consider all comments and material received during the comment period. Your comment can help shape the outcome of this rulemaking. If you submit a comment, please include the docket number for this rulemaking, indicate the specific section of this document to which each comment applies, and provide a reason for each suggestion or recommendation.

Submitting comments. We encourage you to submit comments at *https://www.regulations.gov.* To do so, go to *https://www.regulations.gov*, type USCG–2026–0610 in the search box and click ''Search.'' Next, look for this document in the Search Results column, and click on it. Then click on the Comment option. If you cannot submit your material by using *https://www.regulations.gov,* call or email the person in the **FOR FURTHER INFORMATION CONTACT** section of this proposed rule for alternate instructions.

Viewing material in the docket. To view available documents, find the docket as described in the previous paragraph, and then select ''Supporting & Related Material'' in the Document Type column. We will post public comments in our online docket. Additional information is on the *https://www.regulations.gov* Frequently Asked Questions web page.

Personal information. We accept anonymous comments. Comments we post to *https://www.regulations.gov* will include any personal information you have provided. For more about privacy and submissions to the docket in response to this document, see DHS's eRulemaking System of Records notice (85 FR 14226, March 11, 2020).

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 is proposing to amend 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; Department of Homeland Security Delegation No. 00170.1, Revision No. 01.4.

■ 2. Add § 165.T07–0610 to read as follows:

§ 165.T07–0610 Safety Zone; Bayfront Park 4th of July Fireworks Display, Intercoastal Waterway, Biscayne Bay, Miami, FL.

(a) *Location.* The following area is a safety zone: All waters of Biscayne Bay, from surface to bottom, within 250-yard radius of position 25°46′29.67″ N 80°10′54.86″ W in the Intercoastal Waterway portion of Biscayne Bay in Miami, FL. These coordinates are based on the World Geodetic System (WGS 84).

(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 Miami (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) 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 who can be reached on VHF–FM channel 16 or by telephone at (305) 535–4472.

(d) *Enforcement period.* This section will be enforced from approximately 11:10 p.m. on July 4, 2026, through 12:10 a.m. on July 5, 2026.

C.J. Barger,

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

[FR Doc. 2026–10871 Filed 5–29–26; 8:45 am]

BILLING CODE 9110–04–P

Notices

Federal Register
Vol. 91, No. 104
Monday, June 1, 2026

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

DEPARTMENT OF AGRICULTURE

Food and Nutrition Service

Agency Information Collection Activities: FNS 245—SNAP Negative Case Action Review Schedule

AGENCY: Food and Nutrition Service (FNS), USDA.

ACTION: Notice.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, this notice invites the public to comment on this proposed information collection. This collection is a reinstatement with revision of a currently expired information collection. This information collection, the FNS–245, Negative Case Action Review Schedule, is designed to collect quality control (QC) data and serve as the data entry form for negative case action QC reviews in the Supplemental Nutrition Assistance Program (SNAP). Revisions to the form, its instructions, and burden hours are within. Upon OMB approval of the reinstatement request, FNS will continue to collect this necessary information.

DATES: Written comments must be received on or before July 31, 2026.

ADDRESSES: Comments may be sent to: John McCleskey, Food and Nutrition Service, U.S. Department of Agriculture, 1320 Braddock Place, 5th Floor, Alexandria, VA 22314. Comments may also be submitted via email to *SM.FN.SNAPQCRules-ICR@usda.gov* or may also be accepted through the Federal eRulemaking Portal. Go to *http://www.regulations.gov,* and follow the online instructions for submitting comments electronically.

All responses to this notice will be summarized and included in the request for Office of Management and Budget approval. All comments will be a matter of public record.

FOR FURTHER INFORMATION CONTACT: Requests for additional information or copies of this information collection should be directed to John McCleskey at 703–457–7747.

SUPPLEMENTARY INFORMATION:

Comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions that were used; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on those who are to respond, including use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

Title: FNS–245: SNAP Negative Case Action Review Schedule.

Form Number: FNS–245.

OMB Control Number: 0584–0034.

Expiration Date: December 31, 2024.

Type of Request: Reinstatement with revision of an expired collection.

Abstract: The FNS–245, Negative Case Action Review Schedule, is designed to collect quality control (QC) data and serve as the data entry form for negative case action QC reviews in the Supplemental Nutrition Assistance Program (SNAP). State agencies complete the FNS–245 for each negative case in their QC sample. The number of responses for reporting and recordkeeping increased from 177,230 to 191,515 responses; a total increase of 14,285 responses due to the increase in number of cases selected for negative review. The reporting and recordkeeping burden associated with the completion of the FNS–245 has increased from approximately 112,491.43 hours to 121,597 hours. The 9,105-hour increase in the total burden is largely a result of an administrative adjustment due to the increase in total SNAP negative action case selections for review from 34,322 cases in fiscal year (FY) 2018 to 38,303 cases in FY 2024 and to a program change to add 0.025 hour for one new code to report household zip code. A summary of the revised reporting and recordkeeping estimates are below, along with a revision of the burden table.

The program is making additional revisions to the form that do not impact burden. These include:

—Clarification that Section I must be submitted to FNS for the QC review process, though the information contained within will not be part of the official Federal record of FNS 245 data, which is permanently retained per Federal record requirements.
—In Section II, instead of three case classification codes for item 9, there will now be two—included or excluded from the error rate calculation.
—For Section III,
—Existing elements 111, 130, 162, 365 and 413 include terminology updates for accuracy, and elements 313 and 540 are now 314 and 541 to align with the element numbering on the active QC forms, FNS 380-Worksheet for active QC reviews (OMB 0584–0074, currently expired and undergoing renewal) and FNS 380–1, the Review Schedule for Active cases (OMB 0584–0299, expiration 9–30–26).
—Item 10a, Disposition of the review, code 3, is revised to indicate the review cannot be processed since no electronic or paper records exist.
—Item 14d's code 99 is revised to code 00 to correct the numerical association with the code description.
—Items 17 and 18 now have four new possible elements for variance identification: Element 214—Substantial Lottery or Gambling Winnings, 362—Homeless shelter deduction, 540—Missing Required Reports (Monthly, Quarterly or Periodic Report Forms), and Element 542—Expired Certification Period.

All changes may be reviewed on the form provided with this notice.

Reporting

Affected Public: State, Local and Tribal Government.

Estimated Number of Respondents 53 State Agencies.

Estimated Number of Responses per Respondent 722.70.

Estimated Total Annual Responses: 38,303.

Estimated Time per Response: 3.15 hours.

Estimated Total Annual Burden on Respondents: 120,692.75.

Recordkeeping

Affected Public: State, Local and Tribal Government.

Estimated Number of Respondents 53 State Agencies.

Estimated Number of Responses per Respondent 722.70.

Estimated Total Annual Responses: 38,303.

Estimated Time per Response: 0.0236 hour.

Estimated Total Annual Burden on Respondents: 903.95.

Grand Total Reporting and Recordkeeping Annual Burden: 121,597.

REPORTING AND RECORDKEEPING BURDEN FOR STATE AGENCIES FNS 245, OMB 0584–0034

Regulation	Description of activity	Number of respondents	Estimated frequency number of negative sample cases per respondent	Estimated total annual responses	Hours per response	Estimated total annual burden hours	Previous submission total hours	Difference due to program changes	Difference due to adjustments
Reporting Burden									
275.13(b)	Household Case Record Review.	53	722.70	38,303.00	1.50	57,492.8030	53,169.00	.....	4,323.8030
275.13(c)	Error analysis	53	722.70	38,303.00	1.15	44,048.4500	40,762.90	.....	3,285.5500
275.13(d)	Reporting of review findings.	53	722.70	38,303.00	0.25	9,575.7500	8,861.50	.....	714.2500
275.13(e)	Disposition of case review	53	722.70	38,303.00	0.25	9,575.7500	8,861.50	.....	714.2500
Total Reporting Burden		53	2,890.79	153,212.00	3.1510	120,692.75	111,654.90	.....	9,037.85
Recordkeeping Burden									
275.4	Record Retention	53	722.70	38,303.00	0.0236	903.9508	836.5256	.....	67.4252
Total Recordkeeping Burden		53	722.70	38,303.00	0.0236	903.9508	836.5256	.....	67.4252
Total Reporting and Recordkeeping Burden		53	3,613	191,515	1.5750	121,597	112,491	.....	9,105

Patrick A. Penn,

Deputy Under Secretary, Food, Nutrition, and Consumer Services, U.S. Department of Agriculture.

[FR Doc. 2026–10828 Filed 5–29–26; 8:45 am]

BILLING CODE 3410–30–P

COMMISSION ON CIVIL RIGHTS

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

AGENCY: U.S. Commission on Civil Rights.

ACTION: Notice of public meeting.

SUMMARY: Notice is hereby given, pursuant to the provisions of the rules and regulations of the U.S. Commission on Civil Rights (Commission) and the Federal Advisory Committee Act, that the Wisconsin Advisory Committee (Committee) to the U.S. Commission on Civil Rights will hold a public business meeting via Zoom at 3:30 p.m. CT on Friday, June 5, 2026. The purpose of the meeting is to vote on their study topic.

DATES: Friday, June 5, 2026, from 3:30 p.m.–5:00 p.m. Central Time.

ADDRESSES: The meeting will be held via Zoom Webinar.

Registration Link (Audio/Visual): https://www.zoomgov.com/webinar/register/WN_IN7ZdFsQSiq-1hXCFa65sg.

Join by Phone (Audio Only): 1–833–435–1820 USA Toll-Free; Webinar ID: 165 891 8288 #.

Agenda: https://usccr.box.com/s/5zx3rpaqvowp90fnmsilzpx6jp2rstm9 (Note: Final meeting agenda will be available prior to the meeting date.)

FOR FURTHER INFORMATION CONTACT: Ana Victoria Fortes, Designated Federal Officer, at *afortes@usccr.gov* or (202) 681–0857.

SUPPLEMENTARY INFORMATION: This committee meeting is available to the public through the registration link above. Any interested member of the public may listen to the meeting. An open comment period will be provided to allow members of the public to make a statement as time allows. Per the Federal Advisory Committee Act, public minutes of the meeting will include a list of persons who are present at the meeting. If joining via phone, callers can expect to incur regular charges for calls they initiate over wireless lines, according to their wireless plan. The Commission will not refund any charges incurred. Callers will incur no charge for calls when they initiate over land-line connections to the toll-free telephone number. Closed captioning will be available for individuals who are deaf, hard of hearing, or who have certain cognitive or learning impairments. To request additional accommodations, please email Corrine Sanders, Support Specialist, at *csanders@usccr.gov* at least 10 business days prior to the meeting.

Members of the public are entitled to submit written comments; the comments must be received in the regional office within 30 days following the meeting. Written comments may be emailed to Ana Victoria Fortes at *afortes@usccr.gov.* Persons who desire additional information may contact the Regional Programs Coordination Unit at (202) 681–0857.

Records generated from this meeting may be inspected and reproduced at the Regional Programs Coordination Unit Office, as they become available, both before and after the meeting. Records of the meetings will be available via the file sharing website, *www.box.com,* (*https://usccr.app.box.com/s/r6wz3kfxa5jdlrg44ycky0x4w4tbuhzs*) as well as at *www.facadatabase.gov.* Persons interested in the work of this Committee are directed to the Commission's website, *http://www.usccr.gov,* or may contact the Regional Programs Coordination Unit at the above phone number.

Dated: May 27, 2026.

David Mussatt,

Supervisory Chief, Regional Programs Unit.

[FR Doc. 2026–10821 Filed 5–29–26; 8:45 am]

BILLING CODE 6335–01–P

DEPARTMENT OF COMMERCE

Office of the Secretary

Agency Information Collection Activities; Submission to the Office of Management and Budget (OMB) for Review and Approval; Comment Request; Generic Clearance for Requests for Meetings and Registrations for Events and Conferences

AGENCY: Office of the Secretary, 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 31, 2026.

ADDRESSES: Interested persons are invited to submit written comments by mail to OUSEA, Departmental Paperwork Reduction Act Compliance Officer, *PRAcomments@doc.gov*). Please reference OMB Control Number 0690–0038 in the subject line of your comments. 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 S. Dumas, DOC PRA Compliance Officer, Office of the Under Secretary for Economic Affairs, 14th and Constitution Avenue NW, Washington, DC 20230 or at *PRAcomments@doc.gov.*

SUPPLEMENTARY INFORMATION:

I. Abstract

This is a request for an extension without change of a currently approved collection.

This collection of information is needed to obtain information from respondents who request meetings or appearances with Senior Officials or those who register to participate in DOC events, and conferences. The information is collected by the DOC employees who host the conferences and events, and those who manage calendars for Senior personnel. DOC collects common elements from interested respondents such as name, organization, address, country, phone number, email address, state, city or town, special accommodations requests and how the respondent learned of the event or conference. The information collection element may also include other relevant information. The information is primarily used to assess attendance and assist DOC staff in preparations to serve individuals registering online or for in person events. If applicable, the information collection may be used to collect payment from the respondents and make hotel reservations and other special arrangements as necessary.

II. Method of Collection

The information will be collected in paper format, electronically, verbally or another form that may be appropriate.

III. Data

OMB Control Number: 0690–0038.

Form Number(s): None.

Type of Review: Regular submission. Extension of a currently approved information collection.

Affected Public: Individuals, Business or other for-profit, non-for-profit institutions, Federal Government, State, Local, or Tribal Government.

Estimated Number of Respondents: 51,000.

Estimated Time per Response: 5 to 30 minutes.

Estimated Total Annual Burden Hours: 46,125.

Estimated Total Annual Cost to Public: Nominal.

Respondent's Obligation: Voluntary.

IV. Request for Comments

We are soliciting public comments to permit the Department to: (a) Evaluate whether the proposed information collection is necessary for the proper functions of the Department, including whether the information will have practical utility; (b) Evaluate the accuracy of our estimate of the time and cost burden for this proposed collection, including the validity of the methodology and assumptions used; (c) Evaluate ways to enhance the quality, utility, and clarity of the information to be collected; and (d) Minimize the reporting burden on those who are to respond, including the use of automated collection techniques or other forms of information technology.

Comments that you submit in response to this notice are a matter of public record. We will include or summarize each comment in our request to OMB to approve this ICR. Before including your address, phone number, email address, or other personal identifying information in your comment, you should be aware that your entire comment—including your personal identifying information—may be made publicly available at any time. While you may ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

Sheleen Dumas,

Departmental PRA Compliance Officer, Office of the Under Secretary for Economic Affairs, Commerce Department.

[FR Doc. 2026–10851 Filed 5–29–26; 8:45 am]

BILLING CODE 3510–17–P

DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

[Order No. 2178]

Approval of Subzone Expansion; Phillips 66 Company; Linden, New Jersey

Pursuant to its authority under the Foreign-Trade Zones Act of June 18, 1934, as amended (19 U.S.C. 81a–81u), the Foreign-Trade Zones Board (the Board) adopts the following Order:

Whereas, the Foreign-Trade Zones (FTZ) Act provides for ''. . . the establishment . . . of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes,'' and authorizes the Foreign-Trade Zones Board to grant to qualified corporations the privilege of establishing foreign-trade zones in or adjacent to U.S. Customs and Border Protection ports of entry;

Whereas, the Board's regulations (15 CFR part 400) provide for the establishment of subzones for specific uses;

Whereas, the Port Authority of NY and NJ, grantee of Foreign-Trade Zone 49, has made application to the Board for the expansion of Subzone 49E on behalf of Phillips 66 Company, located in Linden, New Jersey (FTZ Docket B–31–2025, docketed June 16, 2025);

Whereas, notice inviting public comment has been given in the **Federal Register** (90 FR 25993, June 18, 2025) and the application has been processed pursuant to the FTZ Act and the Board's regulations; and,

Whereas, the Board adopts the findings and recommendations of the examiners' memorandum, and finds that the requirements of the FTZ Act and the Board's regulations are satisfied;

Now, Therefore, the Board hereby approves the expansion of Subzone 49E on behalf of Phillips 66 Company in Linden, New Jersey, as described in the application and **Federal Register** notice, subject to the FTZ Act and the Board's regulations, including section 400.13.

Dated: May 22, 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 Alternate Chairman, Foreign-Trade Zones Board.

[FR Doc. 2026–10863 Filed 5–29–26; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

[Order No. 2177]

Designation of New Grantee; Foreign-Trade Zone 181; Akron/Canton, Ohio

Pursuant to its authority under the Foreign-Trade Zones Act of June 18, 1934, as amended (19 U.S.C. 81a–81u), the Foreign-Trade Zones Board (the Board) adopts the following Order:

The Foreign-Trade Zones (FTZ) Board (the Board) has considered the application (docketed June 23, 2025) submitted by the Northeast Ohio Joint Office of Economic Development, grantee of FTZ 181, requesting reissuance of the grant of authority for said zone to the Development Finance Authority of Summit County, which has accepted such reissuance subject to approval by the FTZ Board. Upon review, the Board finds that the requirements of the FTZ Act and the Board's regulations are satisfied, and that the proposal is in the public interest.

Therefore, the Board approves the application and recognizes the Development Finance Authority of Summit County as the new grantee for Foreign-Trade Zone 181, subject to the FTZ Act and the Board's regulations, including section 400.13.

Dated: May 22, 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 Alternate Chairman, Foreign-Trade Zones Board.

[FR Doc. 2026–10868 Filed 5–29–26; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

Agency Information Collection Activities; Submission to the Office of Management and Budget (OMB) for Review and Approval; Comment Request; Self-Certifications Under the Data Privacy Framework Program

The Department of Commerce will submit the following information collection request to the Office of Management and Budget (OMB) for review and clearance in accordance with the Paperwork Reduction Act of 1995, on or after the date of publication of this notice. We invite 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. Public comments were previously requested via the **Federal Register** on February 23, 2026 during a 60-day comment period. This notice allows for an additional 30 days for public comments.

Agency: International Trade Administration, Department of Commerce.

Title: Self-Certifications under the Data Privacy Framework Program.

OMB Control Number: 0625–0280.

Form Number(s): None.

Type of Request: Regular submission, extension of a current information collection.

Number of Respondents: 4,575.

Average Hours per Response: 40 minutes.

Burden Hours: 2,977 hours.

Needs and Uses: The United States, the European Union (EU), the United Kingdom (UK), and Switzerland share a commitment to enhancing privacy protection, the rule of law, and a recognition of the importance of transatlantic data flows to our respective citizens, economies, and societies, but take different approaches to doing so. Given those differences, the Department of Commerce (DOC) developed the EU–U.S. Data Privacy Framework (EU–U.S. DPF), the UK Extension to the EU–U.S. Data Privacy Framework (UK Extension to the EU–U.S. DPF), and the Swiss-U.S. Data Privacy Framework (Swiss-U.S. DPF) in consultation with the European Commission, the UK Government, the Swiss Federal Administration, industry, and other stakeholders. These arrangements were respectively developed to provide U.S. organizations reliable mechanisms for personal data transfers to the United States from the European Union/European Economic Area, the United Kingdom (and, as applicable, Gibraltar), and Switzerland while ensuring data protection that is consistent with EU, UK, and Swiss law.

The DOC issued the EU–U.S. DPF Principles and the Swiss-U.S. DPF Principles, including the respective sets of Supplemental Principles (collectively the Principles) and Annex I of the Principles, as well as the UK Extension to the EU–U.S. DPF under its statutory authority to foster, promote, and develop international commerce (15 U.S.C. 1512). The International Trade Administration (ITA) administers and supervises the Data Privacy Framework program, including by maintaining and making publicly available the Data Privacy Framework List, an authoritative list of U.S. organizations that have self-certified to the DOC and declared their commitment to adhere to the Principles pursuant to the EU–U.S. DPF and, as applicable, the UK Extension to the EU–U.S. DPF, and/or the Swiss-U.S. DPF. On the basis of the Principles, Executive Order 14086, 28 CFR part 201, and accompanying letters and materials, including ITA's commitments regarding the administration and supervision of the Data Privacy Framework program, the European Commission, the UK Government, and the Swiss Federal Administration have respectively recognized the adequacy of the protection provided by the EU–U.S. DPF, the UK Extension to the EU–U.S. DPF, and the Swiss-U.S. DPF thereby enabling personal data transfers from each respective jurisdiction to U.S. organizations participating in the relevant part of the Data Privacy Framework program.

In order to participate in the EU–U.S. DPF and, as applicable, the UK Extension to the EU–U.S. DPF, and/or the Swiss-U.S. DPF an organization must (a) be subject to the investigatory and enforcement powers of the Federal Trade Commission (FTC), the Department of Transportation (DOT), or another statutory body that will effectively ensure compliance with the Principles; (b) publicly declare its commitment to comply with the Principles; (c) publicly disclose its privacy policies in line with the Principles; and (d) fully implement them.

To rely on the EU–U.S. DPF and, as applicable, the UK Extension to the EU–U.S. DPF, and/or the Swiss-U.S. DPF an organization must self-certify its adherence to the Principles to the DOC, and both be placed and remain on the Data Privacy Framework List. Such organizations' commitment to comply with the Principles must be reflected in

their self-certification submissions to the DOC and in their privacy policies. Organizations that only wish to self-certify their compliance pursuant to the EU–U.S. DPF and/or the Swiss-U.S. DPF may do so; however, organizations that wish to participate in the UK Extension to the EU–U.S. DPF must participate in the EU–U.S. DPF. The DOC will update the Data Privacy Framework List on the basis of annual re-certification submissions made by participating organizations and by removing organizations when they voluntarily withdraw, fail to complete the annual re-certification in accordance with the DOC's procedures, or are found to persistently fail to comply. The DOC will also maintain and make available to the public an authoritative record of U.S. organizations that have been removed from the Data Privacy Framework List and will identify the reason each organization was removed. The aforementioned authoritative list and record will remain available to the public on the DOC's Data Privacy Framework program website. An organization's failure to comply with the Principles after its self-certification is enforceable by the FTC under Section 5 of the Federal Trade Commission (FTC) Act prohibiting unfair or deceptive acts in or affecting commerce (15 U.S.C. 45); by the DOT under 49 U.S.C. 41712 prohibiting a carrier or ticket agent from engaging in an unfair or deceptive practice in air transportation or the sale of air transportation; or under other laws or regulations prohibiting such acts.

To initially self-certify or subsequently re-certify for the EU–U.S. DPF and, as applicable, UK Extension to the EU–U.S. DPF, and/or the Swiss-U.S. DPF, an organization must on each occasion provide to the DOC a submission that contains the relevant information specified in the Principles. The submission must be made via the DOC's Data Privacy Framework program website by an individual within the organization who is authorized to make representations on behalf of the organization and any of its covered U.S. entities regarding its adherence to the Principles. Such an organization must respond promptly to inquiries and other requests for information from the DOC relating to the organization's adherence to the Principles.

ITA has committed to follow up with organizations that have been or wish to be removed from the Data Privacy Framework List. ITA will direct organizations that allow their self-certifications to lapse to verify whether they intend to re-certify or instead intend to withdraw. An organization that intends to re-certify will be required to further verify to the DOC that during the lapse of its certification status it applied the Principles to relevant personal data received in reliance on its participation in the Data Privacy Framework program and clarify what steps it will take to address the outstanding issues that have delayed its re-certification. An organization that intends to withdraw will be required to further verify to the DOC what it will do and/or has done (as applicable) with the relevant personal data that it received in reliance on its participation in the Data Privacy Framework program and who within the organization will serve as an ongoing point of contact for Principles-related questions. Organizations will be required to provide such verification to the DOC by completing and submitting appropriate questionnaires to the DOC.

ITA has also committed to conduct compliance reviews on an ongoing basis, including, as appropriate, through sending detailed questionnaires to participating organizations. The DOC will require that a participating organization complete and submit to the DOC such a questionnaire when: (a) the DOC has received any specific, non-frivolous complaints about the organization's compliance with the Principles; (b) the organization does not respond satisfactorily to inquiries by the DOC for information relating to the organization's adherence to the Principles; or (c) there is credible evidence that the organization does not comply with its commitments under the EU–U.S. DPF and, as applicable, the UK Extension to the EU–U.S. DPF, and/or the Swiss-U.S. DPF.

Affected Public: Primarily businesses or other for-profit organizations.

Frequency: Annual and periodic.

Respondent's Obligation: Voluntary.

Legal Authority: The DOC's statutory authority to foster, promote, and develop the foreign and domestic commerce of the United States (15 U.S.C. 1512).

This information collection request may be viewed at *www.reginfo.gov.* Follow the instructions to view the Department of Commerce collections currently under review by OMB.

Written comments and recommendations for the proposed 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 the title of the collection.

Sheleen Dumas,

Departmental PRA Compliance Officer, Office of the Under Secretary for Economic Affairs, Commerce Department.

[FR Doc. 2026–10853 Filed 5–29–26; 8:45 am]

BILLING CODE 3510–DR–P

DEPARTMENT OF COMMERCE

International Trade Administration

Initiation of Five-Year (Sunset) Reviews

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: In accordance with the Tariff Act of 1930, as amended (the Act), the U.S. Department of Commerce (Commerce) is automatically initiating the five-year reviews (Sunset Reviews) of the antidumping duty (AD) and countervailing duty (CVD) orders and suspended investigations listed below. The U.S. International Trade Commission (ITC) is publishing concurrently with this notice its notice of *Institution of Five-Year Reviews* which covers the same orders and suspended investigations.

DATES: Applicable May 29, 2026.

FOR FURTHER INFORMATION CONTACT: Commerce official identified in the *Initiation of Review* section below at AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230. For information from the ITC, contact Mary Messer, Office of Investigations, U.S. International Trade Commission at (202) 205–3193.

SUPPLEMENTARY INFORMATION:

Background

Commerce's procedures for the conduct of Sunset Reviews are set forth in its *Procedures for Conducting Five-Year (Sunset) Reviews of Antidumping and Countervailing Duty Orders,* 63 FR 13516 (March 20, 1998) and 70 FR 62061 (October 28, 2005). Guidance on methodological or analytical issues relevant to Commerce's conduct of Sunset Reviews is set forth in *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Duty Proceedings; Final Modification,* 77 FR 8101 (February 14, 2012).

Initiation of Review

In accordance with section 751(c) of the Act and 19 CFR 351.218(c), we are initiating the Sunset Reviews of the following AD and CVD orders and suspended investigations:

Commerce case No.	ITC case No.	Country	Product	Commerce contact
Antidumping Duty Proceedings				
A–570–849 ..	731–TA–753	China	Cut-to-Length Steel Plate (5th Review)	Thomas Martin, (202) 482–3938.
A–570–020 ..	731–TA–1262 ...	China	Melamine (2nd Review)	Mary Kolberg (202) 482–1785.
A–570–962 ..	731–TA–1173 ...	China	Potassium Phosphate Salts (3rd Review)	Thomas Martin (202) 482–3938.
A–570–129 ..	731–TA–1521 ...	China	Walk-Behind Lawn Mowers (1st Review)	Emily Kutsko, (202) 482–6276.
A–427–831 ..	731–TA–1534 ...	France	Methionine (1st Review)	Thomas Martin, (202) 482–3938.
A–588–879 ..	731–TA–1535 ...	Japan	Methionine (1st Review)	Thomas Martin, (202) 482–3938.
A–580–908 ..	731–TA–1517 ...	Korea	Passenger Vehicle and Light Truck Tires (1st Review)	Emily Kutsko, (202) 482–6276.
A–821–808 ..	731–TA–754	Russia	Cut-to-Length Carbon Steel Plate (5th Review)	Mary Kolberg, (202) 482–1785.
A–469–822 ..	731–TA–1536 ...	Spain	Methionine (1st Review)	Thomas Martin, (202) 482–3938.
A–583–869 ..	731–TA–1518 ...	Taiwan	Passenger Vehicle and Light Truck Tires (1st Review)	Emily Kutsko, (202) 482–6276.
A–549–842 ..	731–TA–1519 ...	Thailand	Passenger Vehicle and Light Truck Tires (1st Review)	Emily Kutsko, (202) 482–6276.
A–552–830 ..	731–TA–1522 ...	Vietnam	Walk-Behind Lawn Mowers (1st Review)	Emily Kutsko, (202) 482–6276.
Countervailing Duty Proceedings				
C–570–021 ..	701–TA–526	China	Melamine (2nd Review)	Mary Kolberg, (202) 482–1785.
C–570–963 ..	701–TA–473	China	Potassium Phosphate Salts (3rd Review)	Mary Kolberg, (202) 482–1785.
C–570–130 ..	701–TA–648	China	Walk-Behind Lawn Mowers (1st Review)	Emily Kutsko, (202) 482–6276.
C–552–829 ..	701–TA–647	Vietnam	Passenger Vehicle and Light Truck Tires (1st Review)	Mary Kolberg, (202) 482–1785.
Suspended Investigations				
A–823–808 ..	731–TA–756	Ukraine	Cut-to-Length Carbon Steel Plate (5th Review)	Emily Kutsko, (202) 482–6276.

Filing Information

As a courtesy, we are making information related to sunset proceedings, including copies of the pertinent statute and Commerce's regulations, Commerce's schedule for Sunset Reviews, a listing of past revocations and continuations, and current service lists, available to the public on Commerce's website at the following address: *https://enforcement.trade.gov/sunset/.* All submissions in these Sunset Reviews must be filed in accordance with Commerce's regulations regarding format, translation, and service of documents. These rules, including electronic filing requirements via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS), can be found at 19 CFR 351.303.

In accordance with section 782(b) of the Act, any party submitting factual information in an AD/CVD proceeding must certify to the accuracy and completeness of that information. Parties must use the certification formats provided in 19 CFR 351.303(g). Commerce intends to reject factual submissions if the submitting party does not comply with applicable revised certification requirements.

Letters of Appearance and Administrative Protective Orders

Pursuant to 19 CFR 351.103(d), Commerce will maintain and make available a public service list for these proceedings. Parties wishing to participate in any of these five-year reviews must file letters of appearance as discussed at 19 CFR 351.103(d). To facilitate the timely preparation of the public service list, it is requested that those seeking recognition as interested parties to a proceeding submit an entry of appearance within 10 days of the publication of the Notice of Initiation. Because deadlines in Sunset Reviews can be very short, we urge interested parties who want access to proprietary information under administrative protective order (APO) to file an APO application immediately following publication in the **Federal Register** of this notice of initiation. Commerce's regulations on submission of proprietary information and eligibility to receive access to business proprietary information under APO can be found at 19 CFR 351.304–306. Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.[1]

[1] *See Temporary Rule Modifying AD/CVD Service Requirements Due to* COVID–19, 85 FR 41363 (July 10, 2020).

Information Required From Interested Parties

Domestic interested parties, as defined in sections 771(9)(C), (D), (E), (F), and (G) of the Act and 19 CFR 351.102(b), wishing to participate in a Sunset Review must respond not later than 15 days after the date of publication in the **Federal Register** of this notice of initiation by filing a notice of intent to participate. The required contents of the notice of intent to participate are set forth at 19 CFR 351.218(d)(1)(ii). In accordance with Commerce's regulations, if we do not receive a notice of intent to participate from at least one domestic interested party by the 15-day deadline, Commerce will automatically revoke the order without further review.[2]

If we receive an order-specific notice of intent to participate from a domestic interested party, Commerce's regulations provide that *all parties* wishing to participate in a Sunset Review must file complete substantive responses not later than 30 days after the date of publication in the **Federal Register** of this notice of initiation. The required contents of a substantive response, on an order-specific basis, are set forth at 19 CFR 351.218(d)(3). Note that certain information requirements differ for respondent and domestic

[2] *See* 19 CFR 351.218(d)(1)(iii).

parties. Also, note that Commerce's information requirements are distinct from the ITC 's information requirements. Consult Commerce's regulations for information regarding Commerce's conduct of Sunset Reviews. Consult Commerce's regulations at 19 CFR part 351 for definitions of terms and for other general information concerning antidumping and countervailing duty proceedings at Commerce. Note that Commerce has amended certain of its requirements pertaining to the service of documents in 19 CFR 351.303(f).[3] An electronically filed document must be received successfully in its entirety by ACCESS by 5:00 p.m. Eastern Time on the day on which it is due.

In prior proceedings we have encouraged interested parties to provide an executive summary of their comments, including footnotes. In these sunset reviews, we request that interested parties provide at the beginning of their comments, an executive summary for each issue raised in their comments. Further, we request that interested parties limit their public executive summary of each issue to no more than 450 words, not including citations. We intend to use the public executive summaries as the basis of the comment summaries included in the decision memorandum that will accompany the notice to be published in the **Federal Register**. Finally, we request that interested parties include footnotes for relevant citations in the public executive summary of each issue.

Notification to Interested Parties

This notice of initiation is being published in accordance with section 751(c) of the Act and 19 CFR 351.218(c).

Dated: May 27, 2026.

Scot Fullerton,

Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

[FR Doc. 2026–10941 Filed 5–29–26; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Advance Notification of Sunset Review

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

Background

Every five years, pursuant to the Tariff Act of 1930, as amended (the Act), the U.S. Department of Commerce (Commerce) and the U.S. International Trade Commission automatically initiate and conduct reviews to determine whether revocation of an antidumping duty or countervailing duty order or termination of an investigation suspended under section 704 or 734 of the Act would be likely to lead to continuation or recurrence of dumping or a countervailable subsidy (as the case may be) and of material injury.

Upcoming Sunset Reviews for July 2026

Pursuant to section 751(c) of the Act, the following Sunset Reviews are scheduled for initiation in July 2026 and will appear in that month's *Notice of Initiation of Five-Year Sunset Reviews* (Sunset Review).

	Commerce contact
Antidumping Duty Proceedings Commerce Contact	
Ironing Tables from China, A–570–888 (4th Review)	Emily Kutsko, (202) 482–6276.
Magnesia Carbon Bricks from China, A–570–954 (3rd Review)	Thomas Martin, (202) 482–3938.
Metal Lockers from China, A–570–133 (1st Review)	Mary Kolberg, (202) 482–1785.
Utility Scale Wind Towers from India, A–533–897 (1st Review)	Thomas Martin, (202) 482–3938.
Utility Scale Wind Towers from Malaysia, A–557–821 (1st Review)	Thomas Martin, (202) 482–8374.
Magnesia Carbon Bricks from Mexico, A–201–837 (3rd Review)	Thomas Martin, (202) 482–3938.
Utility Scale Wind Towers from Spain, A–469–823 (1st Review)	Thomas Martin, (202) 482–8374.
Seamless Refined Copper Pipe and Tube from Vietnam, A–552–831 (1st Review)	Thomas Martin, (202) 482–3938.
Countervailing Duty Proceedings	
Magnesia Carbon Bricks from China, C–570–955 (3rd Review)	Mary Kolberg, (202) 482–1785.
Metal Lockers from China,C–570–134 (1st Review)	Mary Kolberg, (202) 482–1785.
Utility Scale Wind Towers from India, C–533–898 (1st Review)	Mary Kolberg, (202) 482–1785.
Utility Scale Wind Towers from Malaysia, C–557–822 (1st Review)	Thomas Martin, (202) 482–8374.
Suspended Investigations	
No Sunset Reviews of suspended investigations are scheduled for initiation in July 2026.	

Commerce's procedures for the conduct of Sunset Reviews are set forth in 19 CFR 351.218. The *Notice of Initiation of Five-Year* (*Sunset) Review* provides further information regarding what is required of all parties to participate in Sunset Reviews.

Pursuant to 19 CFR 351.103(c), Commerce will maintain and make available a service list for these proceedings. To facilitate the timely preparation of the service lists, it is requested that those seeking recognition as interested parties to a proceeding contact Commerce in writing within 10 days of the publication of the Notice of Initiation.

Note that if Commerce receives a Notice of Intent to Participate from a member of the domestic industry within 15 days of the date of initiation, the review will continue.

Thereafter, any interested party wishing to participate in the Sunset Review must provide substantive comments in response to the notice of initiation no later than 30 days after the date of initiation. Note that Commerce has amended certain of its requirements pertaining to the service of documents in 19 CFR 351.303(f).[1] An electronically-filed document must be received successfully in its entirety via Commerce's online e-filing and document management system, Antidumping and Countervailing Duty

[3] *See Administrative Protective Order, Service, and Other Procedures in Antidumping and Countervailing Duty Proceedings; Final Rule,* 88 FR 67069 (September 29, 2023)

[1] *See Administrative Protective Order, Service, and Other Procedures in Antidumping and Countervailing Duty Proceedings; Final Rule,*88 FR 67069 (September 29, 2023).

Electronic Service System (ACCESS) by 5:00 p.m. Eastern Time on the day on which it is due. For further information on procedures for filing information with Commerce through ACCESS, refer to User Guide found at *https://access.trade.gov/help.*

In prior proceedings we have encouraged interested parties to provide an executive summary of their comments, including footnotes. In these sunset reviews, we request that interested parties provide, at the beginning of their comments, an executive summary for each issue raised in their comments. Further, we request that interested parties limit their public executive summary of each issue to no more than 450 words, not including citations. We intend to use the public executive summaries as the basis of the comment summaries included in the decision memorandum that will accompany the notice to be published in the **Federal Register**. Finally, we request that interested parties include footnotes for relevant citations in the public executive summary of each issue.

Notification to Interested Parties

This notice is not required by statute but is published as a service to the international trading community.

Dated: May 27, 2026.

Scot Fullerton,

Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

[FR Doc. 2026–10942 Filed 5–29–26; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

United States-Mexico-Canada Agreement (USMCA), Article 10.12: Binational Panel Review: Notice of Request for Panel Review

AGENCY: United States Section, USMCA Secretariat, International Trade Administration, Department of Commerce

ACTION: Notice of USMCA request for panel review.

SUMMARY: A Request for Panel Review was filed in the matter of Certain oil country tubular goods originating in or exported from the United States with the Canadian Section of the USMCA Secretariat on May 4, 2026. The Request for Panel Review was filed on behalf of Maverick Tube Corporation. The USMCA Secretariat has assigned case number CDA–USA–2026–10.12–01 to this request.

FOR FURTHER INFORMATION CONTACT: Vidya Desai, United States Secretary, USMCA Secretariat, Room 2061, 1401 Constitution Avenue NW, Washington, DC 20230, 202–482–5438.

SUPPLEMENTARY INFORMATION: The final result of the investigation under review were determined by the Canadian Border Services Agency and was published in the Canada Gazette on April 4, 2026 (Canada Gazette, Part I, Vol. 160, No. 14).

Article 10.12 of Chapter 10 of USMCA provides a dispute settlement mechanism involving trade remedy determinations issued by the Government of the United States, the Government of Canada, and the Government of Mexico. Following a Request for Panel Review, a Binational Panel is composed to review the trade remedy determination being challenged and issue a binding Panel Decision. There are established USMCA *Rules of Procedure for Article 10.12 (Binational Panel Reviews),* which were adopted by the three governments for panels requested pursuant to Article 10.12(2) of USMCA which requires Requests for Panel Review to be published in accordance with Rule 40. For the complete Rules, please see *https://can-mex-usa-sec.org/secretariat/agreement-accord-acuerdo/usmca-aceum-tmec/rules-regles-reglas/article-article-articulo_10_12.aspx?lang=eng.*

The Rules provide that:

(a) A Party or interested person may challenge the final determination in whole or in part by filing a Complaint in accordance with Rule 44 no later than 30 days after the filing of the first Request for Panel Review (the deadline for filing a Complaint is June 3, 2026);

(b) A Party, an investigating authority or other interested person who does not file a Complaint but who intends to participate in the panel review shall file a Notice of Appearance in accordance with Rule 45 no later than 45 days after the filing of the first Request for Panel Review (the deadline for filing a Notice of Appearance is June 18, 2026);

(c) The panel review will be limited to the allegations of error of fact or law, including challenges to the jurisdiction of the investigating authority, that are set out in the Complaints filed in the panel review and to the procedural and substantive defenses raised in the panel review.

Dated: May 27, 2026.

Vidya Desai,

United States Secretary, USMCA Secretariat.

[FR Doc. 2026–10819 Filed 5–29–26; 8:45 am]

BILLING CODE 3510–GT–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–533–869]

Certain New Pneumatic Off-the-Road Tires From India: Preliminary Results and Rescission, in Part, of Antidumping Duty Administrative Review; 2024–2025

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that producers/exporters subject to this review made sales of subject merchandise at less than normal value (NV) during the period of review (POR), March 1, 2024, through February 28, 2025. In addition, we are rescinding the review with respect to 25 companies. Interested parties are invited to comment on these preliminary results of review.

DATES: Applicable June 1, 2026.

FOR FURTHER INFORMATION CONTACT: Maria Papakostas or Seth Brown, AD/CVD Operations, Office IX, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–0086 or (202) 482–0029, respectively.

SUPPLEMENTARY INFORMATION:

Background

On April 28, 2025, based on timely requests for review, in accordance with 19 CFR 351.221(c)(1)(i), we initiated an administrative review of the antidumping duty order on certain new pneumatic off-the-road tires (OTR tires) from India.[1] On June 2, 2025, Commerce selected ATC Tires Private Ltd.; ATC Tires AP Private Limited (collectively, ATC) and Mahansaria Tyres Private Limited (MTPL) as the mandatory respondents in this review.[2]

Due to the lapse in appropriations and Federal Government shutdown, on November 14, 2025, Commerce tolled all deadlines in administrative

[1] *See Initiation of Antidumping and Countervailing Duty Administrative Reviews,* 90 FR 17568 (April 28, 2025); and *Initiation of Antidumping and Countervailing Duty Administrative Reviews,* 90 FR 26967 (June 25, 2025) (where Commerce corrected the names for two companies). *See also Certain New Pneumatic Off-the-Road Tires from India: Antidumping Duly Order,* 82 FR 12553 (March 6, 2017) (*Order*); and *Certain New Pneumatic Off-the-Road Tires from India: Notice of Correction to Antidumping Duty Order,* 82 FR 25598 (June 2, 2017).

[2] *See* Memorandum, ''Respondent Selection,'' dated June 2, 2025.

proceedings by 47 days.[3] Additionally, due to a backlog of documents that were electronically filed via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS) during the Federal Government shutdown, on November 24, 2025, Commerce tolled all deadlines in administrative proceedings by an additional 21 days.[4] On January 22, 2026, we extended the deadline for the preliminary results of this review.[5] On April 14, 2026, we further extended the deadline for the preliminary results of this review to no later than May 26, 2026.[6]

For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.[7] A list of the topics discussed in the Preliminary Decision Memorandum is attached as 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 Order

The merchandise subject to the *Order* is OTR tires from India. For a complete description of the scope of the *Order, see* the Preliminary Decision Memorandum.

Rescission of Administrative Review, in Part

Pursuant to 19 CFR 351.213(d)(3), it is Commerce's practice to rescind an administrative review of an antidumping duty order where it concludes that there were no suspended entries of subject merchandise during the POR.[8] Normally, upon completion of an administrative review, the suspended entries are liquidated at the antidumping duty assessment rate for the review period.[9] Therefore, for an administrative review to be conducted, there must be a reviewable, suspended entry that Commerce can instruct U.S. Customs and Border Protection (CBP) to liquidate at the AD assessment rate calculated for the POR.[10] Commerce notified all interested parties of its intent to rescind the instant review regarding the companies listed in Appendix III because there were no reviewable, suspended entries of subject merchandise from these companies during the POR and invited interested parties to comment.[11] No party commented on this memorandum. In the absence of any suspended entries of subject merchandise from these companies during the POR, we are rescinding this administrative review for the companies listed in Appendix III, in accordance with 19 CFR 351.213(d)(3).

Methodology

Commerce is conducting this review in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act). Export price and constructed export price are calculated in accordance with section 772 of the Act. NV is calculated in accordance with section 773 of the Act. For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum.

Rate for Non-Individually Examined Companies

The Act and Commerce's regulations do not address the establishment of a rate to apply to companies not selected for individual examination when Commerce limits its examination in an administrative review pursuant to section 777A(c)(2) of the Act. Generally, Commerce looks to section 735(c)(5) of the Act, which provides instructions for calculating the all-others rate in a market economy investigation, for guidance when calculating the rate for companies which were not selected for individual examination in an administrative review.

Under section 735(c)(5)(A) of the Act, the all-others rate is normally an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding any rates that are zero, *de minimis* (*i.e.,* less than 0.5 percent), or determined entirely on the basis of facts available. Where the weighted-average dumping margin for each of the individually examined companies is zero, *de minimis,* or based entirely on facts available, section 735(c)(5)(B) of the Act provides that Commerce may use ''any reasonable method to establish the estimated all-others rate for exporters and producers not individually investigated, including averaging the estimated weighted-average dumping margins determined for the exporters and producers individually investigated.''

In this administrative review, we preliminarily calculated weighted-average dumping margins for the mandatory respondents, ATC and MTPL, that are not zero, *de minimis,* or based entirely on facts available. Accordingly, we are preliminarily assigning to the companies under review that were not selected for individual examination a weighted-average dumping margin equal to the weighted average of the estimated weighted-average dumping margins calculated for ATC and MTPL, weighted by the mandatory respondents' publicly ranged total sales values, consistent with the guidance in section 735(c)(5)(A) of the Act.[12]

[3] *See* Memorandum, ''Deadlines Affected by the Shutdown of the Federal Government,'' dated November 14, 2025.

[4] *See* Memorandum, ''Tolling of all Case Deadlines,'' dated November 24, 2025.

[5] *See* Memorandum, ''Extension of Deadline for Preliminary Results for 2024–2025 Antidumping Duty Administrative Review,'' dated January 22, 2026.

[6] *See* Memorandum, ''Second Extension of Deadline for Preliminary Results of 2024–2025 Antidumping Duty Administrative Review,'' dated April 14, 2026.

[7] *See* Memorandum, ''Decision Memorandum for the Preliminary Results of the Administrative Review of the Antidumping Duty Order on Certain New Pneumatic Off-The-Road Tires from India; 2024–2025,'' dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

[8] *See, e.g., Certain Carbon and Alloy Steel Cut-to Length Plate from the Federal Republic of Germany: Recission of Antidumping Administrative Review; 2020–2021,* 88 FR 4154 (January 24, 2023).

[9] *See* 19 CFR 351.212(b)(1).

[10] *See, e.g., Shanghai Sunbeauty Trading Co.* v. *United States,* 380 F.Supp.3d 1328, 1337 (CIT 2019) (referring to section 751(a) of the Act, the U.S. Court of International Trade held that ''{w}hile the statute does not explicitly require that an entry be suspended as a prerequisite for establishing entitlement to a review, it does explicitly state the determined rate will be used as the liquidation rate for the reviewed entries. This result can only obtain if the liquidation of entries has been suspended''); *see also Certain Frozen Fish Fillets from the Socialist Republic of Vietnam: Final Results of Antidumping Duty Administrative Review and Final Determination of No Shipments; 2018–2019,* 86 FR 36102, and accompanying Issues and Decision Memorandum at Comment 4; and *Solid Fertilizer Grade Ammonium Nitrate from the Russian Federation: Notice of Rescission of Antidumping Duty Administrative Review,* 77 FR 65532 (October 29, 2012) (noting that ''for an administrative review to be conducted, there must be a reviewable, suspended entry to be liquidated at the newly calculated assessment rate'').

[11] *See* Memorandum, ''Notice of Intent to Rescind Review, In Part,'' dated August 14, 2025.

[12] With two respondents under examination, Commerce normally calculates: (A) a weighted-average of the dumping margins calculated for the examined respondents; (B) a simple average of the dumping margins calculated for the examined respondents; and (C) a weighted-average of the dumping margins calculated for the examined respondents using each company's publicly ranged U.S. sale quantities for the merchandise under consideration. Commerce then compares (B) and (C) to (A) and selects the rate closest to (A) as the most appropriate rate for all other producers and exporters. *See, e.g., Ball Bearings and Parts Thereof from France, Germany, Italy, Japan, and the United Kingdom: Final Results of Antidumping Duty Administrative Reviews, Final Results of Changed-Circumstances Review, and Revocation of an Order in Part,* 75 FR 53661, 53663 (September 1, 2010).

Preliminary Results of Review

As a result of this review, we preliminarily determine the following estimated weighted-average dumping margin exists for the period March 1, 2024, through February 28, 2025:

Producer/ exporter	Weighted-average dumping margin (percent)
ATC Tires Private Ltd.; ATC Tires AP Private Limited ...	2.01
Mahansaria Tyres Private Limited	1.07
Review-Specific Rate for Non-Selected Companies [13]	1.87

Disclosure

Commerce intends to disclose its calculations and analysis performed to interested parties for these preliminary results within five days of any public announcement or, if there is no public announcement, within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b).

Verification

As provided in section 782(i)(3) of the Act, Commerce intends to verify ATC's reported information relied upon in issuing its final results.

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance no later than seven days after the date on which the last verification report is issued in this review. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than five days after the date for filing case briefs.[14] Interested parties who submit case briefs or rebuttal briefs in this proceeding must submit: (1) a table of contents listing each 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 public executive summary of each issue to no more than 450 words, not including citations. We intend to use the public executive summaries as the basis of the comment summaries included in the issues and decision memorandum that will accompany the final results in this administrative review. We request that interested parties include footnotes for relevant citations in the public executive summary of each issue. Note that Commerce has amended certain of its requirements pertaining to the service of documents in 19 CFR 351.303(f).[17]

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically via ACCESS by 5:00 p.m. Eastern Time within 30 days after the date of publication of this notice. Requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants and whether any participant is a foreign national; and (3) a list of issues to be discussed. Oral presentations at the hearing will be limited to issues raised in the briefs. If a request for a hearing is made, Commerce will inform parties of the scheduled date for the hearing.[18]

Assessment Rates

Pursuant to section 751(a)(2)(A) of the Act and 19 CFR 351.212(b)(1), Commerce will determine, and CBP shall assess, antidumping duties on all appropriate entries of subject merchandise in accordance with the final results of this review.

If ATC's and MTPL's weighted-average dumping margins are not zero or *de minimis* (*i.e.,* less than 0.50 percent) in the final results of this review, Commerce intends to calculate importer-specific assessment rates on the basis of the ratio of the total amount of dumping calculated for each importer's examined sales to the total entered value of those sales. Where we do not have entered values for all U.S. sales to a particular importer, we will calculate an importer-specific, per-unit assessment rate on the basis of the ratio of the total amount of dumping calculated for the importer's examined sales to the total quantity of those sales.[19] To determine whether an importer-specific, per-unit assessment rate is *de minimis,* in accordance with 19 CFR 351.106(c)(2), we also will calculate an importer-specific *ad valorem* ratio based on estimated entered values. If ATC's and/or MTPL's weighted-average dumping margin is zero or *de minimis* or where an importer-specific *ad valorem* assessment rate is zero or *de minimis,* we will instruct CBP to liquidate appropriate entries without regard to antidumping duties.[20]

In accordance with Commerce's ''automatic assessment'' practice, for entries of subject merchandise during the POR produced by ATC or MTPL for which they did not know that the merchandise was destined for the United States, we intend to instruct CBP to liquidate those entries at the all-others rate calculated in the less-than-fair-value (LTFV) investigation if there is no rate for the intermediate company(ies) involved in the transaction.[21]

For the companies listed in Appendix II which were not selected for individual review, we will assign an assessment rate based on the review-specific rate, calculated as noted in the ''Rate for Non-Individually Examined Companies'' section, above. The final results of this 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.[22]

For the companies listed in Appendix III for which the review is being rescinded, Commerce will instruct CBP to assess antidumping duties on all appropriate entries. Antidumping duties shall be assessed at rates equal to the cash deposit rate for estimated antidumping duties required at the time of entry, or withdrawal from warehouse, for consumption, in accordance with 19 CFR 351.212(c)(1)(i). Commerce intends to issue rescission instructions to CBP no earlier than 35 days after the date of

See also Memorandum, ''Calculation of the Review-Specific Average Rate for the Preliminary Results of the 2024–2025 Administrative Review of the Antidumping Duty Order on Certain New Pneumatic Off-the-Road Tires from India,'' dated concurrently with this notice.

[13] The exporters or producers not selected for individual review are listed in Appendix 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 Procedures*).

[15] *See* 19 CFR 351.309(c)(2) and (d)(2).

[16] We use the term ''issue'' here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

[17] *See APO and Service Procedures.*

[18] *See* 19 CFR 351.310(d).

[19] *See* 19 CFR 351.212(b)(1).

[20] *See* 19 CFR 351.106(c)(2); *see also Antidumping Proceeding: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings; Final Modification,* 77 FR 8101, 8103 (February 14, 2012).

[21] For a full discussion of this practice, *see Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties,* 68 FR 23954 (May 6, 2003).

[22] *See* section 751(a)(2)(C) of the Act.

publication of this notice in the **Federal Register**.

Commerce intends to issue assessment instructions to CBP regarding ATC, MTPL, and the companies listed in Appendix II no earlier than 35 days after the date of publication of the final results of this review in the **Federal Register**. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.,* within 90 days of publication).

Cash Deposit Requirements

The following deposit requirements will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(2)(C) of the Act: (1) the cash deposit rate for the companies listed above will be that established in the final results of this review, except if the rate is less than 0.50 percent and, therefore, *de minimis* within the meaning of 19 CFR 351.106(c)(1), in which case the cash deposit rate will be zero; (2) for previously investigated or reviewed companies not covered by this review, the cash deposit rate will continue to be the company-specific cash deposit rate published for the most recently completed segment of this proceeding in which the company participated; (3) if the exporter is not a firm covered in this review, or the 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 manufacturers or exporters will continue to be zero percent, the all-others rate established in the LTFV investigation.[23] These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping and/or countervailing duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping and/or countervailing duties occurred and the subsequent assessment of double antidumping duties, and/or an increase in the amount of antidumping duties by the amount of the countervailing duties.

Notification to Interested Parties

We are issuing and publishing these preliminary results of review in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.221(b)(4).

Dated: May 26, 2026.

Christopher Abbott,

Deputy Assistant Secretary for Policy and Negotiations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance.

Appendix I

List of Topics Discussed in the Preliminary Decision Memorandum

I. Summary
II. Background
III. Scope of the *Order*
IV. Discussion of the Methodology
V. Recommendation

Appendix II

Review-Specific Rate Applicable to Companies Not Selected for Individual Review

1. Apollo Tyres Ltd.
2. Asian Tire Factory Ltd.; Lyallpur Rubber Mills
3. Ceat Ltd.
4. Emerald Resilient Tyre Manufacturer
5. HRI Tires India
6. Innovative Tyres & Tubes Limited
7. JK Tyres & Industries Ltd.
8. K.R.M. Tyres
9. MRF Limited
10. MRL Tyres Limited aka Malhotra Rubbers Ltd.
11. Speedways Rubber Company
12. TOT Tyres Private Limited
13. TVS Srichakra Limited

Appendix III

Companies With No Reviewable Entries Rescinded From Review

1. Aakriti Manufacturing Pvt. Ltd.
2. Ace Ventura Tyres and Tracks
3. Ammann India Private Limited
4. Asha Rubber Industries
5. Asiatic Tradelinks Private Limited
6. Balkrishna Industries Ltd.
7. Braza Tyres Pvt Ltd.
8. Carrier Wheels Private Limited
9. Cavendish Industries Ltd.
10. Celite Tyre Corporation
11. Faucon Industries
12. Forech India Private Limited
13. John Deere India Pvt. Ltd.
14. Neosym Industry Limited
15. OTR Laminated Tyres (I) Pvt. Ltd.
16. Ralson Tyres Limited
17. Royal Tyres Private Limited
18. Rubberman Enterprises Pvt. Ltd.
19. Sun Tyres And Wheel Systems
20. Sundaram Industries Private Limited
21. Superking Manufacturers (Tyre) Pvt., Ltd.
22. Trident International Pvt. Ltd.
23. Tyre Experts LLP
24. Ultra Mile
25. Viaz Tyres Limited

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[23] *See Order.*

DEPARTMENT OF COMMERCE

International Trade Administration

[A–588–869]

Diffusion-Annealed, Nickel-Plated Flat-Rolled Steel Products From Japan: Notice of Court Decision Not in Harmony With the Results of Antidumping Administrative Review; Notice of Amended Final Results

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: On May 22, 2026, the U.S. Court of International Trade (CIT) issued its final judgment in *Toyo Kohan Co., Ltd.* v. *United States,* Consol. Court no. 24–00261, sustaining the Department of Commerce's (Commerce's) remand results pertaining to the administrative review of the antidumping duty (AD) order on diffusion-annealed, nickel-plated flat-rolled steel products (nickel-plated steel products) from Japan covering the period May 1, 2022, through April 30, 2023. Commerce is notifying the public that the CIT's final judgment is not in harmony with Commerce's final results of the administrative review, and that Commerce is amending the final results with respect to the dumping margin assigned to Toyo Kohan Co., Ltd (Toyo Kohan).

DATES: Applicable June 1, 2026.

FOR FURTHER INFORMATION CONTACT: Lilit Astvatsatrian, AD/CVD Operations, Office IX, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–6412.

SUPPLEMENTARY INFORMATION:

Background

On December 3, 2024, Commerce published its *Final Results* in the 2022–2023 AD review of nickel-plated steel products from Japan, in which Commerce calculated a weighted-average dumping margin of 4.44 percent.[1]

[1] *See Diffusion-Annealed, Nickel-Plated Flat-Rolled Steel Products from Japan: Final Results of Antidumping Duty Administrative Review; 2022–2023,* 89 FR 95735 (December 3, 2024) (*Final Results*).

Toyo Kohan appealed Commerce's *Final Results.* On October 24, 2025, the CIT remanded the *Final Results* to Commerce, directing that: (1) Commerce's use of shipment date as the date of sale for Toyo Kohan's U.S. sales was unsupported by substantial evidence; and (2) Commerce perform its differential pricing analysis consistent with the U.S. Court of Appeals for the Federal Circuit's (Federal Circuit) opinion in *Marmen*.[2]

In its final remand redetermination, issued in February 2026, Commerce: (1) provided further explanation regarding its use of the earlier of the shipment or invoice date as the date of sale for Toyo Kohan's U.S. sales; and (2) discontinued the use of the Cohen's *d* test and adopted the ''price difference test'' to determine whether prices differ significantly, revising Toyo Kohan's estimated weighted-average dumping margin from 4.44 percent to 4.58 percent.[3] The CIT sustained Commerce's final redetermination.[4]

Timken Notice

In its decision in *Timken,*[5] as clarified by *Diamond Sawblades,*[6] the Federal Circuit held that, pursuant to section 516A(c) and (e) of the Tariff Act of 1930, as amended (the Act), Commerce must publish a notice of court decision that is not ''in harmony'' with a Commerce determination and must suspend liquidation of entries pending a ''conclusive'' court decision. The CIT's May 22, 2026, judgment constitutes a final decision of the CIT that is not in harmony with Commerce's *Final Results.* Thus, this notice is published in fulfillment of the publication requirements of *Timken.*

Amended Final Results

Because there is now a final court judgment, Commerce is amending its *Final Results* with respect to Toyo Kohan as follows:

Producer and/or exporter	Weighted-average dumping margin (percent)
Toyo Kohan Co., Ltd.	4.58

Cash Deposit Requirements

Because Toyo Kohan has a superseding cash deposit rate, *i.e.,* there have been final results published in a subsequent administrative review, we will not issue revised cash deposit instructions to U.S. Customs and Border Protection (CBP). This notice will not affect the current cash deposit rate.

Liquidation of Suspended Entries

At this time, Commerce remains enjoined by CIT order from liquidating entries that: were produced and/or exported by Toyo Kohan and were entered, or withdrawn from warehouse, for consumption during the period May 1, 2022, through April 30, 2023. These entries will remain enjoined pursuant to the terms of the injunction during the pendency of any appeals process.

In the event the CIT's ruling is not appealed, or, if appealed, upheld by a final and conclusive court decision, Commerce intends to instruct CBP to assess antidumping duties on unliquidated entries of subject merchandise produced/exported by Toyo Kohan in accordance with 19 CFR 351.212(b). We will instruct CBP to assess antidumping duties on all appropriate entries covered by this review when the importer-specific *ad valorem* assessment rate is not zero or *de minimis.* Where an import-specific *ad valorem* assessment rate is zero or *de minimis,*[7] we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties.

Notification to Interested Parties

This notice is issued and published in accordance with sections 516A(c) and (e) and 777(i)(1) of the Act.

Dated: May 27, 2026.

Christopher Abbott,

Deputy Assistant Secretary for Policy and Negotiations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance.

[FR Doc. 2026–10867 Filed 5–29–26; 8:45 am]

BILLING CODE 3510–DS–P

[2] *See Toyo Kohan Co., Ltd.* v. *United States,* Consol. Court No. 24–00261, Slip Op. 25–141 (CIT October 24, 2025) (citing *Marmen Inc.* v. *United States,* 134 F.4th 1334, 1345 (Fed. Cir. 2025) (*Marmen*)).

[3] *See Final Results of Redetermination Pursuant to Court Remand, Toyo Kohan Co., Ltd.* v. *United States,* Consol. Court No. 24–00261, dated February 18, 2026 (*Final Remand*).

[4] *See Toyo Kohan Co., Ltd.* v. *United States,* Consol. Court No. 24–00261, Slip Op. 26–54 (CIT May 22, 2026).

[5] *See Timken Co.* v. *United States,* 893 F.2d 337 (Fed. Cir. 1990) (*Timken*).

[6] *See Diamond Sawblades Manufacturers Coalition* v. United States, 626 F.3d 1374 (Fed. Cir. 2010) (*Diamond* Sawblades).

[7] *See* 19 CFR 351.106(c)(2).

DEPARTMENT OF COMMERCE

International Trade Administration

[A–580–902]

Utility Scale Wind Towers From the Republic of Korea: Final Results of Antidumping Duty Administrative Review; 2023–2024

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) determines that utility scale wind towers (wind towers) from the Republic of Korea (Korea) were made at less than normal value during the period of review (POR) August 1, 2023, through July 31, 2024.

DATES: Applicable June 1, 2026.

FOR FURTHER INFORMATION CONTACT: Anne Entz, AD/CVD Operations, Office IX, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–3845.

SUPPLEMENTARY INFORMATION:

Background

This review covers one producer/exporter of the subject merchandise, Dongkuk S&C Co., Ltd. (Dongkuk). On January 23, 2026, Commerce published the *Preliminary Results* and invited interested parties to comment.[1]

For a complete description of the events that occurred since the *Preliminary Results, see* the Issues and Decision Memorandum.[2] The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at *https://access.trade.gov.* In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at *https://access.trade.gov/frnotices.*

Commerce conducted this administrative review in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act).

[1] *See Utility Scale Wind Towers from the Republic of Korea: Preliminary Results and Rescission, in Part, of Antidumping Duty Administrative Review; 2023–2024,* 91 FR 2907 (January 23, 2026) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum.

[2] *See* Memorandum, ''Issues and Decision Memorandum for the Final Results of the 2023–2024 Administrative Review of the Antidumping Duty Order on Utility Scale Wind Towers from the Republic of Korea,'' dated concurrently with, and herby adopted by, this notice (Issues and Decision Memorandum).

Scope of the Order [3]

The merchandise subject to the *Order* is wind towers from Korea. For a complete description of the scope of the *Order, see* the Issues and Decision Memorandum.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs are listed in the appendix to this notice and addressed in the Issues and Decision Memorandum.

Changes Since the Preliminary Results

Based on a review of the record and comments received from interested parties regarding our *Preliminary Results,* we made no changes to the margin calculations for Dongkuk. For further discussion, *see* the Issues and Decision Memorandum.

Final Results of Review

We determine that the following weighted-average dumping margin exists for the period August 1, 2023, through July 31, 2024:

Producer/exporter	Weighted-average dumping margin (percent)
Dongkuk S&C Co., Ltd	4.99

Disclosure

Normally, Commerce will disclose to interested parties the calculations of the final results of an administrative review within five days of a public announcement or, if there is no public announcement, within five days of the date of publication of the notice of final results in the **Federal Register**, in accordance with 19 CFR 351.224(b). However, because we made no changes to the *Preliminary Results* calculations, there are no new calculations to disclose.

Assessment Rates

Pursuant to section 751(a)(2)(C) of the Act, and 19 CFR 351.212(b)(1), Commerce has determined, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries of subject merchandise in accordance with the final results of this review.

Pursuant to 19 CFR 351.212(b)(1), because Dongkuk reported the entered value of its U.S. sales, we calculated importer-specific *ad valorem* duty assessment rates based on the ratio of the total amount of dumping calculated for the examined sales to the total entered value of the sales for which entered value was reported. Where an importer-specific assessment rate is zero or *de minimis,* we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties.

Commerce's ''automatic assessment'' practice will apply to entries of subject merchandise during the POR produced by Dongkuk for which the company did not know that the merchandise it sold to the intermediary (*e.g.,* a reseller, trading company, or exporter) was destined for the United States. In such instances, we will instruct CBP to liquidate unreviewed entries at the all-others rate (*i.e.,* 5.41 percent),[4] if there is no rate for the intermediate company(ies) involved in the transaction.[5]

Commerce intends to issue liquidation instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the **Federal Register**. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.,* within 90 days of publication).

Cash Deposit Requirements

The following cash deposit requirements will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(2)(C) of the Act: (1) the cash deposit rate for Dongkuk will be equal to the weighted-average dumping margin established in the final results of this review; (2) for previously investigated or reviewed companies not listed above, the cash deposit rate will continue to be the company-specific cash deposit rate published for the most recently completed segment of this proceeding in which the company participated; (3) if the exporter is not a firm covered in this review, or the less-than-fair-value (LTFV) investigation, but the producer is, then the cash deposit rate will be the cash deposit rate established for the most recently completed segment for the producer of the merchandise; and (4) the cash deposit rate for all other producers or exporters will continue to be 5.41 percent, the all-others rate established in the LTFV investigation.[6] These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

Administrative Protective Order (APO)

This notice serves as the only reminder to parties subject to an APO of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3), which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

Notification to Interested Parties

We are issuing and publishing these results in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: May 26, 2026.

Christopher Abbott,

Deputy Assistant Secretary for Policy and Negotiations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Issues and Decision Memorandum

I. Summary
II. Background
III. Scope of the Order
IV. Discussion of the Issues
Comment 1: Dongkuk's General and Administrative (G&A) Expense Ratio Calculation
Comment 2: Whether to Reconsider the Sources for Constructed Value (CV) Profit and Selling Expenses

[3] *See Initiation of Antidumping and Countervailing Duty Administrative Reviews,* 86 FR 55811 (October 7, 2021); *see also Utility Scale Wind Towers from Canada, Indonesia, the Republic of Korea, and the Socialist Republic of Vietnam: Antidumping Duty Orders,* 85 FR 52546, 52547 (August 26, 2020) (*Order*).

[4] *See Order,* 85 FR at 52547; *see also Utility Scale Wind Towers from Canada, Indonesia, the Republic of Korea, and the Socialist Republic of Vietnam: Notice of Correction to the Antidumping Duty Orders,* 85 FR 56213 (September 11, 2020) (correcting the date that the provisional measures period expired).

[5] For a full discussion of the ''automatic assessment'' practice, *see Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties,* 68 FR 23954 (May 6, 2003).

[6] *See Order,* 85 FR at 52547.

Comment 3: Whether to Reallocate Dongkuk's ''Construction Team'' Expenses as G&A Expenses
V. Recommendation

[FR Doc. 2026–10865 Filed 5–29–26; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

[RTID 0648–XF810]

North Pacific Fishery Management Council; Public Meeting

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

ACTION: Notice of public meeting.

SUMMARY: The Center of Independent Experts (CIE) review of the Annual Deployment Plan for Observers and Electronic Monitoring in the Groundfish and Halibut Fisheries of Alaska will be held June 16, 2026, through June 18, 2026.

DATES: The meeting will be held on June 16, 2026, through June 18, 2026, inclusive, from 8:30 a.m. to 5 p.m. Pacific Time.

ADDRESSES: The meeting will be in-person only and will be held in the Traynor Room at the Alaska Fishery Science Center, Sand Point Way NE, Building 4, Seattle, WA 98115. If you plan to attend, you need to notify Jason Jannot (*Jason.jannot@noaa.gov*) at least 2 days prior to the meeting (or 2 weeks prior if you are a foreign national). You will also need a valid U.S. Identification Card.

FOR FURTHER INFORMATION CONTACT: Alaska Fishery Science Center staff; email: *Jason.jannot@noaa.gov;* phone: (360) 358–3992.

SUPPLEMENTARY INFORMATION:

Agenda

Tuesday, June 16, 2026, Through Thursday, June 18, 2026

The CIE will review the Annual Deployment Plan for Observers and Electronic Monitoring in the Groundfish and Halibut Fisheries off Alaska to review the following documents:

(1) Final 2026 Annual Deployment Plan for Observers and Electronic Monitoring in the Partial Coverage Groundfish and Halibut Fisheries off Alaska posted at *https://www.fisheries.noaa.gov/resource/document/2026-annual-deployment-plan-observers-and-electronic-monitoring-groundfish-and*

(2) Draft 2024 Annual Deployment Plan posted at *https://meetings.npfmc.org/CommentReview/DownloadFile?p=51211978-5915-46d3-90e6-5237fe95c3c8.pdf&fileName=C2%20Draft%202024%20Annual%20Deployment%20Plan.pdf.*

(3) Development and Implementation of a Fully Randomized Sampling Design for a Fishery Monitoring Program posted at *http://dx.doi.org/10.7755/FB.118.1.8.*

(4) North Pacific Observer Program 2025 Annual Report posted at *https://meetings.npfmc.org/CommentReview/DownloadFile?p=7acd8d8b-0935-4bbd-98e4-9f87f02f2171.pdf&fileName=C1%202025%20Observer%20Program%20Annual%20Report.pdf.*

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

Dated: May 26, 2026.

Rey Israel Marquez,

Acting Deputy Director, Office of Sustainable Fisheries, National Marine Fisheries Service.

[FR Doc. 2026–10823 Filed 5–29–26; 8:45 am]

BILLING CODE 3510–22–P

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 26–0V]

Arms Sales Notification

AGENCY: Defense Security Cooperation Agency (DSCA), Department of Defense (DoD).

ACTION: Arms sales notice.

SUMMARY: The Department of War (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 26–0V.

Dated: May 28, 2026.

Stephanie J. Bost,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

Transmittal No. 26–0V

REPORT OF ENHANCEMENT OR UPGRADE OF SENSITIVITY OF TECHNOLOGY OR CAPABILITY (SEC. 36(B)(5)(C), AECA)

(i) *Prospective Purchaser*: Government of the United Arab Emirates

(ii) *Sec. 36(b)(1), AECA Transmittal No.*: 19–37

Date: May 3, 2019

Implementing Agency: Army

Funding Source: National Funds

(iii) *Description:* On May 3, 2019, Congress was notified by congressional certification transmittal number 19–37 of the possible sale, under Section 36(b)(1) of the Arms Export Control Act, of up to four hundred fifty-two (452) Patriot Advanced Capability 3 (PAC–3) Missile Segment Enhancement (MSE). Also included were tools and test equipment; support equipment; publications and technical documentation; personnel training and training equipment; spare and repair parts; facility design; U.S. Government and contractor technical, engineering, and logistics support services; and other related elements of logistics and program support. The estimated total value was $2.728 billion. Major Defense Equipment (MDE) constituted $2.70 billion of this total.

On September 28, 2021, Congress was notified by congressional certification transmittal number 21–0C of the inclusion of an additional five hundred ten (510) PAC–3 MSE (included 10 fly-to-buy missiles). The following non-MDE items were also included: tools and test equipment; support equipment; publications and technical documentation; personnel training and training equipment; spare and repair parts; facility design; U.S. Government and contractor technical, engineering, and logistics support services; and other related elements of logistics, sustainment, and program support. The estimated MDE value was increased by $2.728 billion to a revised $5.428. The estimated total case value was increased by $3.172 billion to a revised $5.90 billion. MDE constituted $5.428 billion of this total.

On March 19, 2026, Congress was notified by congressional certification transmittal number 25–0I of the increase in value due to cost increases. There were no additional MDE or non-MDE items reported with this notification. The estimated total value of MDE increased by $5.532 billion for a revised estimated value of $10.96 billion. The estimated total case value increased by $5.56 billion to a revised total estimated case value of $11.46 billion. MDE constituted $10.96 billion of this total.

This transmittal notifies the inclusion of the following MDE items: six hundred (600) PAC–3 MSE; one hundred fifty (150) Patriot MIM–104E Guidance Enhanced Missiles (GEM–T) with canisters; and twenty-five (25) M903 launching stations. The following non-MDE items will also be included: tools and test equipment; support equipment; publications and technical

documentation; personnel training and training equipment; spare and repair parts; facility design; U.S. Government and contractor technical, engineering, and logistics support services; and other related elements of logistics and program support. The estimated total value of the new items is $6.25 billion. The estimated MDE value will increase by $6 billion to a revised $16.96 billion. The estimated non-MDE value will increase by $0.25 billion to a revised $0.75 billion. The estimated total case value will increase by $6.25 billion to a revised $17.71 billion. MDE constitutes $16.96 billion of this total.

(iv) *Significance*: This notification accounts for requested additional MDE and non-MDE items not included in the original notification. The inclusion of this MDE represents an increase in capability over what was previously notified. The proposed sale will support the United Arab Emirates' ability to maintain reserve stock of PAC–3 MSE and GEM–T to ensure adequate defense capabilities.

(v) *Justification*: This proposed sale will support the foreign policy and national security objectives of the United States by helping to improve the security of an important regional partner. The United Arab Emirates continues to be a vital U.S. partner for political stability and economic progress in the Middle East.

(vi) *Sensitivity of Technology*:

The Sensitivity of Technology Statement contained in the original notification applies to the additional items reported here.

The highest level of classification of defense articles, components, and services included in this potential sale is SECRET.

(vii) *Date Report Delivered to Congress*: May 1, 2026

[FR Doc. 2026–10954 Filed 5–29–26; 8:45 am]

BILLING CODE 6001–FR–P

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 26–16]

Arms Sales Notification

AGENCY: Defense Security Cooperation Agency (DSCA), Department of Defense (DoD).

ACTION: Arms sales notice.

SUMMARY: The Department of War (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 26–16 and Policy Justification.

Dated: May 28, 2026.

Stephanie J. Bost,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

Transmittal No. 26–16

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 Tunisia

(ii) (U) *Total Estimated Value:*

Major Defense Equipment *	$ 0
Other	$95 million
TOTAL	$95 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-Major Defense Equipment:

Border Reaction Unit commercial vehicles; vehicular radios; base stations; border surveillance and relay tower thermal cameras; radars; microwaves; perimeter cameras; long-term evolution systems; shelters; environmental sensors; generators; solar systems; personal radiation detector ''pagers''; explosive detector; Fido X3; chemical detector; Progeny ResQ; radiation detector; Identifier R400–NGH; range finder; binoculars; search light; tow strap; jumper cables; road spikes; first aid kit; and tactical thermal imagers; command and control hardware and software; common operating picture software; operations center hardware; spare parts; border surveillance site preparation; installation; configuration, integration and testing services; vehicular integration services; warranties; and repair and return and in-country training.

(iv) (U) *Military Department:* Army (TU–B–UVU).

(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:* None.

(viii) (U) *Date Report Delivered to Congress:* April 23, 2026.

* as defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

(U) Tunisia—Border Security Project Phase III

(U) The Government of Tunisia has requested to buy the following non-major defense equipment items: Border Reaction Unit commercial vehicles; vehicular radios; base stations; border surveillance and relay tower thermal cameras; radars; microwaves; perimeter cameras; long-term evolution systems; shelters; environmental sensors; generators; solar systems; personal radiation detector ''pagers''; explosive detector; Fido X3; chemical detector; Progeny ResQ; Radiation detector; Identifier R400–NGH; range finder; binoculars; search light; tow strap; jumper cables; road spikes; first aid kit; tactical thermal imagers; command and control hardware and software; common operating picture software; operations center hardware; spare parts; border surveillance site preparation; installation; configuration, integration and testing services; vehicular integration services; warranties; repair and return; and in-country training. The total estimated cost is $95 million.

(U) This proposed sale will support the foreign policy and national security of the United States by helping to improve the defense capabilities and capacity of a major non-NATO ally, which is an important force for political stability and economic progress in North Africa.

(U) The proposed sale will improve Tunisia's long-term defense capacity to defend its sovereignty and territorial integrity, and to meet its national defense requirements. Tunisia will have no difficulty absorbing this equipment 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 contractors will be L3 Harris, located in Melbourne, FL; and Toyota, located in Plano, TX. 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 temporary duty of seven (7) additional U.S. Government and fifteen (15) U.S. contractor representatives to Tunisia for the

duration of 30 days a year for up to five years 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.

[FR Doc. 2026–10949 Filed 5–29–26; 8:45 am]

BILLING CODE 6001–FR–P

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 26–CR]

Arms Sales Notification

AGENCY: Defense Security Cooperation Agency (DSCA), Department of Defense (DoD).

ACTION: Arms sales notice.

SUMMARY: The Department of War (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–CR, Policy Justification, and Sensitivity of Technology.

Dated: May 28, 2026.

Stephanie J. Bost,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

Transmittal No. 26–CR

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 * ..	$1.5 billion
Other	$1.0 billion
TOTAL	$2.5 billion

Funding Source: National Funds

(iii) *Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:*

Major Defense Equipment (MDE):

Six (6) dismounted Integrated Battle Command System (IBCS) engagement operations centers (EOCs)

Two (2) hosted IBCS EOCs

Six (6) dismounted IBCS integrated collaborative environments (ICEs)

Two (2) hosted IBCS ICEs

Fourteen (14) mounted IBCS integrated fire control network relays

Eight (8) engagement control station to radar interface unit modification kits

Thirty-five (35) launcher integrated network kit on enhanced launcher electronic system (ELES) kits

Twenty-four (24) KIV 77 or 79 identification, friend or foe encryptors

Non-MDE:

The following non-MDE items will also be included: communications equipment; tools and test equipment; support equipment; generators; vehicles; transportation; construction; publications and technical documentation; training equipment including the air defense reconfigurable trainer; spare and repair parts; personnel training; technical assistance field team; U.S. Government and contractor technical assistance and services, IBCS Phase 2 planning, engineering, and logistics support services; systems integration and checkout; field office support; and other related elements of logistics and program support.

(iv) *Military Department:* Army (KU–B–UZJ)

(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:* May 1, 2026

* as defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

Kuwait—Integrated Battle Command System Enabled Phased Array Tracking Radar to Intercept on Target

The Government of Kuwait has requested to purchase six (6) dismounted Integrated Battle Command System (IBCS) engagement operations centers (EOC); two (2) hosted IBCS EOCs; six (6) dismounted IBCS integrated collaborative environments (ICE); two (2) hosted IBCS ICEs; fourteen (14) mounted IBCS integrated fire unit modification kits; thirty-five (35) launcher integrated network kits on enhanced launcher electronic system kits; and twenty-four (24) KIV 77 or 79 identification, friend or foe encryptors. The following non-major defense equipment items will also be included: communications equipment; tools and test equipment; support equipment; generators; vehicles; transportation; publications and technical documentation; training equipment including the air defense reconfigurable trainer; spare and repair parts; personnel training; technical assistance field team; U.S. Government and contractor technical assistance and services, IBCS Phase 2 planning, engineering, and logistics support services; systems integration and checkout; transportation; field office support; and other related elements of logistics and program support. The estimated total cost is $2.5 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 the procurement of the Lower Tier Air and Missile Defense sensor radar system combined with the integration of the IBCS as the command and control and thereby providing a layered 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 contractors will be Northrop Grumman, located in Falls Church, VA; RTX Corporation, located in Arlington, VA; and Lockheed-Martin, located in Dallas, TX. 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(s).

Implementation of this proposed sale will not require permanent assignment of any additional U.S. Government or contractor representatives to Kuwait.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

Transmittal No. 26–CR

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 Configuration 3+ Increment 3 Radar Interface Unit (RIU) provides operational control of the Phased Array Tracking Radar to Intercept on Target (PATRIOT) MPQ–65 radar set (RS). The RIU is an adapted PATRIOT AN/MSQ–132 Configuration 3+ Increment 3 engagement control station with a PATRIOT A-kit modification added. The RIU exchanges componentized PATRIOT sensor messages with the Integrated Battle Command System (IBCS) B-side component, either the engagement operations center (EOC) or the integrated fire control network (IFCN) relay, via the AB interface control document (ICD) directed messages. These messages include tracking measurement data, feature data, engagement support, uplink and downlink support, state and mode transition, radar status, initialization data, etc. The RIU converts AB ICD messages into internal current force PATRIOT RS radar action messages and radar response messages, allowing the radar resident portion of the PATRIOT componentized sensor to remain unchanged.

2. The Army Integrated Air and Missile Defense (AIAMD) IBCS adapts existing and forthcoming air and missile defense (AMD) sensors, weaponry, and mission command technologies into a unified defense system. This integration facilitates a comprehensive air picture, enhances defended areas, and provides flexible deployment options. The IBCS serves as the command-and-control solution (C4ISR) for AIAMD, providing net centric, plug & fight (P&F), and system-of-systems command, control, communications, computers, intelligence, surveillance, and reconnaissance. IBCS comprises two primary components: the EOC and the IBCS IFCN relays. The EOC delivers C4ISR functions at battalion, battery, and platoon levels within the AMD task force. Both the EOC and IFCN relays are equipped with a P&F B-Kit, enabling AIAMD weapon and sensor components to operate within the networked system. These components connect via an A-Kit to interface with the IBCS B-Kit.

3. The Integrated Battle Command System (IBCS) enhances defense effectiveness by using composite tracks from multiple sensors to provide accurate target tracking and weapon firing solutions. It offers a common engagement center and data sharing across all Army AMD echelons, improving response to threats with near real-time coordination. The AIAMD architecture ensures resilient defense with automatic fail-over and rapid reconfiguration, minimizing single point failures. IBCS supports dynamic defense design, extended range, and non-line-of-sight engagements, reducing coverage gaps, manpower, and costs while improving training capabilities.

4. Identification, friend or foe KIV–77 or KIV–79 encryptors is a combat identification system designed for command and control. It uses a transponder that listens to an interrogation signal and then sends a response that identifies the broadcaster.

5. Six (6) AN/PYQ–10 Simple Key Loader—Lower Tier Air and Missile Defense sensor is an advanced secure cryptographic device, enabling safe distribution and storage of communication security keys.

6. The highest level of classification of defense articles, components, and services included in this potential sale is SECRET.

7. 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.

8. 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.

9. All defense articles and services listed in this transmittal have been authorized for release and export to the Government of Kuwait.

[FR Doc. 2026–10950 Filed 5–29–26; 8:45 am]

BILLING CODE 6001–FR–P

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 26–CM]

Arms Sales Notification

AGENCY: Defense Security Cooperation Agency (DSCA), Department of Defense (DoD).

ACTION: Arms sales notice.

SUMMARY: The Department of War (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–CM, Policy Justification, and Sensitivity of Technology.

Dated: May 28, 2026.

Stephanie J. Bost,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

Transmittal No. 26–CM

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 *	$98.8 million
Other	$48.8 million
TOTAL	$147.6 million

Funding Source: National Funds

(iii) *Description and Quantity or Quantities of Articles or Services Under Consideration for Purchase:*

Major Defense Equipment (MDE):

One thousand five hundred (1,500) Guidance Sections, Single Variant (Air-to-Air), Advanced Precision Kill Weapon System-II

Non-MDE:

The following non-MDE items will also be included: LAU–131 A/A launchers; Mk-152 high explosive warheads; MK66 rocket motors; proximity fuzes; WTU–1/B practice warheads; inert MK66 rocket motors; support equipment; publications and technical documentation; transportation; U.S. Government and contractor engineering, technical, training, and logistical support services; and other related elements of logistics and program support.

(iv) *Military Department:* Navy (AE–P–ABV).

(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:* May 1, 2026.

* as defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

United Arab Emirates—Advanced Precision Kill Weapons System-II

The Government of the United Arab Emirates has requested to buy one thousand five hundred (1,500) guidance

sections, single variant (air-to-air), Advanced Precision Kill Weapon System-II. The following non-major defense equipment items will also be included: LAU–131 A/A launchers; Mk-152 high explosive warheads; MK66 rocket motors; proximity fuzes; WTU–1/B practice warheads; inert MK66 rocket motors; support equipment; publications and technical documentation; transportation; US Government and contractor engineering, technical, training, and logistical support services; and other related elements of logistics and program support. The estimated total cost is $147.6 million.

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 United Arab Emirates is a force for political stability and economic progress in the Middle East.

The proposed sale will improve the United Arab Emirates' capability to meet current and future threats by developing and maintaining a strong and ready self-defense capability and improving interoperability with U.S. forces. The United Arab Emirates 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 BAE Systems, Inc., located in Nashua, NH. 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 the United Arab Emirates.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

Transmittal No. 26–CM

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 Advanced Precision Kill Weapon System-II (APKWS–II) is a design conversion of an unguided Hydra 2.75-inch rocket with a laser guidance kit to give it precision-kill capability. As a relatively low-cost weapon, it is intended as an inexpensive means to destroy targets while limiting collateral damage in close combat. The APKWS consists of an APKWS–II guidance section developed by BAE Systems, a legacy 2.75-inch MK66 Mod 4 rocket motor, a legacy M151 or Mk-152 high explosive warhead, and a Mk435/436-point detonating fuze or M728 proximity fuze. The guided rockets are steered to the target by following reflected laser beam energy directed onto the target either by the launching aircraft, a second aircraft, or ground-based troops operating a laser designator. The APKWS is a tactical rocket system that can be launched from several platforms, including rotary wing, fixed wing, and ground-based vehicles, offering multi-mission, multi-target capability, and precision-strike lethality.

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. 2026–10946 Filed 5–29–26; 8:45 am]

BILLING CODE 6001–FR–P

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 26–0Z]

Arms Sales Notification

AGENCY: Defense Security Cooperation Agency (DSCA), Department of Defense (DoD).

ACTION: Arms sales notice.

SUMMARY: The Department of War (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 26–0Z.

Dated: May 28, 2026.

Stephanie J. Bost,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

Transmittal No. 26–0Z

REPORT OF ENHANCEMENT OR UPGRADE OF SENSITVITY OF TECHNOLOGY OR CAPABILITY (SEC. 36(B)(5)(C), AECA)

(i) *Prospective Purchaser:* Government of Bahrain

(ii) *Sec. 36(B)(1), AECA Transmittal No.:* 19–06

Date: May 3, 2019

Implementing Agency: Army

Funding Source: National Funds

(iii) *Description:* On May 3, 2019, Congress was notified by congressional certification transmittal number 19–06 of the possible sale, under Section 36(b)(1) of the Arms Export Control Act, of sixty (60) Patriot Advanced Capability–3 (PAC–3) Missile Segment Enhancement (MSE) missiles; thirty-six (36) Patriot MIM–104E Guidance Enhanced Missiles (GEM–T) with canisters; nine (9) M903 Launching Stations; five (5) Antenna Mast Groups; three (3) Electrical Power Plants III; two (2) AN/MPQ–65 radar sets; and two (2) AN/MSQ–132 Engagement Control Stations. The following non-major defense equipment (MDE) items were also included: communications equipment; tools and test equipment; range and test programs; support equipment; prime movers; generators; publications and technical documentation; training equipment; spare and repair parts; personnel training; Technical Assistance Field Team (TAFT); U.S. Government and contractor technical, engineering, and logistics support services; Systems Integration and Checkout (SICO); field office support; and other related elements of logistics and program support. The estimated total value was $2.478 billion. MDE constituted $1.445 billion of this total.

This transmittal notifies the inclusion of the following MDE items: one hundred fifty (150) Patriot MIM–104E GEM–T with canisters; and fifty (50) PAC–3 MSE missiles. The following non-MDE items will also be included: communications equipment; tools and test equipment; range and test programs;

support equipment; prime movers; generators; publications and technical documentation; training equipment; spare and repair parts; personnel training; TAFT; U.S. Government and contractor technical, engineering, and logistics support services; SICO; field office support; and other related elements of logistics and program support. The estimated total value of the new items is $1.625 billion. The estimated MDE value will increase by $1.125 billion to a revised $2.57 billion. The estimated non-MDE value will increase by $500 million to a revised $1.533 billion. The estimated total case value will increase by $1.625 billion to a revised $4.103 billion. MDE constitutes $2.57 billion of this total.

(iv) *Significance*: The inclusion of this MDE represents an increase in capability over what was previously notified. The proposed sale will enhance Bahrain's interoperability with the United States. Bahrain will use Patriot missiles to improve its missile defense capability, defend its territorial integrity, and deter regional threats.

(v) *Justification*: This proposed sale will support the foreign policy and national security of the United States by helping to improve the security of a major non-NATO ally that is a force for political stability and economic progress in the Middle East.

(vi) *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) *Date Report Delivered to Congress*: May 1, 2026

[FR Doc. 2026–10920 Filed 5–29–26; 8:45 am]

BILLING CODE 6001–FR–P

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 26–CN]

Arms Sales Notification

AGENCY: Defense Security Cooperation Agency (DSCA), Department of Defense (DoD).

ACTION: Arms sales notice.

SUMMARY: The Department of War (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–CN, Policy Justification, and Sensitivity of Technology.

Dated: May 28, 2026.

Stephanie J. Bost,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

Transmittal No. 26–CN

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 Qatar

(ii) *Total Estimated Value:*

Major Defense Equipment *	$675.2 million
Other	$317.2 million
TOTAL	$992.4 million

Funding Source: National Funds

(iii) *Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:*

Major Defense Equipment (MDE):

Ten thousand (10,000) Advanced Precision Kill Weapon System-II all-up-rounds Advanced (Single Variant)

Non-MDE:

The following non-MDE items will also be included: LAU–131 A/A launchers; Mk-152 high explosive warheads; MK66 rocket motors; proximity fuzes; WTU–1/B practice warheads; inert MK66 rocket motors; support equipment; other support equipment; publications and technical documentation; transportation; U.S. Government and contractor engineering, technical, and logistics support services; and other related elements of logistics and program support.

(iv) *Military Department:* Navy (QA–P–AAI), Air Force (QA–D–QAS)

(v) *Prior Related Cases, if any:* QA–B–WYX

(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:* May 1, 2026

* as defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

Qatar—Advanced Precision Kill Weapon System-II All-Up-Round

The Government of Qatar has requested to buy ten thousand (10,000) Advanced Precision Kill Weapon System-II all-up-rounds advanced (single variant). The following non-major defense equipment items will also be included: LAU–131 A/A launchers; Mk–152 high explosive warheads; MK66 rocket motors; proximity fuzes; WTU–1/B practice warheads; inert MK66 rocket motors; support equipment; other support equipment; publications and technical documentation; transportation; 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 $992.4 million.

This proposed sale will contribute to the foreign policy and national security of the United States by helping to improve the security of a strategic regional partner that has been, and continues to be, an important force for political stability and economic progress in the Middle East.

The proposed sale will improve Qatar's capability to meet current and future threats, strengthen its homeland defense, and serve as a deterrent to regional threats. Qatar 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 BAE Systems, located in Nashua, NH. 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 Qatar.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

Transmittal No. 26–CN

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 Advanced Precision Kill Weapon System-II (APKWS–II) all-up-round is a low cost air-to-air and air-to-ground system that consists of an

APKWS–II guidance section developed by BAE Systems, legacy 2.75-inch MK66 Mod 4 rocket motor, and legacy MK152 and MK435/436 warhead/fuse. The APKWS–II is a tactical rocket system that can be launched from several platforms, offering multi-mission, multi-target capability and precision-strike lethality. These guided rockets are steered to the target by following reflected laser beam energy directed onto the target either by the launching aircraft, a second aircraft, or ground-based troops operating a laser designator.

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 Qatar 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 Qatar.

[FR Doc. 2026–10937 Filed 5–29–26; 8:45 am]

BILLING CODE 6001–FR–P

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 26–1A]

Arms Sales Notification

AGENCY: Defense Security Cooperation Agency (DSCA), Department of Defense (DoD).

ACTION: Arms sales notice.

SUMMARY: The Department of War (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 26–1A.

Dated: May 28, 2026.

Stephanie J. Bost,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

Transmittal No. 26–1A

REPORT OF ENHANCEMENT OR UPGRADE OF SENSITIVITY OF TECHNOLOGY OR CAPABILITY (SEC. 36(B)(5)(C), AECA)

(i) *Prospective Purchaser*: Government of Kuwait

(ii) *Sec. 36(b)(1), AECA Transmittal No.*: 20–16

Date: May 28, 2020

Implementing Agency: Army

Funding Source: National Funds

(iii) *Description*: On May 28, 2020, Congress was notified by congressional certification transmittal number 20–16 of the possible sale, under Section 36(b)(1) of the Arms Export Control Act, of eighty-four (84) Patriot Advanced Capability 3 (PAC–3) Missile Segment Enhancements (MSEs) with canisters; two (2) Patriot MSE test missiles 2-pack per unit of issue; thirty-five (35) remanufactured (upgrades): Patriot modification kit, missile launchers A902+ Series to A903 Series; twenty-six (26) PAC–3 Missile Round Trainer; and twenty-six (26) Empty Round Trainer. The following non-major defense equipment (MDE) items were also included: Flight Test Target—Zombie; PAC–3 missile spares held in Continental United States for repair and return; PAC–3 telemetry kits; training devices; simulators; transportation; organizational equipment; spare and repair parts; support equipment; tools and test equipment; technical data and publications; personnel training and training equipment; U.S. Government and contractor engineering, technical, and logistics support services; and other related elements of logistics support. The estimated total value was $800 million. MDE constituted $700 million of this total.

This transmittal notifies the inclusion of the following MDE items: five hundred (500) PAC–3 MSEs; and five hundred (500) PAC–2 Guidance Enhanced Tactical Missiles (GEM–T) with canisters. The following non-MDE items will also be included: tools and test equipment; support equipment; publications and technical documentation; personnel training and training equipment; spare and repair parts; facility design; U.S. Government and contractor technical, engineering, and logistics support services; and other related elements of logistics, sustainment, and program support. The estimated total value of the new items is $9.3 billion. The estimated MDE value will increase by $8.2 billion to a revised $8.9 billion. The estimated non-MDE value will increase by $1.1 billion to a revised $1.2 billion. The estimated total case value will increase by $9.3 billion to a revised $10.1 billion. MDE constitutes $8.9 billion of this total.

(iv) *Significance*: This notification accounts for requested additional MDE and non-MDE items not included in the original notification. The inclusion of this MDE represents an increase in capability over what was previously notified. This proposed sale will improve Kuwait's capability to strengthen its homeland air defense by better meeting current and future air threats.

(v) *Justification*: 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.

(vi) *Sensitivity of Technology:*

The PAC–2 GEM–T missiles with canisters is a specialized variant of the Patriot Missile Defense System designed to intercept high-speed tactical ballistic missiles, cruise missiles, and enemy aircraft. The GEM–T uses a blast-fragmentation warhead. It detonates in the immediate vicinity of a target to destroy it with shrapnel and explosive force. It uses track-via missile guidance, where the missile relays target data back to the ground radar for processing, and the ground station sends steering commands back to the missile.

The highest level of classification of defense articles, components, and services included in this potential sale is SECRET.

(vii) *Date Report Delivered to Congress*: May 1, 2026

[FR Doc. 2026–10953 Filed 5–29–26; 8:45 am]

BILLING CODE 6001–FR–P

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 26–CG]

Arms Sales Notification

AGENCY: Defense Security Cooperation Agency (DSCA), Department of Defense (DoD).

ACTION: Arms sales notice.

SUMMARY: The Department of War (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–CG, Policy Justification, and Sensitivity of Technology.

Dated: May 28, 2026.

Stephanie J. Bost,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

Transmittal No. 26–CG

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 Qatar

(ii) *Total Estimated Value:*

Major Defense Equipment * ..	$3.95 billion
Other	$0.06 billion
TOTAL	$4.01 billion

Funding Source: National Funds

(iii) *Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:*

Major Defense Equipment (MDE):

Two hundred (200) Phased Array Tracking Radar to Intercept On Target (PATRIOT) Advanced Capability-2 (PAC–2) Guidance Enhanced Missiles-Tactical

Three hundred (300) PATRIOT Advanced Capability-3 (PAC–3) Missile Segment Enhancement

Non-MDE:

The following non-MDE items will also be included: PAC–2 and PAC–3 missile and ground support equipment spare parts; classified and unclassified repair and return; PAC–2 and PAC–3 missile canister consumables; PAC–3 field surveillance program; U. S. Government and contractor technical, engineering, and logistics technical assistance; quality assurance; and other related elements of logistics and program support.

(iv) *Military Department:* Army QA–B–UAH

(v) *Prior Related Cases, if any:* QA–B–UAP

(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:* May 1, 2026

* as defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

Government of Qatar—PATRIOT Missile Replenishment of National Stockpile

The Government of Qatar has requested to buy two hundred (200) Phased Array Tracking Radar to Intercept On Target (PATRIOT) Advanced Capability-2 (PAC–2) Guidance Enhanced Missile-Tactical; and three hundred (300) PATRIOT Advanced Capability-3 (PAC–3) Missile Segment Enhancement. The following non-major defense equipment items will also be included: PAC–2 and PAC–3 missiles and ground support equipment spare parts; classified and unclassified repair and return; PAC–2 and PAC–3 missile canister consumables; PAC–3 field surveillance program; U. S. Government and contractor technical, engineering, and logistics technical assistance; quality assurance; and other related elements of logistics and program support. The estimated total cost is $4.01 billion.

This proposed sale will support the foreign policy and national security objectives of the United States by improving the security of a friendly country that continues to be an important force for political stability and economic progress in the Middle East.

The proposed sale will improve Qatar's capability to meet current and future threats by enabling Qatar to operate in bilateral and multilateral coalition environments and providing enhanced interoperability with U.S. military units for training and defense. Qatar will use the PATRIOT missile system to replenish its missile defense capability, defend its territorial integrity, and deter threats for regional stability.

The proposed sale of this equipment and support will not alter the basic military balance in the region.

The principal contractors will be Lockheed Martin, located in Dallas, TX; and 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 contractors.

Implementation of this proposed sale will not require the assignment of any additional U.S. Government or contractor representatives to Qatar.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

Transmittal No. 26–CG

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 Phased Array Tracking Radar to Intercept On Target (PATRIOT) Advanced Capability (PAC–2) Guidance Enhanced Missiles-Tactical (GEM–T) missile is a specialized variant of the PATRIOT Missile Defense System designed to intercept high-speed tactical ballistic missiles, cruise missiles, and enemy aircraft. The GEM–T uses a blast-fragmentation warhead. It detonates in the immediate vicinity of a target to destroy it with shrapnel and explosive force. Using track-via-missile guidance, the missile relays target data back to the ground radar for processing and the ground station sends steering commands back to the missile.

2. The PATRIOT Advanced Capability (PAC–3) Missile Segment Enhanced (MSE) missile is a small, highly agile, kinetic kill interceptor for defense against tactical ballistic missiles, cruise missiles, and air-breathing threats. The MSE variant of the PAC–3 missile represents the next generation in hit-to-kill interceptors and provides expanded battlespace against evolving threats. The PAC–3 MSE improves upon the original PAC–3 capability with a higher performance solid rocket motor, modified lethality enhancer, more responsible control surfaces, upgraded guidance software, and insensitive munitions improvements.

The PAC–3 MSE missile has sensitive and critical technology primarily in the area of design and production know-how and data inherent to certain components.

3. The highest level of classification of defense articles, components, and services included in this potential sale is SECRET.

4. 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.

5. A determination has been made that Qatar 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.

6. All defense articles and services listed in this transmittal have been authorized for release and export to the Government of Qatar.

[FR Doc. 2026–10948 Filed 5–29–26; 8:45 am]

BILLING CODE 6001–FR–P

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 26–0Q]

Arms Sales Notification

AGENCY: Defense Security Cooperation Agency (DSCA), Department of Defense (DoD).

ACTION: Arms sales notice.

SUMMARY: The Department of War (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 26–0Q.

Dated: May 28, 2026.

Stephanie J. Bost,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

Transmittal No. 26–0Q

REPORT OF ENHANCEMENT OR UPGRADE OF SENSITIVITY OF TECHNOLOGY OR CAPABILITY (SEC. 36(B)(5)(C), AECA)

(i) *Prospective Purchaser:* Government of Bulgaria

(ii) *Sec. 36(b)(1), AECA Transmittal No.:* 22–14

Date: April 4, 2022

Implementing Agency: Air Force

Funding Source: National Funds

(iii) *Description:* On April 4, 2022, Congress was notified by Congressional certification transmittal number 22–14 of the possible sale under Section 36(b)(1) of the Arms Export Control Act, of four (4) F–16 C Block 70 aircraft; four (4) F–16 D Block 70 aircraft; eleven (11) F100–GE–129D engines (8 installed, 3 spares); eleven (11) Improved Programmable Display Generators (8 installed, 3 spares); eleven (11) AN/APG–83 Active Electronically Scanned Array Scalable Agile Beam Radars (8 installed, 3 spares); eleven (11) Modular Mission Computers 7000AH (8 installed, 3 spares); eleven (11) LN–260 or equivalent Embedded Global Positioning System Inertial Navigation Systems with Selective Availability Anti-Spoofing Module and Precise Positioning Service (8 installed, 3 spares); nineteen (19) Advanced Medium Range Air-to-Air Missile (AMRAAM) AIM–120C–7/C–8 or equivalent missiles; two (2) AMRAAM guidance sections; forty-eight (48) LAU–129A launchers (40 installed, 8 spares); twenty-eight (28) GBU–39/B Small Diameter Bombs (SDBs); two (2) SDB Guided Test Vehicles; eleven (11) M61A1 Vulcan cannons (8 installed, 3 spares); four (4) AN/AAQ–33 Sniper Advanced Targeting Pods; twelve (12) Multifunctional Information Distribution System with Joint Tactical Radio Systems (aircraft terminals and ground station terminals) (10 installed, 2 spares); twenty (20) AIM–9X Block II missiles; eight (8) AIM–9X Block II Captive Air Training Missiles (CATMs); four (4) AIM–9X Block II tactical guidance units; four (4) AIM–9X Block II CATM guidance units; twenty-four (24) FMU–139 or FMU–152 fuze systems; twelve (12) KMU–572 Joint Direct Attack Munition (JDAM) tail kits for 500LB GBU–38 or laser JDAM GBU–54; twelve (12) MXU–650 Air Foil Groups for Enhanced Paveway II EGBU–49; twelve (12) MAU–210 Enhanced Computer Control Groups for EPII EGBU–49; twenty-four (24) MK–82 or BLU–111 or equivalent bomb bodies; six (6) MK–82 inert bombs; and two (2) GBU–39 SDB I practice bombs. The following non-MDE items were also included: AN/ARC–238 radios; AN/APX–126 or equivalent Advanced Identification Friend or Foe with Combined Interrogator Transponders; Joint Helmet Mounted Cueing System II or Scorpion Hybrid Optical-based Inertial Tacker helmet mounted displays; AN/ALQ–254 Viper Shield or equivalent electronic warfare systems; AN/ALE–47 Countermeasure Dispenser Systems, KY–58M cryptographic devices, KIV–78 cryptographic devices, and Simple Key Loaders; Joint Mission Planning Systems or equivalent; AIM–120 CATM; PGU–28 High Explosive Incendiary (HEI) ammunition; PGU–27 training rounds (non HEI); ARD–446 impulse cartridges; ARD–863 impulse cartridges; BBU–36/B impulse cartridges; BBU–35/B impulse cartridges; MK–124 smoke flares; MJU–7/B flare cartridges L463 or MJU–53 or equivalent; Common Munitions Built-in-Test Reprogramming Equipment (CMBRE); ADU–890 adapter for CMBRE; ADU–891 adapter for CMBRE; Night Vision Devices (NVD); NVD spare image intensifier tubes; Remote Operated Video Enhanced Receiver (ROVER) 6i units; tactical network ROVER kit; DSU–38 laser sensors for GBU–54; Cartridge Actuated Device/Propellant Actuated Devices; GBU–39 tactical training rounds; BRU–57 bomb racks; BRU–61 bomb racks; MAU–12 bomb racks and TER–9A triple ejection racks; other chaff and flare, ammunition, and pylons; launcher adaptors and weapons interfaces; fuel tanks and attached hardware; travel pods; aircraft and weapons integration, test, and support equipment; electronic warfare database and mission data file development; precision measurement and calibration laboratory equipment; secure communications; cryptographic equipment; precision navigation equipment; aircraft and personnel support and test equipment; spare and repair parts; repair and return services; maps, publications, and technical documentation; studies and surveys; classified/unclassified software and software support; personnel training and training equipment; facilities and facility management, design and/or construction services; U.S. Government and contractor engineering, technical and logistics support services; and other related elements of logistical and program support. The estimated total cost was $1.673 billion. Major defense equipment (MDE) constituted $978 billion of this total.

This transmittal notifies the inclusion of the following additional MDE items: one hundred twenty-five (125) AIM–120C–8 AMRAAM; five (5) AIM–120C–8 AMRAAM guidance sections; and four (4) AIM–9X Block II missiles. The following non-major defense equipment items will also be included: missile containers and control section spares; munitions support and support equipment; computer program identification numbers; engine component improvement program support; transportation support; studies and surveys; U.S. Government and contractor engineering, technical and logistic support services; and other related elements of logistics and program support. The estimated total cost of the new items is $957 million. The estimated MDE value will increase by $452 million to a revised $1.43 billion. The estimated non-MDE value will increase by $505 million to a revised $1.2 billion. The estimated total case value will increase by $957 million to a revised $2.63 billion. MDE constitutes $1.43 billion of this total.

(iv) *Significance:* This notification accounts for requested additional MDE and non-MDE items not included in the

original notification. The inclusion of this MDE and non-MDE represents an increase in capability over what was previously notified. The proposed sale will enhance Bulgaria's capability to meet current and future threats by providing a credible force that is capable of deterring adversaries and participating in NATO operations. The proposed sale will support its goal of improving national and territorial defense as well as interoperability with U.S. and NATO forces.

(v) *Justification:* This proposed sale will support the foreign policy and national security objectives of the United States by helping to improve the security of a NATO Ally that is an important force for political and economic stability in Europe.

(vi) *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) *Date Report Delivered to Congress:* May 11, 2026

[FR Doc. 2026–10944 Filed 5–29–26; 8:45 am]

BILLING CODE 6001–FR–P

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 26–44]

Arms Sales Notification

AGENCY: Defense Security Cooperation Agency (DSCA), Department of Defense (DoD).

ACTION: Arms sales notice.

SUMMARY: The Department of War (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 26–44 and Policy Justification.

Dated: May 28, 2026.

Stephanie J. Bost,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

Transmittal No. 26–44

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 Canada

(ii) *Total Estimated Value:*

Major Defense Equipment * ..	$ 0 million
Other	$540 million
TOTAL	$540 million

(iii) *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: major and minor modifications; aircraft maintenance support equipment; ground handling equipment; spare parts, consumables, and accessories, and repair and return support; classified and unclassified software and delivery support; classified and unclassified publications and technical documentation; 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 (CN–D–GCW; CN–D–QDJ)

(v) *Prior Related Cases, if any:* CN–D–QCV

(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:* May 5, 2026

* as defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

Government of Canada—C–17 Sustainment

The Government of Canada has requested to buy major and minor modifications; aircraft maintenance support equipment; ground handling equipment; spare parts, consumables, and accessories, and repair and return support; classified and unclassified software and delivery support; classified and unclassified publications and technical documentation; 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 $540 million.

This proposed sale will support the foreign policy and national security objectives of the United States by helping to improve the military capability of a NATO Ally that is an important force for ensuring political stability and economic progress and is a contributor to military, peacekeeping, and humanitarian operations around the world.

The proposed sale will improve Canada's capability to meet current and future threats by ensuring the operational readiness of the Royal Canadian Air Force. Its C–17 aircraft fleet provides strategic airlift capabilities that directly support U.S. and coalition operations around the world. Canada already operates C–17 aircraft and 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 The Boeing Company, 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 Canada.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

[FR Doc. 2026–10945 Filed 5–29–26; 8:45 am]

BILLING CODE 6001–FR–P

DEPARTMENT OF EDUCATION

Notice Announcing Technical Assistance and Dissemination To Improve Services and Results for Children With Disabilities—National Assessment Center Competition

AGENCY: Office of Special Education and Rehabilitative Services, Department of Education.

ACTION: Notice.

SUMMARY: The Department of Education (ED) announces the opportunity to apply for a competitive grant for the Fiscal Year (FY) 2026 Technical Assistance and Dissemination to Improve Services and Results for

Children with Disabilities—National Assessment Center competition, Assistance Listing Number 84.326G.

DATES: Complete proposals must be submitted electronically through the *Grants.gov* ''APPLY'' function by 11:59:59 p.m. Eastern time, July 20, 2026.

FOR FURTHER INFORMATION CONTACT: Kristen Rhoads. Telephone: (202) 987–0153. Email: *Kristen.Rhoads@ed.gov.*

SUPPLEMENTARY INFORMATION: The purpose of the Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities program is to promote academic achievement and to improve results for children with disabilities by providing technical assistance, supporting model demonstration projects, disseminating useful information, and implementing activities that are supported by scientifically based research. The FY 2026 competition includes one absolute priority, one competitive preference priority, selection criteria, and requirements. The absolute priority is: National Assessment Center. The competitive preference priority is: Improving Alternate Assessments.

Maximum Award: We will not make an award exceeding $1,000,000 for a single budget period of 12 months.

Eligible Applicants: State educational agencies; State lead agencies under Part C of the Individuals with Disabilities Education Act; local educational agencies (LEAs), including public charter schools that are considered LEAs under State law; institutions of higher education, including community colleges; other public agencies; private nonprofit organizations; freely associated States and outlying areas; Indian Tribes or Tribal organizations; and for-profit organizations.

Program Authority: 20 U.S.C. 1463 and 1481–1482.

To Apply: The complete funding opportunity announcement and all information needed to apply, including the priorities and program requirements, are available on ED's website at *https://www.ed.gov/grants-and-programs/grants-special-populations/grants-special-education-and-individuals-disabilities/technical-assistance-and-dissemination/84.326G* and on *Grants.gov* at *https://grants.gov/search-results-detail/362496.* The application notice and instructions on *Grants.gov* is the official document governing the grant competition.

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.

Kelly S. Rogers,

Deputy Assistant Secretary and Acting Assistant Secretary for Special Education and Rehabilitative Services.

[FR Doc. 2026–10827 Filed 5–29–26; 8:45 am]

BILLING CODE 4000–01–P

DEPARTMENT OF EDUCATION

[Docket No.: ED–2026–SCC–1849]

Agency Information Collection Activities; Comment Request; Magnet Schools Assistance Program Annual Performance Report

AGENCY: Office of Elementary and Secondary Education (OESE), Department of Education (ED).

ACTION: Notice.

SUMMARY: In accordance with the Paperwork Reduction Act (PRA) of 1995, the Department is proposing a new information collection request (ICR).

DATES: Interested persons are invited to submit comments on or before July 31, 2026.

ADDRESSES: To access and review all the documents related to the information collection listed in this notice, please use *http://www.regulations.gov* by searching the Docket ID number ED–2026–SCC–1849. Comments submitted in response to this notice should be submitted electronically through the Federal eRulemaking Portal at *http://www.regulations.gov* by selecting the Docket ID number or via postal mail, commercial delivery, or hand delivery. If the regulations.gov site is not available to the public for any reason, the Department will temporarily accept comments at *ICDocketMgr@ed.gov.* Please include the docket ID number and the title of the information collection request when requesting documents or submitting comments. Please note that comments submitted after the comment period will not be accepted. Written requests for information or comments submitted by postal mail or delivery should be addressed to the Magnet Schools Assistance Program (MSAP), U.S. Department of Education, 400 Maryland Ave. SW, LBJ, Room 4B212, Washington, DC 20202.

FOR FURTHER INFORMATION CONTACT: For specific questions related to collection activities, please contact Gillian Cohen-Boyer, 202–365–7944.

SUPPLEMENTARY INFORMATION: The Department, in accordance with the Paperwork Reduction Act of 1995 (PRA) (44 U.S.C. 3506(c)(2)(A)), provides the general public and Federal agencies with an opportunity to comment on proposed, revised, and continuing collections of information. This helps the Department assess the impact of its information collection requirements and minimize the public's reporting burden. It also helps the public understand the Department's information collection requirements and provide the requested data in the desired format. The Department is soliciting comments on the proposed information collection request (ICR) that is described below. The Department is especially interested in public comment addressing the following issues: (1) is this collection necessary to the proper functions of the Department; (2) will this information be processed and used in a timely manner; (3) is the estimate of burden accurate; (4) how might the Department enhance the quality, utility, and clarity of the information to be collected; and (5) how might the Department minimize the burden of this collection on the respondents, including through the use of information technology. Please note that written comments received in response to this notice will be considered public records.

Title of Collection: Magnet Schools Assistance Program Annual Performance Report.

OMB Control Number: 1810–NEW.

Type of Review: A new ICR.

Respondents/Affected Public: State, Local, and Tribal Governments.

Total Estimated Number of Annual Responses: 120.

Total Estimated Number of Annual Burden Hours: 360.

Abstract: This is a request for a new approved collection. The Department has developed program performance measures at every program level to quantify and report progress required by the Elementary and Secondary Education Act of 1965, as amended. Under the Uniform Guidance and EDGAR, recipients of federal awards are required to submit performance and financial expenditure information. The program level measures and budget information for the Magnet Schools Assistance Program (MSAP) are reported in the Annual Performance Report (APR) as required under 2 CFR 200.328 and 34 CFR 75.118 and 75.590. The annual report provides data on the status of the funded project that corresponds to the scope and objectives established in the approved application and any amendments. To ensure that accurate and reliable data are reported to Congress on program implementation and performance outcomes, the MSAP

APR collects the raw data from grantees in a consistent format to calculate these data in the aggregate.

Ross Santy,

Chief Data Officer, Office of Planning, Evaluation and Policy Development.

[FR Doc. 2026–10903 Filed 5–29–26; 8:45 am]

BILLING CODE 4000–01–P

DEPARTMENT OF EDUCATION

[Docket No.: ED–2026–SCC–0595]

Agency Information Collection Activities; Submission to the Office of Management and Budget for Review and Approval; Comment Request; State Workforce Pell Program Certification

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 a new information collection request (ICR).

DATES: Interested persons are invited to submit comments on or July 1, 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: State Workforce Pell Program Certification.

OMB Control Number: 1845–NEW.

Type of Review: New ICR.

Respondents/Affected Public: State, Local, and Tribal Governments.

Total Estimated Number of Annual Responses: 100.

Total Estimated Number of Annual Burden Hours: 1,600.

Abstract: The One Big Beautiful Bill Act (OBBBA) signed into law on July 4, 2025, made statutory changes to Federal Pell Grants that impact regulatory requirements in this information collection. Section 83002(b) of the OBBB established a new academic program in which eligible students could receive Pell Grants. Programs must meet several criteria to become eligible workforce programs, including certification from their State Governor. This is a request for a new information collection to develop a form for States to certify an institution's eligibility for eligible workforce programs. This would be an optional form which includes the required elements and is being offered for ease of requirements for State reported information.

Ross Santy,

Chief Data Officer, Office of Planning, Evaluation and Policy Development.

[FR Doc. 2026–10917 Filed 5–29–26; 8:45 am]

BILLING CODE 4000–01–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: RP26–866–000.

Applicants: Panhandle Eastern Pipe Line Company, LP.

Description: § 4(d) Rate Filing: Amended Non-Conforming with Rover—Contract No. 52312 to be effective 6/1/2026.

Filed Date: 5/27/26.

Accession Number: 20260527–5090.

Comment Date: 5 p.m. ET 6/8/26.

Docket Numbers: RP26–867–000.

Applicants: Elba Express Company, L.L.C.

Description: Compliance filing: EEC Cashout Filing 2026 to be effective N/A.

Filed Date: 5/27/26.

Accession Number: 20260527–5096.

Comment Date: 5 p.m. ET 6/8/26.

Docket Numbers: RP26–868–000.

Applicants: White River Hub LLC.

Description: Annual Fuel Gas Reimbursement Report of White River Hub, LLC.

Filed Date: 5/27/26.

Accession Number: 20260527–5133.

Comment Date: 5 p.m. ET 6/8/26.

Docket Numbers: RP26–869–000.

Applicants: Cheniere Corpus Christi Pipeline, LP.

Description: § 4(d) Rate Filing: CCCP, LP Non-Conforming/Negotiated Rate Agreement—Amendment to be effective 6/1/2026.

Filed Date: 5/27/26.

Accession Number: 20260527–5142.

Comment Date: 5 p.m. ET 6/8/26.

Docket Numbers: RP26–870–000.

Applicants: Alliance Pipeline L.P.

Description: § 4(d) Rate Filing: Negotiated Rates—Releases + Usage 06–01–2026 to be effective 6/1/2026.

Filed Date: 5/27/26.

Accession Number: 20260527–5144.

Comment Date: 5 p.m. ET 6/8/26.

Any person desiring to intervene, to protest, or to answer a complaint in any of the above proceedings must file in accordance with Rules 211, 214, or 206 of the Commission's Regulations (18 CFR 385.211, 385.214, or 385.206) on or before 5:00 p.m. Eastern time on the specified comment date. Protests may be considered, but intervention is necessary to become a party to the proceeding. The filings are accessible in the Commission's eLibrary system (*https://elibrary.ferc.gov/idmws/search/fercgensearch.asp*) by querying the docket number.

eFiling is encouraged. More detailed information relating to filing requirements, interventions, protests, service, and qualifying facilities filings can be found at: *http://www.ferc.gov/docs-filing/efiling/filing-req.pdf.* For other information, call (866) 208–3676 (toll free). For TTY, call (202) 502–8659.

For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, contact the Office of Public Participation at (202) 502–6595 or *OPP@ferc.gov.*

Dated: May 27, 2026.

Debbie-Anne A. Reese,

Secretary.

[FR Doc. 2026–10878 Filed 5–29–26; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Project No. 15419–000]

Nature and People First Arizona PHS, LLC; Notice of Preliminary Permit Application Accepted for Filing and Soliciting Comments, Motions To Intervene, and Competing Applications

On December 19, 2025, Nature and People First Arizona PHS, LLC's, filed an application for a preliminary permit, pursuant to section 4(f) of the Federal Power Act (FPA), proposing to study the feasibility of the Chilchinbeto Pumped Storage Project. The proposed facility would be a 1.0 gigawatt (GW) pumped storage hydroelectric facility located approximately 12 miles southwest of the town of Kayenta in Navajo County, Arizona. The proposed project would occupy federal land managed by the Navajo Nation. The sole purpose of a preliminary permit, if issued, is to grant the permit holder priority to file a license application during the permit term. A preliminary permit does not authorize the permit holder to perform any land-disturbing activities or otherwise enter upon lands or waters owned by others without the owners' express permission.

The proposed project would consist of the following new facilities: (1) a 300-acre upper reservoir with a storage capacity of 10,000 acre-feet at a water surface elevation of 7,590 feet above mean sea level (msl); (2) a 300-acre lower reservoir with a storage capacity of 10,000 acre-feet at a water surface elevation of 6,100 feet above msl; (3) a 30-foot-diameter, 12,000-foot-long concrete lined power conduit to the powerhouse; (4) a subterranean 130-foot-wide, 290-foot-long, 200-foot-high, powerhouse with four 335,000 horsepower pump/turbines and four 250,000 kW generators ; (5) a lower power conduit consisting of four 16-foot-diameter, 500-foot-long, draft tube tunnels discharging into lower reservoir; (6) a potential new transmission line to be determined out of four alternatives including: a) an 108-mile, 240kv line, b) an 113-mile, 220–287 kv line, c) an 16.7-mile, 220–287 kv line, or d) an 42.4-mile 500kv line; and (7) appurtenant facilities. The proposed project would have an estimated annual generation of 3,120,750 megawatt-hours.

Applicant Contact: Mr. Denis Payre, Manager, Nature and People First Arizona PHS, LLC, 809 W Riordan Road, Suite 100–452, Flagstaff, AZ 86001; email: *Denis.Payre@natureandpeoplefirst.com;* phone: (781)–491–5364.

FERC Contact: Jane Dalgliesh; email: *jane.dalgiesh@ferc.gov;* phone: (503) 552–2718.

Deadline for filing comments, motions to intervene, competing applications (without notices of intent), or notices of intent to file competing applications: on or before 5:00 p.m. Eastern Time on July 27, 2026. Competing applications and notices of intent must meet the requirements of 18 CFR 4.36.

For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, the public is encouraged to contact OPP at (202) 502–6595 or *OPP@ferc.gov.*

The Commission strongly encourages electronic filing. Please file comments, motions to intervene, notices of intent, and competing applications using the Commission's eFiling system at *https://ferconline.ferc.gov/eFiling.aspx.* Commenters can submit brief comments up to 6,000 characters, without prior registration, using the eComment system at *https://ferconline.ferc.gov/QuickComment.aspx.* For assistance, please contact FERC Online Support at *FERCOnlineSupport@ferc.gov,* (866) 208–3676 (toll free), or (202) 502–8659 (TTY). In lieu of electronic filing, you may submit a paper copy. Submissions sent via the U.S. Postal Service must be addressed to: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 888 First Street NE, Room 1A, Washington, DC 20426. Submissions sent via any other carrier must be addressed to: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 12225 Wilkins Avenue, Rockville, Maryland 20852. The first page of any filing should include docket number P–15419–000.

More information about this project, including a copy of the application, can be viewed or printed on the ''eLibrary'' link of Commission's website at *https://elibrary.ferc.gov/eLibrary/search.* Enter the docket number (P–15419) in the docket number field to access the document. For assistance, contact FERC Online Support.

(Authority: 18 CFR 2.1)

Dated: May 27, 2026.

Debbie-Anne A. Reese,

Secretary.

[FR Doc. 2026–10876 Filed 5–29–26; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Project No. 9985–039]

Rivers Electric, LLC; Notice of Application Accepted for Filing and Soliciting Motions To Intervene and Protests

Take notice that the following hydroelectric application has been filed with the Commission and is available for public inspection.

a. *Type of Application:* Subsequent Minor License.

b. *Project No.:* 9985–039.

c. *Date filed:* March 31, 2025.

d. *Applicant:* Rivers Electric, LLC (Rivers Electric).

e. *Name of Project:* Mill Pond Hydroelectric Project (Mill Pond Project or project).

f. *Location:* On Catskill Creek in Greene County, New York.

g. *Filed Pursuant to:* Federal Power Act 16 U.S.C. 791(a)–825(r).

h. *Applicant Contacts:* Allison Frechette, Regulatory Compliance Director, Relevate Power, 1795 Baseline Road, Grand Island, NY 14072, Email: *Allison.Frechette@hydroval-am.com,* Phone: 800–371–9146; or Jessica Antonez, Regulatory Compliance Specialist, Relevate Power, 1795 Baseline Road, Grand Island, NY 14072, Email: *Jessica.Antonez@hydroval-am.com,* Phone: 800–371–9146.

i. *FERC Contact:* Andy Bernick at (202) 502–8660, or *andrew.bernick@ferc.gov.*

j. *Deadline for filing motions to intervene and protests:* on or before 5:00 p.m. Eastern Time on July 27, 2026.

The Commission strongly encourages electronic filing. Please file motions to intervene and protests using the Commission's eFiling system at *https://ferconline.ferc.gov/FERCOnline.aspx.* Commenters can submit brief comments up to 10,000 characters, without prior registration, using the eComment system at *https://ferconline.ferc.gov/QuickComment.aspx.* For assistance, please contact FERC Online Support at *FERCOnlineSupport@ferc.gov,* (866) 208–3676 (toll free), or (202) 502–8659 (TTY). In lieu of electronic filing, you may submit a paper copy. Submissions sent via the U.S. Postal Service must be addressed to: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 888 First Street NE, Room 1A, Washington, DC 20426. Submissions sent via any other carrier must be addressed to: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 12225 Wilkins

Avenue, Rockville, Maryland 20852. All filings must clearly identify the project name and docket number on the first page: Mill Pond Hydroelectric Project (P–9985–039).

The Commission's Rules of Practice and Procedure require all intervenors filing documents with the Commission to serve a copy of that document on each person on the official service list for the project. Further, if an intervenor files comments or documents with the Commission relating to the merits of an issue that may affect the responsibilities of a particular resource agency, they must also serve a copy of the document on that resource agency.

k. The application has been accepted for filing but is not ready for environmental analysis at this time.

l. The Mill Pond Project consists of the following existing facilities: (1) a concrete gravity dam approximately 3 to 5 feet high and 130 feet long with a crest elevation of 105 feet mean sea level (msl) topped by 3-foot-high pneumatic flashboards for a spillway crest of 108 feet msl; (2) a 20-foot natural ledge rock fall; (3) a 7.28-acre reservoir with a gross storage capacity of 82 acre-feet at normal water surface elevation of 108 feet msl; (4) an intake structure that includes a trash rack with 1.75-inch clear bar spacing; (5) a 36-inch-diameter concrete trough and conveyance chute adjacent to the intake that passes minimum flows, fish, ice, and debris downstream; (6) an approximately 10-foot-diameter, 147-foot-long steel penstock that bifurcates into two separate, equivalent diameter sections; (7) a powerhouse 30 feet wide and 32 feet long containing two generating units rated at 500 kilowatts (kW) each for a total installed capacity of 1,000 kW; (8) 2.4-kilovolt (kV) generator leads connecting the generating units to a 13.2-kV-ampere step-up transformer located in a small switchyard; (9) a 200-foot-long (mostly underground) transmission line from the step-up transformer to the point of interconnection with the distribution system; and (10) appurtenant facilities.

Rivers Electric proposes to continue operating the project in a run-of-river mode such that outflow from the project approximates inflow to the project reservoir and to release, through the conveyance chute, a minimum flow of 20 cubic feet per second, or inflow, whichever is less, on a year-round basis as required by Article 402 of the current license.

m. A copy of the application can be viewed on the Commission's website at *http://www.ferc.gov,* using the ''eLibrary'' link. Enter the docket number, excluding the last three digits in the docket number field, to access the documents (P–9985). For assistance, contact FERC Online Support (see item j above).

You may also register online at *https://ferconline.ferc.gov/FERCOnline.aspx* to be notified via email of new filings and issuances related to this or other pending projects. For assistance, contact FERC Online Support.

n. 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.*

o. Anyone may submit a protest or a motion to intervene in accordance with the requirements of Rules of Practice and Procedure, 18 CFR 385.210, 385.211, and 385.214. In determining the appropriate action to take, the Commission will consider all protests filed, but only those who file a motion to intervene in accordance with the Commission's Rules may become a party to the proceeding. Any protests or motions to intervene must be received on or before the specified deadline date for the particular application.

All filings must (1) bear in all capital letters the title ''PROTEST'' or ''MOTION TO INTERVENE;'' (2) set forth in the heading the name of the applicant and the project number of the application to which the filing responds; (3) furnish the name of the person protesting or intervening; and (4) otherwise comply with the requirements of 18 CFR 385.2001 through 385.2005. Agencies may obtain copies of the application directly from the applicant. A copy of any protest or motion to intervene must be served upon each representative of the applicant specified in the particular application.

p. *Procedural schedule:* The application will be processed according to the following schedule. Revisions to the schedule will be made as appropriate.

Milestone	Target date
Issue Scoping Notice for comments.	July 2026.
Scoping Comments due ...	August 2026.
Request Additional Information (if necessary).	August 2026.
Issue Notice of Ready for Environmental Analysis.	November 2026.

(Authority: 18 CFR 2.1)

Dated: May 27, 2026.

Debbie-Anne A. Reese,

Secretary.

[FR Doc. 2026–10877 Filed 5–29–26; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

Combined Notice of Filings #1

Take notice that the Commission received the following electric corporate filings:

Docket Numbers: EC26–100–000.

Applicants: Spring CHW, LLC, Colorado Highlands Wind, LLC.

Description: Joint Application for Authorization Under Section 203 of the Federal Power Act of Colorado Highlands Wind, LLC, et al.

Filed Date: 5/22/26.

Accession Number: 20260522–5292.

Comment Date: 5 p.m. ET 6/12/26.

Docket Numbers: EC26–101–000.

Applicants: ER Nava Storage, LLC, ER South Street Storage, LLC, E South Hero Co. LLC, Brookfield Asset Management Private Institutional Capital Adviser (Canada), L.P., BID Administrator LLC.

Description: Joint Application for Authorization Under Section 203 of the Federal Power Act of ER Nava Storage, LLC, et al.

Filed Date: 5/22/26.

Accession Number: 20260522–5294.

Comment Date: 5 p.m. ET 6/12/26.

Take notice that the Commission received the following exempt wholesale generator filings:

Docket Numbers: EG26–249–000.

Applicants: DESRI Carne Interconnection, L.L.C.

Description: DESRI Carne Interconnection, L.L.C. submits Notice of Self–Certification of Exempt Wholesale Generator Status.

*Filed Date:*5/26/26.

*Accession Number:*20260526–5239

Comment Date: 5 p.m. ET 6/16/26

Take notice that the Commission received the following electric rate filings:

Docket Numbers: ER20–1996–005; ER21–1370–005; ER21–1916–003; ER21–1961–003; ER21–1187–004; ER21–1217–004; ER16–1990–005; ER21–1188–004; ER24–482–001; ER21–1218–004; ER24–847–001.

*Applicants:*Sunlight Road Solar, L.L.C., St. James Solar, LLC, River Fork Solar, LLC, Prairie State Solar, LLC, North Star Solar PV LLC, Iris Solar, LLC, Dressor Plains Solar, LLC, Big River Solar, LLC, Assembly Solar III, LLC, Assembly Solar II, LLC, Assembly Solar I, LLC.

*Description:*Response to 04/24/2026, Deficiency Letter of Assembly Solar I, LLC, et al.

Filed Date: 5/26/26.

*Accession Number:*20260526–5273.

Comment Date: 5 p.m. ET 6/16/26.

Docket Numbers: ER22–1439–011; ER22–1440–011; ER22–1441–011; ER22–1442–009; ER21–1369–010; ER21–1371–010; ER21–1373–011; ER21–1376–011.

Applicants: Sanborn Solar 1A, LLC, Edwards Solar 1A, LLC, Edwards Sanborn Storage II, LLC, Edwards Sanborn Storage I, LLC, EdSan 1B Group 3, LLC, EdSan 1B Group 2, LLC, EdSan 1B Group 1 Sanborn, LLC, EdSan 1B Group 1 Edwards, LLC.

Description: Response to 12/30/2024, Deficiency Letter of EdSan 1B Group 1 Edwards, LLC, et al.,

Filed Date: 5/26/26.

Accession Number: 20260526–5274.

Comment Date: 5 p.m. ET 6/16/26.

Docket Numbers: ER26–2006–001.

Applicants: Louisville Gas and Electric Company.

Description: Compliance filing: Order 898 Attachment O Compliance Amendment to be effective 6/1/2026.

Filed Date: 5/27/26.

Accession Number: 20260527–5150.

Comment Date: 5 p.m. ET 6/17/26.

Docket Numbers: ER26–2009–001.

Applicants: Istmo Energy LLC.

Description: Tariff Amendment: Response to Request for Additional Information to be effective 6/2/2026.

Filed Date: 5/27/26.

Accession Number: 20260527–5115.

Comment Date: 5 p.m. ET 6/17/26.

Docket Numbers: ER26–2644–000.

Applicants: Solar PV Development NM 18 II LLC.

Description: Initial rate filing: Certificate of Concurrence to be effective 5/27/2026.

Filed Date: 5/26/26.

Accession Number: 20260526–5217.

Comment Date: 5 p.m. ET 6/16/26.

Docket Numbers: ER26–2645–000.

Applicants: American Transmission Systems, Incorporated.

Description: § 205(d) Rate Filing: ATSI submits an amended IA—SA No. 6936 to be effective 7/27/2026.

Filed Date: 5/27/26.

Accession Number: 20260527–5030.

Comment Date: 5 p.m. ET 6/17/26.

Docket Numbers: ER26–2646–000.

Applicants: Entergy Mississippi, LLC.

Description: § 205(d) Rate Filing: EML-Cooperative Energy Operating Agreement to be effective 6/1/2026.

Filed Date: 5/27/26.

Accession Number: 20260527–5070.

Comment Date: 5 p.m. ET 6/17/26.

Docket Numbers: ER26–2647–000.

Applicants: Southwest Power Pool, Inc.

Description: § 205(d) Rate Filing: 3909R2 Rocking R Solar GIA to be effective 5/6/2026.

Filed Date: 5/27/26.

Accession Number: 20260527–5080.

Comment Date: 5 p.m. ET 6/17/26.

Docket Numbers: ER26–2648–000.

Applicants: Upper Missouri G. & T. Electric Cooperative, Inc.

Description: § 205(d) Rate Filing: Revised Wholesale Power Contracts—Revised Rate Schedules Nos. 1, 3, and 7 to be effective 6/1/2026.

Filed Date: 5/27/26.

Accession Number: 20260527–5102.

Comment Date: 5 p.m. ET 6/17/26.

Docket Numbers: ER26–2649–000.

Applicants: Midcontinent Independent System Operator, Inc.

Description: § 205(d) Rate Filing: 2026–05–27_SA 4768 GRE-Benton Solar II GIA (E0020) to be effective 5/20/2026.

Filed Date: 5/27/26.

Accession Number: 20260527–5112.

Comment Date: 5 p.m. ET 6/17/26.

Docket Numbers: ER26–2650–000.

Applicants: Arizona Public Service Company.

Description: Tariff Amendment: RS 182 eTariff Cancellation to be effective 2/15/2021.

Filed Date: 5/27/26.

Accession Number: 20260527–5132.

Comment Date: 5 p.m. ET 6/17/26.

Docket Numbers: ER26–2651–000.

Applicants: PJM Interconnection, L.L.C.

Description: § 205(d) Rate Filing: Minimum Capitalization Reform Proposal to be effective 7/27/2026.

Filed Date: 5/27/26.

Accession Number: 20260527–5139.

Comment Date: 5 p.m. ET 6/17/26.

Docket Numbers: ER26–2652–000.

Applicants: PJM Interconnection, L.L.C.

Description: § 205(d) Rate Filing: Amendment to ISA, Service Agreement No. 5797; AC1–034 to be effective 7/27/2026.

Filed Date: 5/27/26.

Accession Number: 20260527–5159.

Comment Date: 5 p.m. ET 6/17/26.

Docket Numbers: ER26–2653–000.

Applicants: ABC Energy, LLC.

Description: Tariff Amendment: Cancellation of Market Based Rate Tariff to be effective 5/28/2026.

Filed Date: 5/27/26.

Accession Number: 20260527–5167.

Comment Date: 5 p.m. ET 6/17/26.

Docket Numbers: ER26–2654–000.

Applicants: Southwestern Electric Power Company.

Description: § 205(d) Rate Filing: Revisions to Rate Schedule No. 125, Hope Power Supply Agreement to be effective 8/1/2026.

Filed Date: 5/27/26.

Accession Number: 20260527–5221.

Comment Date: 5 p.m. ET 6/17/26.

Docket Numbers: ER26–2655–000.

Applicants: New York Independent System Operator, Inc., Niagara Mohawk Power Corporation.

Description: § 205(d) Rate Filing: New York Independent System Operator, Inc. submits tariff filing per 35.13(a)(2)(iii: NYISO-National Grid Joint 205: SGIA Hatchery Solar Facility SA2965 to be effective 5/12/2026.

Filed Date: 5/27/26.

Accession Number: 20260527–5235.

Comment Date: 5 p.m. ET 6/17/26.

Docket Numbers: ER26–2656–000.

Applicants: AlbertaEx, L.P.

Description: Compliance filing: Compliance Filing to Reflect MBR Authorization in CAISOs WEIM to be effective 4/29/2026.

Filed Date: 5/27/26.

Accession Number: 20260527–5242.

Comment Date: 5 p.m. ET 6/17/26.

Docket Numbers: ER26–2657–000.

Applicants: Glacier Wind 1, LLC.

Description: Compliance filing: Compliance Filing to Reflect MBR Authorization in CAISOs WEIM to be effective 4/29/2026.

Filed Date: 5/27/26.

Accession Number: 20260527–5244.

Comment Date: 5 p.m. ET 6/17/26.

Docket Numbers: ER26–2658–000.

Applicants: Glacier Wind 2, LLC.

Description: Compliance filing: Compliance Filing to Reflect MBR Authorization in CAISOs WEIM to be effective 4/29/2026.

Filed Date: 5/27/26.

Accession Number: 20260527–5245.

Comment Date: 5 p.m. ET 6/17/26.

Docket Numbers: ER26–2659–000.

Applicants: Power Watch, LLC.

Description: Compliance filing: Compliance Filing to Reflect MBR Authorization in CAISOs WEIM to be effective 4/29/2026.

Filed Date: 5/27/26.

Accession Number: 20260527–5246.

Comment Date: 5 p.m. ET 6/17/26.

Docket Numbers: ER26–2660–000.

Applicants: Rim Rock Wind, LLC.

Description: Compliance filing: Compliance Filing to Reflect MBR Authorization in CAISOs WEIM to be effective 4/29/2026.

Filed Date: 5/27/26.

Accession Number: 20260527–5248.

Comment Date: 5 p.m. ET 6/17/26.

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 27, 2026.

Debbie-Anne A. Reese,

Secretary.

[FR Doc. 2026–10879 Filed 5–29–26; 8:45 am]

BILLING CODE 6717–01–P

FEDERAL COMMUNICATIONS COMMISSION

[FR ID: 348888]

Privacy Act of 1974; Matching Program

AGENCY: Federal Communications Commission.

ACTION: Notice of a new matching program.

SUMMARY: In accordance with the Privacy Act of 1974, as amended (''Privacy Act''), this document announces a new computer matching program the Federal Communications Commission (FCC or Commission or Agency) and the Universal Service Administrative Company (USAC) will conduct with the New Mexico Health Care Authority. The purpose of this matching program is to verify the eligibility of applicants to and subscribers of Lifeline, and the Affordable Connectivity Program (ACP), both of which are administered by USAC under the direction of the FCC. More information about these programs is provided in the **SUPPLEMENTARY INFORMATION** section below.

DATES: Written comments are due on or before July 1, 2026. This computer matching program will commence on July 1, 2026, and will conclude after 18 months.

ADDRESSES: Send comments to Shana Yates, FCC, 45 L Street NE, Washington, DC 20554, or to *Privacy@fcc.gov.*

FOR FURTHER INFORMATION CONTACT: Shana Yates at (202) 418–0683 or *Privacy@fcc.gov.*

SUPPLEMENTARY INFORMATION: The Lifeline program provides support for discounted broadband and voice services to low-income consumers. Lifeline is administered by the Universal Service Administrative Company (USAC) under FCC direction. Consumers qualify for Lifeline through proof of income or participation in a qualifying program, such as Medicaid, the Supplemental Nutritional Assistance Program (SNAP), Federal Public Housing Assistance, Supplemental Security Income (SSI), Veterans and Survivors Pension Benefit, or various Tribal-specific federal assistance programs.

In the Consolidated Appropriations Act, 2021, Public Law 116–260, 134 Stat. 1182, 2129–36 (2020), Congress created the Emergency Broadband Benefit Program, and directed use of the National Verifier to determine eligibility based on various criteria, including the qualifications for Lifeline (Medicaid, SNAP, etc.). EBBP provided $3.2 billion in monthly consumer discounts for broadband service and one-time provider reimbursement for a connected device (laptop, desktop computer or tablet). In the Infrastructure Investment and Jobs Act, Public Law 117–58, 135 Stat. 429, 1238–44 (2021) (codified at 47 U.S.C. 1751–52), Congress modified and extended EBBP, provided an additional $14.2 billion, and renamed it the Affordable Connectivity Program (ACP). A household may qualify for the ACP benefit under various criteria, including an individual qualifying for the FCC's Lifeline program.

In a Report and Order adopted on March 31, 2016, (81 FR 33026, May 24, 2016) (*2016 Lifeline Modernization Order*), the Commission ordered USAC to create a National Lifeline Eligibility Verifier (''National Verifier''), including the National Lifeline Eligibility Database (LED), that would match data about Lifeline applicants and subscribers with other data sources to verify the eligibility of an applicant or subscriber. The Commission found that the National Verifier would reduce compliance costs for Lifeline service providers, improve service for Lifeline subscribers, and reduce waste, fraud, and abuse in the program.

The Consolidated Appropriations Act of 2021 directs the FCC to leverage the National Verifier to verify applicants' eligibility for ACP. The purpose of this matching program is to verify the eligibility of Lifeline and ACP applicants and subscribers by determining whether they receive SNAP and Medicaid benefits administered by the New Mexico Health Care Authority.

PARTICIPATING AGENCIES:

New Mexico Health Care Authority (source agency); Federal Communications Commission (recipient agency) and Universal Service Administrative Company.

AUTHORITY FOR CONDUCTING THE MATCHING PROGRAM:

The authority to conduct the matching program for the FCC's ACP is 47 U.S.C. 1752(a) through (b). The authority to conduct the matching program for the FCC's Lifeline program is 47 U.S.C. 254(a) through (c), and (j).

PURPOSE(S):

The purpose of this new matching agreement is to verify the eligibility of applicants and subscribers to Lifeline, as well as to ACP and other Federal programs that use qualification for Lifeline as an eligibility criterion. This new agreement will permit eligibility verification for the Lifeline program and ACP by checking an applicant's/subscriber's participation in SNAP and Medicaid in New Mexico Health Care Authority. Under FCC rules, consumers receiving these benefits qualify for Lifeline discounts and also for ACP benefits.

CATEGORIES OF INDIVIDUALS:

The categories of individuals whose information is involved in the matching program include, but are not limited to, those individuals who have applied for Lifeline and/or ACP benefits; are currently receiving Lifeline and/or ACP benefits; are individuals who enable another individual in their household to qualify for Lifeline and/or ACP benefits; are minors whose status qualifies a parent or guardian for Lifeline and/or ACP benefits; or are individuals who have received Lifeline and/or ACP benefits.

CATEGORIES OF RECORDS:

The categories of records involved in the matching program include the last four digits of the applicant's Social Security Number, date of birth, first and last name. The National Verifier will transfer these data elements to the New Mexico Health Care Authority which will respond either ''yes'' or ''no'' that the individual is enrolled in a qualifying assistance program: SNAP and Medicaid administered by the New Mexico Health Care Authority.

SYSTEM(S) OF RECORDS:

The records shared as part of this matching program reside in the Lifeline

system of records, FCC/WCB–1, Lifeline, which was published in the **Federal Register** at 89 FR 28777 (Apr. 19, 2024).

The records shared as part of this matching program reside in the ACP system of records, FCC/WCB–3, Affordable Connectivity Program, which was published in the **Federal Register** at 89 FR 28780 (Apr. 19, 2024).

Federal Communications Commission.

Marlene Dortch,

Secretary.

[FR Doc. 2026–10839 Filed 5–29–26; 8:45 am]

BILLING CODE 6712–01–P

FEDERAL COMMUNICATIONS COMMISSION

[FR ID: 348889]

Privacy Act of 1974; Matching Program

AGENCY: Federal Communications Commission.

ACTION: Notice of a new matching program.

SUMMARY: In accordance with the Privacy Act of 1974, as amended (''Privacy Act''), this document announces a new computer matching program the Federal Communications Commission (FCC or Commission or Agency) and the Universal Service Administrative Company (USAC) will conduct with the Kentucky Cabinet for Health and Family Services, Department for Community Based Services. The purpose of this matching program is to verify the eligibility of applicants to and subscribers of Lifeline, and the Affordable Connectivity Program (ACP), both of which are administered by USAC under the direction of the FCC. More information about these programs is provided in the **SUPPLEMENTARY INFORMATION** section below.

DATES: Written comments are due on or before July 1, 2026. This computer matching program will commence on July 1, 2026, and will conclude after 18 months.

ADDRESSES: Send comments to Shana Yates, FCC, 45 L Street NE, Washington, DC 20554, or to *Privacy@fcc.gov.*

FOR FURTHER INFORMATION CONTACT: Shana Yates at (202) 418–0683 or *Privacy@fcc.gov.*

SUPPLEMENTARY INFORMATION: The Lifeline program provides support for discounted broadband and voice services to low-income consumers. Lifeline is administered by the Universal Service Administrative Company (USAC) under FCC direction. Consumers qualify for Lifeline through proof of income or participation in a qualifying program, such as Medicaid, the Supplemental Nutritional Assistance Program (SNAP), Federal Public Housing Assistance, Supplemental Security Income (SSI), Veterans and Survivors Pension Benefit, or various Tribal-specific federal assistance programs.

In the Consolidated Appropriations Act, 2021, Public Law 116–260, 134 Stat. 1182, 2129–36 (2020), Congress created the Emergency Broadband Benefit Program, and directed use of the National Verifier to determine eligibility based on various criteria, including the qualifications for Lifeline (Medicaid, SNAP, etc.). EBBP provided $3.2 billion in monthly consumer discounts for broadband service and one-time provider reimbursement for a connected device (laptop, desktop computer or tablet). In the Infrastructure Investment and Jobs Act, Public Law 117–58, 135 Stat. 429, 1238–44 (2021) (codified at 47 U.S.C. 1751–52), Congress modified and extended EBBP, provided an additional $14.2 billion, and renamed it the Affordable Connectivity Program (ACP). A household may qualify for the ACP benefit under various criteria, including an individual qualifying for the FCC's Lifeline program.

In a Report and Order adopted on March 31, 2016, (81 FR 33026, May 24, 2016) (*2016 Lifeline Modernization Order*), the Commission ordered USAC to create a National Lifeline Eligibility Verifier (''National Verifier''), including the National Lifeline Eligibility Database (LED), that would match data about Lifeline applicants and subscribers with other data sources to verify the eligibility of an applicant or subscriber. The Commission found that the National Verifier would reduce compliance costs for Lifeline service providers, improve service for Lifeline subscribers, and reduce waste, fraud, and abuse in the program.

The Consolidated Appropriations Act of 2021 directs the FCC to leverage the National Verifier to verify applicants' eligibility for ACP. The purpose of this matching program is to verify the eligibility of Lifeline and ACP applicants and subscribers by determining whether they receive SNAP and Medicaid benefits administered by the Kentucky Cabinet for Health and Family Services, Department for Community Based Services.

PARTICIPATING AGENCIES:

Kentucky Cabinet for Health and Family Services, Department for Community Based Services (source agency); Federal Communications Commission (recipient agency) and Universal Service Administrative Company.

AUTHORITY FOR CONDUCTING THE MATCHING PROGRAM:

The authority to conduct the matching program for the FCC's ACP is 47 U.S.C. 1752(a) through (b). The authority to conduct the matching program for the FCC's Lifeline program is 47 U.S.C. 254(a) through (c), and (j).

PURPOSE(S):

The purpose of this new matching agreement is to verify the eligibility of applicants and subscribers to Lifeline, as well as to ACP and other Federal programs that use qualification for Lifeline as an eligibility criterion. This new agreement will permit eligibility verification for the Lifeline program and ACP by checking an applicant's/subscriber's participation in SNAP and Medicaid in Kentucky Cabinet for Health and Family Services, Department for Community Based Services. Under FCC rules, consumers receiving these benefits qualify for Lifeline discounts and also for ACP benefits.

CATEGORIES OF INDIVIDUALS:

The categories of individuals whose information is involved in the matching program include, but are not limited to, those individuals who have applied for Lifeline and/or ACP benefits; are currently receiving Lifeline and/or ACP benefits; are individuals who enable another individual in their household to qualify for Lifeline and/or ACP benefits; are minors whose status qualifies a parent or guardian for Lifeline and/or ACP benefits; or are individuals who have received Lifeline and/or ACP benefits.

CATEGORIES OF RECORDS:

The categories of records involved in the matching program include the last four digits of the applicant's Social Security Number, date of birth, first and last name. The National Verifier will transfer these data elements to the Kentucky Cabinet for Health and Family Services, Department for Community Based Services which will respond either ''yes'' or ''no'' that the individual is enrolled in a qualifying assistance program: SNAP and Medicaid administered by the Kentucky Cabinet for Health and Family Services, Department for Community Based Services.

SYSTEM(S) OF RECORDS:

The records shared as part of this matching program reside in the Lifeline system of records, FCC/WCB–1, Lifeline, which was published in the

Federal Register at 89 FR 28777 (Apr. 19, 2024).

The records shared as part of this matching program reside in the ACP system of records, FCC/WCB–3, Affordable Connectivity Program, which was published in the **Federal Register** at 89 FR 28780 (Apr. 19, 2024).

Federal Communications Commission.

Marlene Dortch,

Secretary.

[FR Doc. 2026–10840 Filed 5–29–26; 8:45 am]

BILLING CODE 6712–01–P

FEDERAL RESERVE SYSTEM

Formations of, Acquisitions by, and Mergers of Bank Holding Companies

The companies listed in this notice have applied to the Board for approval, pursuant to the Bank Holding Company Act of 1956 (12 U.S.C. 1841 *et seq.*) (BHC Act), Regulation Y (12 CFR part 225), and all other applicable statutes and regulations to become a bank holding company and/or to acquire the assets or the ownership of, control of, or the power to vote shares of a bank or bank holding company and all of the banks and nonbanking companies owned by the bank holding company, including the companies listed below.

The public portions of the applications listed below, as well as other related filings required by the Board, if any, are available for immediate inspection at the Federal Reserve Bank(s) indicated below and at the offices of the Board of Governors. This information may also be obtained on an expedited basis, upon request, by contacting the appropriate Federal Reserve Bank and from the Board's Freedom of Information Office at *https://www.federalreserve.gov/foia/request.htm.* Interested persons may express their views in writing on the standards enumerated in the BHC Act (12 U.S.C. 1842(c)).

Comments received are subject to public disclosure. In general, comments received will be made available without change and will not be modified to remove personal or business information including confidential, contact, or other identifying information. Comments should not include any information such as confidential information that would not be appropriate for public disclosure.

Comments regarding each of these applications must be received at the Reserve Bank indicated or the offices of the Board of Governors, Benjamin W. McDonough, Secretary of the Board, 20th Street and Constitution Avenue, NW, Washington DC 20551–0001, not later than July 1, 2026.

A. Federal Reserve Bank of Cleveland (Jenni M. Frazer, Vice President) 1455 East Sixth Street, Cleveland, Ohio 44101–2566. Comments can also be sent electronically to *Comments.applications@clev.frb.org:*

1. *Peoples Bancorp Inc., Marietta, Ohio;* to acquire Citizens National Corporation, and thereby indirectly acquire Citizens Bank of Kentucky, Inc., both of Paintsville, Kentucky.

Board of Governors of the Federal Reserve System.

Michele Taylor Fennell,

Associate Secretary of the Board.

[FR Doc. 2026–10882 Filed 5–29–26; 8:45 am]

BILLING CODE P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. FDA–2026–D–2839]

Oncology Pharmaceuticals: Streamlined Nonclinical Safety Studies for Biologics and Conjugated Products; Draft Guidance for Industry; Availability

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice of availability.

SUMMARY: The Food and Drug Administration (FDA, the Agency, or we) is announcing the availability of a draft guidance for industry entitled ''Oncology Pharmaceuticals: Streamlined Nonclinical Safety Studies for Biologics and Conjugated Products.'' When finalized, this guidance will assist sponsors in implementing streamlined approaches for general toxicology, for nonclinical safety assessments of certain oncology pharmaceuticals. The guidance is intended to facilitate drug development for biological products and conjugated products for the treatment of cancer while avoiding unnecessary animal use. The recommendations in this draft guidance are informed by data analysis of general toxicology studies and practices developed during the COVID–19 pandemic to reduce use of non-human primates.

DATES: Submit either electronic or written comments on the draft guidance by July 31, 2026 to ensure that the Agency considers your comment on this draft guidance before it begins work on the final version of the guidance.

ADDRESSES: You may submit comments on any guidance at any time as follows:

Electronic Submissions

Submit electronic comments in the following way:

- *Federal eRulemaking Portal: https://www.regulations.gov.* Follow the instructions for submitting comments. Comments submitted electronically, including attachments, to *https://www.regulations.gov* will be posted to the docket unchanged. Because your comment will be made public, you are solely responsible for ensuring that your comment does not include any confidential information that you or a third party may not wish to be posted, such as medical information, your or anyone else's Social Security number, or confidential business information, such as a manufacturing process. Please note that if you include your name, contact information, or other information that identifies you in the body of your comments, that information will be posted on *https://www.regulations.gov*.
- If you want to submit a comment with confidential information that you do not wish to be made available to the public, submit the comment as a written/paper submission and in the manner detailed (see ''Written/Paper Submissions'' and ''Instructions'').

Written/Paper Submissions

Submit written/paper submissions as follows:

- *Mail/Hand delivery/Courier (for written/paper submissions)*: Dockets Management Staff (HFA–305), Food and Drug Administration, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852.
- For written/paper comments submitted to the Dockets Management Staff, FDA will post your comment, as well as any attachments, except for information submitted, marked and identified, as confidential, if submitted as detailed in ''Instructions.''

Instructions: All submissions received must include the Docket No. FDA–2026–D–2839 for ''Oncology Pharmaceuticals: Streamlined Nonclinical Safety Studies for Biologics and Conjugated Products.'' Received comments will be placed in the docket and, except for those submitted as ''Confidential Submissions,'' publicly viewable at *https://www.regulations.gov* or at the Dockets Management Staff between 9 a.m. and 4 p.m., Monday through Friday, 240–402–7500.

- Confidential Submissions—To submit a comment with confidential information that you do not wish to be made publicly available, submit your comments only as a written/paper submission. You should submit two copies total. One copy will include the information you claim to be confidential

with a heading or cover note that states ''THIS DOCUMENT CONTAINS CONFIDENTIAL INFORMATION.'' The Agency will review this copy, including the claimed confidential information, in its consideration of comments. The second copy, which will have the claimed confidential information redacted/blacked out, will be available for public viewing and posted on *https://www.regulations.gov.* Submit both copies to the Dockets Management Staff. If you do not wish your name and contact information to be made publicly available, you can provide this information on the cover sheet and not in the body of your comments and you must identify this information as ''confidential.'' Any information marked as ''confidential'' will not be disclosed except in accordance with 21 CFR 10.20 and other applicable disclosure law. For more information about FDA's posting of comments to public dockets, see 80 FR 56469, September 18, 2015, or access the information at: *https://www.govinfo.gov/content/pkg/FR-2015-09-18/pdf/2015-23389.pdf.*

Docket: For access to the docket to read background documents or the electronic and written/paper comments received, go to *https://www.regulations.gov* and insert the docket number, found in brackets in the heading of this document, into the ''Search'' box and follow the prompts and/or go to the Dockets Management Staff, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852, 240–402–7500.

You may submit comments on any guidance at any time (see 21 CFR 10.115(g)(5)).

Submit written requests for single copies of the draft guidance to the Division of Drug Information, Center for Drug Evaluation and Research, Food and Drug Administration, 10001 New Hampshire Ave., Hillandale Building, 4th Floor, Silver Spring, MD 20993–0002. Send one self-addressed adhesive label to assist that office in processing your requests. See the **SUPPLEMENTARY INFORMATION** section for electronic access to the draft guidance document.

FOR FURTHER INFORMATION CONTACT: Tiffany Ricks, Center for Drug Evaluation and Research, Food and Drug Administration, 10903 New Hampshire Ave., Bldg. 22, Rm. 2102, Silver Spring, MD 20993, 240–402–0380.

SUPPLEMENTARY INFORMATION:

I. Background

FDA is announcing the availability of a draft guidance for industry entitled ''Oncology Pharmaceuticals: Streamlined Nonclinical Safety Studies for Biologics and Conjugated Products.'' When finalized, this guidance will assist sponsors in implementing streamlined approaches for nonclinical safety assessments of certain oncology pharmaceuticals. This guidance is intended to facilitate drug development for biological products and conjugated products for the treatment of cancer while avoiding unnecessary animal use. The recommendations in this draft guidance are informed by data analysis of general toxicology studies and practices developed during the COVID–19 pandemic to reduce use of non-human primates. When finalized, the guidance will provide recommendations for general toxicology studies with primary focus on 3-month toxicology studies. The guidance does not address nonclinical safety assessments for impurities or excipients.

This draft guidance is being issued consistent with FDA's good guidance practices regulation (21 CFR 10.115). The draft guidance, when finalized, will represent the current thinking of FDA on ''Oncology Pharmaceuticals: Streamlined Nonclinical Safety Studies for Biologics and Conjugated Products.'' It does not establish any rights for any person and is not binding on FDA or the public. You can use an alternative approach if it satisfies the requirements of the applicable statutes and regulations.

As we develop final guidance on this topic, FDA will consider comments on costs or cost savings the guidance may generate, relevant for Executive Order 14192.

II. Paperwork Reduction Act of 1995

While this guidance contains no collection of information, it does refer to previously approved FDA collections of information. The previously approved collections of information are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (PRA) (44 U.S.C. 3501–3521). The collections of information in 21 CFR part 312 relating to pre IND drug developmental activities and investigational new drug applications have been approved under OMB control number 0910–0014. The collections of information in 21 CFR part 314 relating to new drug applications have been approved under OMB control number 0910–0001. The collections of information in 21 CFR part 601 relating to biologics license applications have been approved under OMB control number 0910–0338.

III. Electronic Access

Persons with access to the internet may obtain the draft guidance at *https://www.fda.gov/drugs/guidance-compliance-regulatory-information/guidances-drugs*, *https://www.fda.gov/regulatory-information/search-fda-guidance-documents*, or *https://www.regulations.gov*.

Grace R. Graham,

Deputy Commissioner for Policy, Legislation, and International Affairs.

[FR Doc. 2026–10873 Filed 5–29–26; 8:45 am]

BILLING CODE 4164–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Health Resources and Services Administration

Notice of Supplemental Funding for the Black Lung Data and Resource Center

AGENCY: Health Resources and Services Administration (HRSA), Department of Health and Human Services.

ACTION: Notice of supplemental funding.

SUMMARY: HRSA provides support through a cooperative agreement to the Black Lung Data and Resource Center (BLDRC) to provide technical assistance to clinics funded through the Black Lung Clinics Program. The BLDRC provides support and improvements related to patient-level data collection and analysis, clinic operations, and the quality and breadth of clinic services. This single source award is for July 1, 2026, to June 30, 2027. This single source award will help the BLDRC refine and enhance their data collection and analysis activities.

FOR FURTHER INFORMATION CONTACT: Anna Feins, Black Lung Program Coordinator, Community Based Division, Federal Office of Rural Health Policy, HRSA, at *afeins@hrsa.gov* and 301–287–0251.

SUPPLEMENTARY INFORMATION:

Intended Recipient of the Award: University of Illinois, Chicago.

Amount of Non-Competitive Award: $50,000.

Project Period: July 1, 2026, to June 30, 2027.

Assistance Listing Number: 93.965.

Award Instrument: Cooperative Agreement.

Authority: Section 711(b) of the Social Security Act (42 U.S.C. 912(b)).

TABLE 1—RECIPIENT AND AWARD AMOUNT

Grant No.	Award recipient name	City, State	Award amount
U3ARH54844	University of Illinois	Chicago, IL	$50,000

Justification: This funding will provide a one-time single source award to the University of Illinois, Chicago via BLDRC with a budget period of July 1, 2026, to June 30, 2027. This award will allow the University of Illinois, Chicago to build on past and ongoing projects supported by HRSA to improve patient-level data collection and analysis, as well as clinic operations and the quality and breadth of clinic services related to the Federal Office of Rural Health Policy-funded Black Lung Clinics Program. The University of Illinois, Chicago is the recipient of the only award under the program and has over a decade of experience identifying, developing, and training clinic stakeholders on data-related technical assistance for the Black Lung Clinics Program. The award will give BLDRC the resources to refine, enhance, and strengthen their data collection and data analysis capabilities.

Margaret M. Bush,

Deputy Administrator.

[FR Doc. 2026–10850 Filed 5–29–26; 8:45 am]

BILLING CODE 4165–15–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

National Eye Institute; Notice of Closed Meeting

Pursuant to section 1009 of the Federal Advisory Committee Act, as amended, notice is hereby given of a meeting of the National Advisory Eye Council.

The meeting will be closed to the public in accordance with the provisions set forth in sections 552b(c)(4) and 552b(c)(6), Title 5 U.S.C., as amended. The grant applications and the discussions could disclose confidential trade secrets or commercial property such as patentable material, and personal information concerning individuals associated with the grant applications, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

Name of Committee: National Advisory Eye Council.

Date: July 17, 2026.

Time: 10:00 a.m. to 11:00 a.m.

Agenda: To review and evaluate grant applications.

Address: National Eye Institute, 6700B Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Hyo-Jung Anna Han, Acting Director, Division of Extramural Activities, National Eye Institute, 6700B Rockledge Drive, Bethesda, MD 20892, *anna.han@nih.gov.*

Information is also available on the Institute's/Center's home page: *https://www.nei.nih.gov/about/advisory-committees/national-advisory-eye-council-naec,* where an agenda and any additional information for the meeting will be posted when available.

Dated: May 27, 2026.

Rosalind M. Niamke,

Program Analyst, Office of Federal Advisory Committee Policy.

[FR Doc. 2026–10811 Filed 5–29–26; 8:45 am]

BILLING CODE 4167–05–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: Biological Chemistry and Macromolecular Biophysics Integrated Review Group; Chemical Biology and Probes Study Section.

Date: June 29–30, 2026.

Time: 9:30 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: Prema Chandrasekhar Iyer, Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 480–1821, *prema.iyer@nih.gov.*

Name of Committee: Emerging Technologies and Training Neurosciences Integrated Review Group; Bioengineering and Tissue Engineering for Neuroscience Study Section, Bioengineering and Tissue Engineer for Neuroscience Study Section.

Date: June 29–30, 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: Tina Tze-Tsang Tang, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Suite 3030, Bethesda, MD 20817, (301) 435–4436, *tangt@mail.nih.gov.*

Name of Committee: Endocrinology, Metabolism, Nutrition and Reproductive Sciences Integrated Review Group; Pathophysiology of Obesity and Metabolic Disease Study Section.

Date: June 29, 2026.

Time: 10:00 a.m. to 11:00 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: Latha Malaiyandi, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 812Q, Bethesda, MD 20892, (301) 435–1999, *malaiyandilm@csr.nih.gov.*

Name of Committee: Center for Scientific Review Special Emphasis Panel; RFA–DK–26–313: Single Source for Continuation of the AMP CMD Knowledge Portal.

Date: June 29, 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: Bruce Sundstrom, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 435–5000, *jay.sundstrom@nih.gov.*

Name of Committee: Center for Scientific Review Special Emphasis Panel; Fellowships: Chemistry, Biochemistry & Biophysics.

Date: June 29–30, 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: Dennis Pantazatos, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 594–2381, *dennis.pantazatos@nih.gov*.

Name of Committee: Center for Scientific Review Special Emphasis Panel; Training and Career Development: Basic and Integrative Biological Sciences.

Date: June 29–30, 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: Konrad J. Krzewski, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (240) 747–7526, *konrad.krzewski@nih.gov*.

Name of Committee: Center for Scientific Review Special Emphasis Panel; Environmental Influences in Pregnancy and Offspring Health.

Date: June 30–July 1, 2026.

Time: 9:00 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Nijaguna Prasad, Ph.D., Scientific Review Officer, SRB, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 594–5197, *prasadnb@mail.nih.gov*.

Name of Committee: Center for Scientific Review Special Emphasis Panel; Program Project: Cancer Research.

Date: June 30–July 1, 2026.

Time: 9:00 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Caterina Bianco, MD, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, *biancoc@mail.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 28, 2026.

Denise M. Santeufemio,

Supervisory Program Analyst, Office of Federal Advisory Committee Policy.

[FR Doc. 2026–10931 Filed 5–29–26; 8:45 am]

BILLING CODE 4140–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

Government-Owned Inventions; Availability for Licensing

AGENCY: National Institutes of Health, HHS.

ACTION: Notice.

SUMMARY: The National Institute of Allergy and Infectious Diseases (NIAID), an institute of the National Institutes of Health (NIH), Department of Health and Human Services (HHS), is giving notice of the invention listed below, which is owned by an agency of the U.S. Government and is available for licensing to achieve expeditious commercialization of results of federally-funded research and development. Foreign patent applications are filed on selected inventions to extend market coverage for companies and may also be available for licensing.

FOR FURTHER INFORMATION CONTACT: Inquiries related to this licensing opportunity should be directed to: Yogikala Prabhu at 202–365–4785, or *yogikala.prabhu@nih.gov.* Licensing information may be obtained by communicating with the Technology Transfer and Intellectual Property Office, National Institute of Allergy and Infectious Diseases, 5601 Fishers Lane, Rockville, MD 20852: tel. 301–496–2644. A signed Confidential Disclosure Agreement will be required to receive copies of unpublished information related to the invention.

SUPPLEMENTARY INFORMATION: Technology description follows:

Monoclonal Antibody for Specific Detection of the Transcription Factor Eos (Ikzf4) in Regulatory T Cells

Description of Technology

Regulatory T cells (Tregs) are immune cells that keep the immune system balanced and prevent autoimmunity. Tregs depend on a protein called Eos (Ikzf4) that helps turn genes on and off for their development and function, but until now, antibodies used to detect and study Eos were unreliable.

Researchers at the National Institute of Allergy and Infectious Diseases (NIAID) have created monoclonal antibody 18H2 to accurately detect Eos in mouse and human Treg cells. To make 18H2, they immunized hamsters with a segment of the Eos protein and used advanced techniques to select the best antibody-producing cells. The resulting 18H2 antibody specifically detects Eos and does not react with cells lacking Eos.

The 18H2 antibody stands out by reliably detecting both human and mouse Eos and performing better in laboratory tests, such as flow cytometry, used to analyze Treg cells. This technology offers a powerful new way to study Treg cell development and how Eos helps protect against autoimmune conditions.

This technology is available for licensing for commercial development in accordance with 35 U.S.C. 209 and 37 CFR part 404, as well as for further development and evaluation under a research collaboration.

Potential Commercial Applications

- Development of tests that track Treg cell function and Eos protein levels in patients and monitor Eos levels in autoimmune diseases, cancer treatments, and organ transplants.

Competitive Advantages

- Eos-specific detection, confirmed by lack of reactivity in cells that lack Eos.
- Detection of both mouse and human Eos, enabling application to human research.
- Precise detection and measurement of Treg cells in diverse sample types.

Development Stage

- Pre-Clinical

Inventors: Dr. Ethan Shevach, Dr. Angela DeVico, and Ms. Patricia Korty, all of NIAID.

Publications: Xie X, et al. Eos plays a critical role in Treg homeostasis and modulates the function of recirculating thymic Tregs in the control of Treg development. *Cell Rep.* 2026;45(1):116838. doi:10.1016/j.celrep.2025.116838.

Intellectual Property: HHS Reference No. E–104–2025–0.

Licensing Contact: To license this technology, please contact Yogikala Prabhu at 202–365–4785, or *yogikala.prabhu@nih.gov,* and reference E–104–2025–0.

Collaborative Research Opportunity: The National Institute of Allergy and Infectious Diseases is seeking statements of capability or interest from parties interested in collaborative research to further develop, evaluate, or commercialize this technology. Areas of specific interest include (a) application in pre-clinical models of autoimmunity, cancer, and transplantation, (b) development of diagnostic assays for immune monitoring and biomarker discovery, and (c) inclusion in high-throughput screening platforms for drug discovery targeting Treg pathways. For

collaboration opportunities, please contact Yogikala Prabhu at 202–365–4785, or *yogikala.prabhu@nih.gov.*

Dated: May 26, 2026.

Surekha Vathyam,

Director, Technology Transfer and Intellectual Property Office, National Institute of Allergy and Infectious Diseases.

[FR Doc. 2026–10813 Filed 5–29–26; 8:45 am]

BILLING CODE 4167–05–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; Translational Investigations of Pulmonary and Immunological Diseases.

Date: June 23, 2026.

Time: 9:00 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Carl White, Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 480–4835, *carl.white@nih.gov.*

Name of Committee: Applied Therapeutics for Cancer Integrated Review Group; Radiation Therapeutics and Biology Study Section.

Date: June 29, 2026.

Time: 8:30 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: Bo Hong, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 6194, MSC 7804, Bethesda, MD 20892, 301–996–6208, *hongb@csr.nih.gov.*

Name of Committee: Genes, Genomes, and Genetics Integrated Review Group; Therapeutic Approaches to Genetic Diseases Study Section.

Date: June 29, 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: Maddalena Tilli Shiffert, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Dr., Room 710P, Bethesda, MD 20892, (301) 594–4257, *shiffertmt@csr.nih.gov.*

Name of Committee: Center for Scientific Review Special Emphasis Panel; Health Services Research in Mental Health and Substance Use Disorders.

Date: June 29, 2026.

Time: 9:00 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Address: National Institutes of Health, Rockledge II, 6701 Rockledge Drive, Bethesda, MD 20892.

Meeting Format: Virtual Meeting.

Contact Person: Jeanne Marie McCaffery, Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, 301–594–3854, *jeanne.mccaffery@nih.gov.*

Name of Committee: Center for Scientific Review Special Emphasis Panel; Training: Career Development Awards in Basic Neuroscience.

Date: June 29, 2026.

Time: 9:30 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: Gagan Deep Bajaj, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 402–6965, *gagan.bajaj@nih.gov.*

Name of Committee: Center for Scientific Review Special Emphasis Panel; R15 Applications in Interdisciplinary Biological Sciences.

Date: June 29, 2026.

Time: 9:30 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: Sergei Ruvinov, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 4158, MSC 7806, Bethesda, MD 20892, 301–435–1180, *ruvinser@csr.nih.gov.*

Name of Committee: Genes, Genomes, and Genetics Integrated Review Group; Maximizing Investigators' Research Award A Study Section.

Date: June 29–30, 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: Mollie Kim Manier, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, (301) 594–0510, *mollie.manier@nih.gov.*

Name of Committee: Infectious Diseases and Immunology A Integrated Review Group; Adaptive Immunity Study Section.

Date: June 29–30, 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: Liying Guo, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 4198, MSC 7812, Bethesda, MD 20892, (301) 827–7728, *lguo@mail.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 27, 2026.

Rosalind M. Niamke,

Program Analyst, Office of Federal Advisory Committee Policy.

[FR Doc. 2026–10814 Filed 5–29–26; 8:45 am]

BILLING CODE 4167–05–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Substance Abuse and Mental Health Services Administration

Current List of HHS-Certified Laboratories and Instrumented Initial Testing Facilities Which Meet Minimum Standards To Engage in Urine and Oral Fluid Drug Testing for Federal Agencies

AGENCY: Substance Abuse and Mental Health Services Administration, HHS.

ACTION: Notice.

SUMMARY: The Department of Health and Human Services (HHS) provides notice of the laboratories and Instrumented Initial Testing Facilities (IITFs) currently certified to meet the standards of the Mandatory Guidelines for Federal Workplace Drug Testing Programs (Mandatory Guidelines) using Urine and the laboratories currently certified to meet the standards of the Mandatory Guidelines using Oral Fluid.

FOR FURTHER INFORMATION CONTACT: Anastasia Flanagan, Division of Workplace Programs, SAMHSA/CSAP, 5600 Fishers Lane, Room 16N06B, Rockville, Maryland 20857; 240–276–2600 (voice); *Anastasia.Flanagan@samhsa.hhs.gov* (email).

SUPPLEMENTARY INFORMATION: The Department of Health and Human Services (HHS) publishes a notice listing all HHS-certified laboratories and Instrumented Initial Testing Facilities (IITFs) in the **Federal Register** monthly, in accordance with Section 9.19 of the Mandatory Guidelines for Federal Workplace Drug Testing Programs (Mandatory Guidelines) using Urine and Section 9.17 of the Mandatory Guidelines using Oral Fluid. If any laboratory or IITF certification is suspended or revoked, the laboratory or IITF will be omitted from subsequent lists until such time as it is restored to full certification under the Mandatory Guidelines.

If any laboratory or IITF has withdrawn from the HHS National Laboratory Certification Program (NLCP) during the past month, it will be listed at the end and will be omitted from the monthly listing thereafter.

This notice is also available on the internet at *https://www.samhsa.gov/workplace/drug-testing-resources/certified-lab-list.*

The Mandatory Guidelines using Urine were first published in the **Federal Register** on April 11, 1988 (53 FR 11970), and subsequently revised in the **Federal Register** on June 9, 1994 (59 FR 29908); September 30, 1997 (62 FR 51118); April 13, 2004 (69 FR 19644); November 25, 2008 (73 FR 71858); December 10, 2008 (73 FR 75122); April 30, 2010 (75 FR 22809); January 23, 2017 (82 FR 7920); and on October 12, 2023 (88 FR 70768).

The Mandatory Guidelines using Oral Fluid were first published in the **Federal Register** on October 25, 2019 (84 FR 57554) with an effective date of January 1, 2020, and subsequently revised in the **Federal Register** on October 12, 2023 (88 FR 70814).

The Mandatory Guidelines were initially developed in accordance with Executive Order 12564 and section 503 of Public Law 100–71 and allowed urine drug testing only. The Mandatory Guidelines using Urine have since been revised, and new Mandatory Guidelines allowing for oral fluid drug testing have been published. The Mandatory Guidelines require strict standards that laboratories and IITFs must meet in order to conduct drug and specimen validity tests on specimens for Federal agencies. HHS does not allow IITFs to conduct oral fluid testing.

To become certified, an applicant laboratory or IITF must undergo three rounds of performance testing plus an on-site inspection. To maintain that certification, a laboratory or IITF must participate in a quarterly performance testing program plus undergo periodic, on-site inspections.

Laboratories and IITFs in the applicant stage of certification are not to be considered as meeting the minimum requirements described in the HHS Mandatory Guidelines using Urine and/or Oral Fluid. An HHS-certified laboratory or IITF must have its letter of certification from HHS/SAMHSA (formerly: HHS/NIDA), which attests that the test facility has met minimum standards.

HHS-Certified Laboratories Approved To Conduct Oral Fluid Drug Testing

In accordance with the Mandatory Guidelines using Oral Fluid effective October 10, 2023 (88 FR 70814), the following HHS-certified laboratories meet the minimum standards to conduct drug and specimen validity tests on oral fluid specimens:

At this time, there are no laboratories certified to conduct drug and specimen validity tests on oral fluid specimens.

HHS-Certified Instrumented Initial Testing Facilities Approved To Conduct Urine Drug Testing

In accordance with the Mandatory Guidelines using Urine effective February 1, 2024 (88 FR 70768), the following HHS-certified IITFs meet the minimum standards to conduct drug and specimen validity tests on urine specimens:

Dynacare, 6628 50th Street NW, Edmonton, AB Canada T6B 2N7, 780–784–1190, (Formerly: Gamma-Dynacare Medical Laboratories)

Note: *DOT does not allow IITFs to test DOT-regulated specimens.*

HHS-Certified Laboratories Approved To Conduct Urine Drug Testing

In accordance with the Mandatory Guidelines using Urine effective February 1, 2024 (88 FR 70768), the following HHS-certified laboratories meet the minimum standards to conduct drug and specimen validity tests on urine specimens:

Alere Toxicology Services, 1111 Newton St., Gretna, LA 70053, 504–361–8989/800–433–3823, (Formerly: Kroll Laboratory Specialists, Inc., Laboratory Specialists, Inc.)

Clinical Reference Laboratory, Inc., 8433 Quivira Road, Lenexa, KS 66215–2802, 800–445–6917

Desert Tox, LLC, 5425 E Bell Rd., Suite 125, Scottsdale, AZ, 85254, 602–457–5411/623–748–5045

DrugScan, Inc., 200 Precision Road, Suite 200, Horsham, PA 19044, 800–235–4890

Dynacare, 245 Pall Mall Street, London, ONT, Canada N6A 1P4, 519–679–1630, (Formerly: Gamma-Dynacare Medical Laboratories)

ElSohly Laboratories, Inc., 5 Industrial Park Drive, Oxford, MS 38655, 662–236–2609

LabOne, Inc. d/b/a Quest Diagnostics, 10101 Renner Blvd., Lenexa, KS 66219, 913–888–3927/800–873–8845, (Formerly: Quest Diagnostics Incorporated; LabOne, Inc.; Center for Laboratory Services, a Division of LabOne, Inc.)

Laboratory Corporation of America Holdings, 7207 N Gessner Road, Houston, TX 77040, 713–856–8288/800–800–2387

Laboratory Corporation of America Holdings, 69 First Ave., Raritan, NJ 08869, 908–526–2400/800–437–4986, (Formerly: Roche Biomedical Laboratories, Inc.)

Laboratory Corporation of America Holdings, 1904 TW Alexander Drive, Research Triangle Park, NC 27709, 919–572–6900/800–833–3984, (Formerly: LabCorp Occupational Testing Services, Inc., CompuChem Laboratories, Inc.; CompuChem Laboratories, Inc., A Subsidiary of Roche Biomedical Laboratory; Roche CompuChem Laboratories, Inc., A Member of the Roche Group)

Laboratory Corporation of America Holdings, 1120 Main Street, Southaven, MS 38671, 866–827–8042/800–233–6339, (Formerly: LabCorp Occupational Testing Services, Inc.; MedExpress/National Laboratory Center)

MedTox Laboratories, Inc., 402 W County Road D, St. Paul, MN 55112, 651–636–7466/800–832–3244

Minneapolis Veterans Affairs Medical Center, Forensic Toxicology Laboratory, 1 Veterans Drive, Minneapolis, MN 55417, 612–725–2088, Testing for Veterans Affairs (VA) Employees Only

Pacific Toxicology Laboratories, 9348 DeSoto Ave., Chatsworth, CA 91311, 800–328–6942, (Formerly: Centinela Hospital Airport Toxicology Laboratory)

Phamatech, Inc., 15175 Innovation Drive, San Diego, CA 92128, 888–635–5840

US Army Forensic Toxicology Drug Testing Laboratory, 2490 Wilson St., Fort George G. Meade, MD 20755–5235, 301–677–7085,

Testing for Department of Defense (DoD) Employees Only

The following laboratory is voluntarily withdrawing from the National Laboratory Certification Program effective June 30, 2026.

Alere Toxicology Services, 450 Southlake Blvd., Richmond, VA 23236, 804–378–9130, (Formerly: Kroll Laboratory Specialists, Inc., Scientific Testing Laboratory, Inc.; Kroll Scientific Testing Laboratories, Inc.)

Anastasia D. Flanagan,

Public Health Advisor, Division of Workplace Programs.

[FR Doc. 2026–10884 Filed 5–29–26; 8:45 am]

BILLING CODE 4160–20–P

DEPARTMENT OF HOMELAND SECURITY

Federal Emergency Management Agency

[Docket ID: FEMA–2026–0166; OMB No. 1660–0008]

Agency Information Collection Activities: Proposed Collection, Comment Request; Elevation Certificate/Floodproofing Certificate

AGENCY: Federal Emergency Management Agency, Department of Homeland Security.

ACTION: 60-Day notice of extension and request for comments.

SUMMARY: The Federal Emergency Management Agency (FEMA), as part of its continuing effort to reduce paperwork and respondent burden, invites the general public to take this opportunity to comment on an extension of a currently approved information collection. In accordance with the requirements of the Paperwork Reduction Act of 1995, this notice seeks comments concerning the National Flood Insurance Program's (NFIP) Elevation Certificate and Floodproofing Certificate.

DATES: Comments must be submitted on or before July 31, 2026.

ADDRESSES: To avoid duplicate submissions to the docket, please submit comments at *http://www.regulations.gov* under Docket ID FEMA–2026–1666. Follow the instructions for submitting comments.

All submissions received must include the Agency name and Docket ID. Regardless of the method used to submit comments or material, all submissions will be posted, without change, to the Federal eRulemaking Portal at *http://www.regulations.gov,* and will include any personal information you provide. Therefore, submitting this information makes it public. You may wish to read the Privacy and Security Notice that is available via a link on the homepage of *http://www.regulations.gov.*

FOR FURTHER INFORMATION CONTACT: John Hintermister, Branch Chief, Underwriting, Resilience, at 202–679–5992, and *john.hintermister@fema.dhs.gov.* You may contact the Information Management Division for copies of the proposed collection of information at email address: *FEMA-Information-Collections-Management@fema.dhs.gov.*

SUPPLEMENTARY INFORMATION: Communities participating in the NFIP are required to adopt a floodplain management ordinance that meets or exceeds the minimum floodplain management standards of the NFIP. In accordance with FEMA's minimum floodplain management standards, communities must require that all new construction and substantial improvement of residential structures and non-residential structures have the lowest floor (including basement) elevated to above the base flood elevation subject to 44 CFR 60.3(c)(2) and (3); unless, for residential structures, the community is granted an exception by FEMA for the allowance of basements under 44 CFR 60.6(b) or (c). New construction and substantial improvement of non-residential structures can also be floodproofed. This means that, together with attendant utility and sanitary facilities, they are designed such that below the base flood level the structure is watertight, with walls substantially impermeable to the passage of water and with structural components having the capability to resist hydrostatic and hydrodynamic loads and effects of buoyancy, per 44 CFR 60.3(c)(3)(ii).

Use of the Elevation Certificate and Floodproofing Certificate each serve as a method for a community to document building compliance with these requirements. FEMA also gives NFIP policyholders the option to submit an Elevation Certificate for the purpose of providing elevation information for use in premium rating in lieu of FEMA-sourced elevation information and for the purpose of demonstrating eligibility for the Machinery & Equipment premium discount.

Collection of Information

Title: Elevation Certificate/Floodproofing Certificate.

Type of Information Collection: Extension of a currently approved information collection.

OMB Number: 1660–0008.

FEMA Forms: FEMA Form FF–206–FY–22–152 (formerly 086–0–33), Elevation Certificate; FEMA Form FF–206–FY–22–153 (formerly 086–0–34), Floodproofing Certificate.

Abstract: The Elevation Certificate and Floodproofing Certificate are to determine a building's compliance with local floodplain management provisions and, in conjunction with the Flood Insurance Application, to document elevations in support of flood insurance premiums or discounts that align with the building's risk of damage from flooding. Respondents are primarily surveyors, architects, or engineers; individual property owners may opt to complete specified portions of the Elevation Certificate.

Affected Public: Individuals or Households, and Businesses or other For-Profit.

Estimated Number of Respondents: 3,517.

Estimated Number of Responses: 3,517.

Estimated Total Annual Burden Hours: 12,735.

Estimated Total Annual Respondent Cost: $680,316.

Estimated Respondents' Operation and Maintenance Costs: $0.

Estimated Respondents' Capital and Start-Up Costs: $0.

Estimated Total Annual Cost to the Federal Government: $37,414.

Comments

Comments may be submitted as indicated in the **ADDRESSES** caption above. Comments are solicited to (a) evaluate whether the proposed data collection is necessary for the proper performance of the Agency, including whether the information shall have practical utility; (b) 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; (c) enhance the quality, utility, and clarity of the information to be collected; and (d) 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.

Nigel S. Allicock,

Records Management Branch Chief, Office of the Chief Administrative Officer, Mission Support, Federal Emergency Management Agency, Department of Homeland Security.

[FR Doc. 2026–10842 Filed 5–29–26; 8:45 am]

BILLING CODE 9111–52–P

DEPARTMENT OF HOMELAND SECURITY

Federal Emergency Management Agency

[Docket ID: FEMA–2026–0265; OMB No. 1660–0009]

Agency Information Collection Activities: Proposed Collection, Comment Request; The Declaration Process: Requests for Preliminary Damage Assessment (PDA), Requests for Supplemental Federal Disaster Assistance, Appeals, and Requests for Cost Share Adjustments

AGENCY: Federal Emergency Management Agency, Department of Homeland Security.

ACTION: 60-Day notice of extension and request for comments.

SUMMARY: The Federal Emergency Management Agency (FEMA), as part of its continuing effort to reduce paperwork and respondent burden, invites the general public to take this opportunity to comment on an extension of a currently approved information collection. In accordance with the requirements of the Paperwork Reduction Act of 1995, this notice seeks comments concerning the Declaration Process: Requests for Preliminary Damage Assessment (PDA), Requests for Supplemental Federal Disaster Assistance, Appeals, and Requests for Cost Share Adjustments collection. This collection allows states and Tribes to request a major disaster or emergency declaration.

DATES: Comments must be submitted on or before July 31, 2026.

ADDRESSES: To avoid duplicate submissions to the docket, please submit comments at *http://www.regulations.gov* under Docket ID FEMA–2026–0265. Follow the instructions for submitting comments.

All submissions received must include the Agency name and Docket ID. Regardless of the method used to submit comments or material, all submissions will be posted, without change, to the Federal eRulemaking Portal at *http://www.regulations.gov,* and will include any personal information you provide. Therefore, submitting this information makes it public. You may wish to read the Privacy and Security Notice that is available via a link on the homepage of *http://www.regulations.gov.*

FOR FURTHER INFORMATION CONTACT: Dean Webster, Declaration Section, Federal Emergency Management Agency at (202) 646–2833 or *Dean.Webster@fema.dhs.gov.* You may contact the Information Management Division for copies of the proposed collection of information at email address: *FEMA-Information-Collections-Management@fema.dhs.gov.*

SUPPLEMENTARY INFORMATION: Under Sections 401 and 501 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act) (42 U.S.C 5170 and 5191), if a state or Tribe is impacted by an event of the severity and magnitude that is beyond its response capabilities, the state Governor or Chief Executive may seek a declaration by the President that a major disaster or emergency exists. Any major disaster or emergency request must be submitted through FEMA, which evaluates the request and makes a recommendation to the President about what response action to take. If the major disaster or emergency declaration request is granted, the state or Tribe may be eligible to receive assistance under 42 U.S.C. 5170a–5170c; 5172–5186; 5189c–5189d; and 5192. A state or Tribe may appeal denials of a major disaster or emergency declaration request for determinations under section 44 CFR 206.46 and seek an adjustment to the cost share percentage under section 44 CFR 206.47. FEMA is extending the currently approved information collection.

Collection of Information

Title: The Declaration Process: Requests for Preliminary Damage Assessment (PDA), Requests for Supplemental Federal Disaster Assistance, Appeals, and Requests for Cost Share Adjustments.

Type of Information Collection: Extension of a currently approved information collection.

OMB Number: 1660–0009.

FEMA Forms: FEMA Form FF–104–FY–22–232 (formerly 010–0–13), Request for Presidential Disaster Declaration Major Disaster or Emergency.

Abstract: When a disaster occurs, the Governor of the state or the Chief Executive of an affected Indian tribal government may request a major disaster declaration or an emergency declaration. The Governor or Chief Executive should submit the request to the President through the appropriate Regional Administrator to ensure prompt acknowledgement and processing. The information obtained by joint Federal, state, and local preliminary damage assessments will be analyzed by FEMA regional senior level staff. The regional summary and the regional analysis and recommendation will include a discussion of state and local resources and capabilities, and other assistance available to meet the disaster related needs. The Administrator of FEMA provides a recommendation to the President and also provides a copy of the Governor's or Chief Executive's request. In the event the information required by law is not contained in the request, the Governor's or Chief Executive's request cannot be processed and forwarded to the White House. In the event the Governor's or Chief Executive's request for a major disaster declaration or an emergency declaration is not granted, the Governor or Chief Executive may appeal the decision.

Affected Public: State, Local or Tribal Government.

Estimated Number of Respondents: 140.

Estimated Number of Responses: 240.

Estimated Total Annual Burden Hours: 4,040.

Estimated Total Annual Respondent Cost: $233,076.

Estimated Respondents' Operation and Maintenance Costs: $0.

Estimated Respondents' Capital and Start-Up Costs: $0.

Estimated Total Annual Cost to the Federal Government: $9,942,947.

Comments

Comments may be submitted as indicated in the **ADDRESSES** caption above. Comments are solicited to (a) evaluate whether the proposed data collection is necessary for the proper performance of the Agency, including whether the information shall have practical utility; (b) 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; (c) enhance the quality, utility, and clarity of the information to be collected; and (d) 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.

Nigel S. Allicock,

Records Management Branch Chief, Office of the Chief Administrative Officer, Mission Support, Federal Emergency Management Agency, Department of Homeland Security.

[FR Doc. 2026–10843 Filed 5–29–26; 8:45 am]

BILLING CODE 9111–23–P

DEPARTMENT OF HOMELAND SECURITY

Federal Emergency Management Agency

[Docket ID: FEMA–2026–0133; OMB No. 1660–0029]

Agency Information Collection Activities: Proposed Collection, Comment Request; Approval and Coordination of Requirements To Use the NETC for Extracurricular and Training Activities

AGENCY: Federal Emergency Management Agency, Department of Homeland Security.

ACTION: 60-Day notice of extension and request for comments.

SUMMARY: The Federal Emergency Management Agency (FEMA), as part of its continuing effort to reduce paperwork and respondent burden, invites the general public to take this opportunity to comment on an extension of a currently approved information collection. In accordance with the requirements of the Paperwork Reduction Act of 1995, this notice seeks comments concerning the request form by the National Emergency Training Center (NETC) for housing accommodations.

DATES: Comments must be submitted on or before July 31, 2026.

ADDRESSES: To avoid duplicate submissions to the docket, please submit comments at *http://www.regulations.gov* under Docket ID FEMA–2026–0133. Follow the instructions for submitting comments.

All submissions received must include the Agency name and Docket ID. Regardless of the method used to submit comments or material, all submissions will be posted, without change, to the Federal eRulemaking Portal at *http://www.regulations.gov,* and will include any personal information you provide. Therefore, submitting this information makes it public. You may wish to read the Privacy and Security Notice that is available via a link on the homepage of *http://www.regulations.gov.*

FOR FURTHER INFORMATION CONTACT: Kimberly Harbaugh, Administrative Specialist, U.S. Fire Administration, at *kimberly.harbaugh@fema.dhs.gov* or 301–447–1223. You may contact the Information Management Division for copies of the proposed collection of information at email address: *FEMA-Information-Collections-Management@fema.dhs.gov.*

SUPPLEMENTARY INFORMATION: The Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act) (42 U.S.C. 5121–5207) authorizes the President to establish a program of disaster preparedness that utilizes services of all appropriate agencies and includes training and exercises. Section 611 of the Stafford Act (42 U.S.C. 5196) directs that FEMA may conduct training for the purpose of emergency preparedness. In response, FEMA established the NETC, located in Emmitsburg, Maryland. The NETC site has facilities and housing available for those participating in preparedness training and a request for use of these areas is required to be made in advance for the need for such.

The NETC is a FEMA facility which houses all FEMA employees at headquarters, regions, field establishments, and other individuals and organizations authorized to use the facilities. The responsibilities, procedures, and potential fees charged for using the NETC facilities are identified in accordance with FEMA Directive Number 119–3, *Facility Use and Expenses at the National Emergency Training Center* dated May 21, 2018. The NETC provides training and educational programs in emergency response, preparedness, fire prevention and control, disaster response, and long-term disaster recovery. The principal purpose of FEMA Form FF–USFA–FY–21–107 (formerly 119–17–1), Request for Housing Accommodations, is to request housing at the NETC.

Collection of Information

Title: Approval and Coordination of Requirements to Use the NETC Extracurricular for Training Activities.

Type of Information Collection: Extension, without changes, of a currently approved information collection.

OMB Number: 1660–0029.

FEMA Forms: FEMA Form FF–USFA–FY–21–107 (formerly 119–17–1), Request for Housing Accommodations.

Abstract: In accordance with FEMA Directive 119–3: *Facility Use and Expenses at the National Emergency Training Center* dated May 21, 2018, FEMA Form USFA–FY–21–107 (formerly 119–17–1), Request for Housing Accommodations, has been used by attendees at functions held at the NETC to secure housing.

Affected Public: Individuals or Households; Federal Government.

Estimated Number of Respondents: 60.

Estimated Number of Responses: 60.

Estimated Total Annual Burden Hours: 6.

Estimated Total Annual Respondent Cost: $210.

Estimated Respondents' Operation and Maintenance Costs: $0.

Estimated Respondents' Capital and Start-Up Costs: $0.

Estimated Total Annual Cost to the Federal Government: $959.

Comments

Comments may be submitted as indicated in the **ADDRESSES** caption above. Comments are solicited to (a) evaluate whether the proposed data collection is necessary for the proper performance of the Agency, including whether the information shall have practical utility; (b) 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; (c) enhance the quality, utility, and clarity of the information to be collected; and (d) 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.

Nigel S. Allicock,

Records Management Branch Chief, Office of the Chief Administrative Officer, Mission Support, Federal Emergency Management Agency, Department of Homeland Security.

[FR Doc. 2026–10844 Filed 5–29–26; 8:45 am]

BILLING CODE 9111–23–P

DEPARTMENT OF HOMELAND SECURITY

[Docket No. CISA–2025–0003]

Agency Information Collection Activities: Office for Bombing Prevention—Technical Analysis

AGENCY: Cybersecurity and Infrastructure Security Agency (CISA), Department of Homeland Security (DHS).

ACTION: 30-Day notice and request for comments; New ICR REQUEST, 1670–NEW FOR COMMENT.

SUMMARY: The Office for Bombing Prevention (OBP) within Cybersecurity and Infrastructure Security Agency (CISA) will submit the following information collection request (ICR) to the Office of Management and Budget (OMB) for review and clearance in accordance with the Paperwork Reduction Act of 1995. CISA previously published this information collection request (ICR) in the **Federal Register** on July 11, 2025, for a 60-day public comment period. Zero comments were received by CISA. The purpose of this notice is to allow additional 30 days for public comments.

DATES: Comments are encouraged and will be accepted until July 1, 2026. Submissions received after the deadline for receiving comments may not be considered.

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.

The Office of Management and Budget is particularly interested in comments which:

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 submissions of responses.

FOR FURTHER INFORMATION CONTACT: Michael Egbert, 202–679–4902, *Michael.egbert@cisa.dhs.gov.*

SUPPLEMENTARY INFORMATION: This ICR is comprised of the following three related collections: (1) Unit Level Assessment Tool, (2) Technical Assistance Program Stakeholder Nomination Form, and (3) Technical Assistance Stakeholder Feedback Forms. Comprised within the Technical Assistance Stakeholder Feedback Forms are the following six forms: (1) BMAP Stakeholder Feedback Form, (2) Explosive Blast Modeling Stakeholder Feedback Form, (3) Technical Assistance Post Assessment Feedback Form, BMAP Outreach Mobile Data From, (5) Explosive Blast Modeling Request Form, and (6) Explosives Detection Canine Handler/Team Needs and Application Survey.

CISA is authorized to collect the information requested in this ICR pursuant to 6 U.S.C. 652, including the authority provided by 6 U.S.C. 652(c)(5), (11) (authorizing CISA to provide certain assistance to federal and non-federal entities to enhance the security and resiliency of critical infrastructure) and 6 U.S.C. 652(c)(10) (generally authorizing CISA to engage in stakeholder outreach and engagement).

Unit Level Assessment Tool (ULAT)

ULAT provides State, local, tribal and territorial law enforcement stakeholders a method to identify their level of capability to prevent, protect, mitigate, and respond to an IED threat. It also provides Federal stakeholders an overarching view of the Nation's collective counter-IED capabilities. Stakeholder voluntarily provide information on their capabilities to Office for Bombing Prevention (OBP) personnel and contractors. These individuals travel to locations across the Nation to gather the requisite information. OBP personnel and contractors facilitate initial baseline assessments, either face to-face or via webinar, in order to get stakeholders familiar with the ULAT system, provide clarifying information, and answer questions. Federal, State, local, tribal, and territorial law enforcement personnel with a counter-IED mission assist ULA personnel to coordinate a training location for personnel from the four disciplines (bomb squads, explosives detection canine, special weapons and tactics teams (SWAT), and dive units) to take their respective assessment. The OBP facilitator begins by conducting a short brief on the reasons for ULA's and how it can help them as units.

Unit Level Assessments consist of various question sets, including sets related to personnel, operations, equipment, training, and exercising (POETE). The OBP and ULA team used federal requirements (FEMA Resource Typing) to create the overarching list of questions in the question sets. Where there were no requirements, OBP and ULA worked with subject matter experts to identify best practices to create the assessments.

The first group of questions in the assessment focus on the profile of the unit, *i.e.,* the number of technicians/handlers; primary assignment versus collateral duty assignment; number of IED responses in the past twelve (12) months; number of special events in the past twelve (12) months. The rest of the question sets are delineated by the following tasks: Implement Intelligence/Information Gathering and Dissemination; Implement Bombing Incident Prevention and Response Plans; Incident Analysis; Incident Mitigation; Access Threat Area; Contain or Mitigate Hazards; Conduct Scene Investigations; and Maintain Readiness.

Each discipline's questionnaire only includes question sets specific to that discipline. This means that while multiple disciplines may have the same question set title, the questions may not be the same. This tailoring allows for a large question pool, while ensuring specificity depending on the discipline being assessed.

The information from each individual unit is collected into the database. Upon completion of inputting the unit information, a capabilities analysis report is created for the unit commander. The report identifies current capabilities, existing gaps, and makes recommendations for closing those gaps. Additionally, the ULA utilizing the ULAT program, allows the unit commander to identify the most efficient and effective purchases of resources to close those gaps. At the State, regional, and National-levels, the data is aggregated within the selected discipline and provides a snapshot of the counter-IED capabilities across the discipline. OBP also intends to identify the lowest, highest, median, and average capability levels across units, States, regions, disciplines, and the Nation. This data will be used to provide snapshots of the C–IED capabilities and gaps to inform decision-makers on policy decisions, resource allocation for capability enhancement, and crisis management. Data collected will be used in readiness planning, as well as steady-state and crisis decision support during threats or incidents. ULA data will assist operational decision-makers and resource providers in developing investment justifications that support State homeland security strategies and national priorities.

All responses are collected by electronic means via the virtual assessment program. While the actual data collection is done in the ULAT database through the Counter I–ED Operational Data Analytics (CODA), OBP personnel facilitate the collection of the data by assisting users in a face-

to-face discussion or webinar. It is current ULA policy to not accept the ULAT questionnaires in paper format. If there is a power outage at the event site or if the website is down due to technical reasons, facilitators have copies of the paper format for stakeholders to continue filling out. Facilitators do not collect these hard copies. Stakeholders keep them to update the electronic assessment when they next access it.

Technical Assistance Program (TAP) Stakeholder Nomination Form

The TAP Stakeholder Nomination form will be used to assist OBP in the selection of Stakeholders for each Fiscal Year (FY). We take recommendations from IOD personnel and stakeholders to assist in the selection of jurisdictions that will receive OBP Technical Assistance the following FY.

Technical Assistance Stakeholder Feedback Forms

(1) BMAP Stakeholder Feedback Form

Information for this program is being requested to enhance bombing prevention outreach through a voluntary stakeholder feedback form. This stakeholder feedback form would be digital in format and provided to point-of-sale businesses and FSLTT personnel who assist with the program or that have been contacted by BMAP in an effort to spread awareness of suspicious purchasing behavior and suspicious activity related to the acquisition of BMM. This voluntary feedback form would be provided to the point-of-sale business virtually and will only request input based on the experience that the business had with the BMAP team and its ability to conduct outreach. This feedback form will provide vital information which is necessary to streamline and improve processes and will allow BMAP to better target stores that sell BMM moving forward. This feedback form will also allow for an improvement of delivery of BMAP products and provide insight on the jurisdictions that the team visits.

(2) Explosive Blast Modeling (EBM) Stakeholder Feedback Form

The EBM Stakeholder Feedback Form will be used to gauge metrics of the program using the Likert score and assesses OBP annual goals and receives responses regarding actionable recommendations.

(3) Technical Assistance Post Assessment Feedback Form

Information for this program is being requested to assess, re-assess, and validate OBPs Technical Assistance Program pertaining to the delivery of training, products, tools and services to enhance bombing prevention capabilities through a voluntary stakeholder feedback form. This voluntary post assessment feedback form would be digital in format and provided to federal, state, local, tribal, and territorial (FSLTT) stakeholders who have requested OBPs resources through the Technical Assistance Program (TAP). TAP aims to develop and deliver comprehensive preparedness assistance, training, tools, and specialized assistance to a wide variety of stakeholders, to enhance the Nation's security and resiliency against explosive attacks, and to determine specific needs for assistance in managing IED risks and supporting C–IED response. TAP coordinates across OBP and relevant partners to provide communities with to meet their preparedness needs. This voluntary TAP Post Assessment Feedback form would be provided to FSLTT stakeholders virtually and will only request input based on the experience that the FSLTT stakeholders experienced with OBP personnel supporting their communities. This feedback form will provide vital information which is necessary to streamline and improve processes and will allow OBP to better deliver Technical Assistance.

(4) Bomb-Making Awareness Program (BMAP) BOM–D (BMAP Outreach Mobile-Data)) Form

Information for this program is being requested in an effort to enhance bombing prevention outreach throughout the retail community which houses or sells bomb making material (BMM). This information would be collected by Federal State, Local, Tribal, and Territorial (FSLTT) law enforcement personnel and those designated by FSLTT officials to act on their behalf. Information will be used to coordinate efforts with appropriate FSLTT partners who work in the first responder, law enforcement, and bombing prevention realm. Information will be collected by FSLTT partners through electronic methods and will be physically input into this form by FSLTT partners. Information will be collected from business listings located online as well as physical locations identified by FSLTT partners. Information will also be collected by business cards or other means provided to FSLTT partners by businesses who participate.

(5) Explosive Blast Modeling Program (EBM) Request Form

The Explosive Blast Modeling Program Request Form will be used to collect stakeholder location and facility specific information on entities who want the EBM service conducted. This information will be used to contact the stakeholders in order to schedule EBM.

(6) Explosive Detection Canine Handler/Team (EDCT) Needs and Application Survey Form

Providing this EDCT Form to police, fire, corrections, and military entities will enhance the ability of DHS/OBP to accomplish goals related to the DHS Canine and Equine Governance Board while also informing OBP's understanding of the capabilities of the aforementioned entities to provide critical infrastructure security.

This is a new collection (1670–NEW) request.

Analysis

Agency: Cybersecurity and Infrastructure Security Agency (CISA), Department of Homeland Security (DHS).

Title: Office for Bombing Prevention Technical Analytics.

OMB Number: 1670–NEW.

Frequency: Annually or less.

Affected Public: Federal, state, local, and tribal government entities, and business or other for-profit.

Number of Respondents: 8,355.

Estimated Time per Respondent: 35 minutes.

Total Burden Hours: 5,057 hours.

Total Burden Cost: $301,337.

Total Annualized Government Cost: $301,337

Winfield P. Werntz,

Acting Chief Information Officer, Department of Homeland Security, Cybersecurity and Infrastructure Security Agency.

[FR Doc. 2026–10932 Filed 5–29–26; 8:45 am]

BILLING CODE 9111–LF–P

DEPARTMENT OF HOMELAND SECURITY

[Docket No. CISA–2026–0001]

Agency Information Collection Activities: .gov Registrar

AGENCY: Cybersecurity and Infrastructure Security Agency (CISA), Department of Homeland Security (DHS)

ACTION: 60-Day notice and request for comments; extension of an existing collection (1670–0049) that was last approved on 10/03/2023 with an expiration date of 10/31/2026.

SUMMARY: The .gov Registry Program within Cybersecurity and Infrastructure Security Agency (CISA) submits the following Information Collection Request (ICR) to the Office of Management and Budget (OMB) for review and clearance.

DATES: Comments are encouraged and will be accepted until *July 31, 2026.*

ADDRESSES: You may submit comments, identified by docket number Docket # CISA–2026–0001, by following the instructions below for submitting comment via the Federal eRulemaking Portal at *https://www.regulations.gov.*

Instructions: All submissions received must include the agency name and docket number Docket # CISA–2026–0001. All comments received will be posted without change to *http://www.regulations.gov,* including any personal information provided. *Docket:* For access to the docket to read background documents or comments received, go to *https://www.regulations.gov.*

FOR FURTHER INFORMATION CONTACT: Cameron Dixon, 888–282–0870, *help@get.gov.*

SUPPLEMENTARY INFORMATION: .gov is a 'top-level domain' (TLD), similar to .com, .org, or .us. Enterprises use a TLD to register a ''domain name'' (often simply called a domain) for use in their online services, like a website or email. Well-known .gov domains include *whitehouse.gov, congress.gov,* or *uscourts.gov,* but most .gov domains are from non-federal governments like *ny.gov* (State of New York) or *lacounty.gov* (LA County).

.gov is available only to bona fide U.S.-based government organizations and publicly controlled entities. When governments use .gov, they make it harder for would-be impostors to successfully impersonate them online.

Under the DOTGOV Act of 2020 (6 U.S.C. 665), CISA is responsible for the operation and security of the .gov TLD. Pursuant to that law, the .gov program at CISA works to ''provide simple and secure registration of .gov internet domains'', ''ensure that domains are registered and maintained only by authorized individuals'', and ''minimize the risk of .gov internet domains whose names could mislead or confuse users''. In order to provision .gov domains to eligible government entities and ensure adherence to the domain requirements published by CISA pursuant to 6 U.S.C. 665(c), CISA needs to collect information from requestors of .gov domains.

The information will be collected on an online web portal called the ''.gov registrar'', which is built and maintained by CISA. Requestors will be asked to provide information on the characteristics of their government entity (*e.g.,* name, type, physical location, current domain), their preferred .gov domain name (*e.g.,* example.gov), their rationale for the name, organizational contact information (names, phone numbers, email addresses), and nameserver addresses.

Only U.S.-based government organizations are eligible for .gov domains; some of these organizations may be small entities. The collection has been developed to request only the information needed to confirm eligibility and adjudicate a .gov domain request.

Without this collection, CISA will be unable to assess the eligibility of requestors nor provision .gov domains to government organizations. That outcome would decrease cybersecurity for governments across the nation and minimize the public's ability to identify governments online.

In accordance with 6 U.S.C. 665(c)(4), CISA will ''limit the sharing or use of any information'' obtained through this collection ''with any other Department component or any other agency for any purpose other than the administration of the .gov internet domain, the services described in subsection (e), and the requirements for establishing a .gov inventory described in subsection (h).'' Certain metadata for any approved domains (domain name, organization name, nameserver address, city/state information, security contact) will be published online.

This is an extension of an existing collection. Only small, stylistic changes, not substantive updates, have been made since the previous ICR was approved by OMB.

The Office of Management and Budget is particularly interested in comments which:

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 submissions of responses.

Analysis

Agency: Cybersecurity and Infrastructure Security Agency (CISA), Department of Homeland Security (DHS)

Title: .gov registrar.

OMB Number: 1670–0049.

Frequency: Once per domain registered.

Affected Public: Employees representing state, local, territorial, and tribal governments.

Number of Respondents: 3,000 per year.

Estimated Time per Respondent: 20 minutes.

Total Burden Hours: 1,000 hours.

Total Annual Burden Cost: $52,622.

Total Annual Government Burden Cost: $588,600.

Winfield P Werntz,

Acting Chief Information Officer, Cybersecurity and Infrastructure Security Agency, Department of Homeland Security.

[FR Doc. 2026–10886 Filed 5–29–26; 8:45 am]

BILLING CODE 9111–LF–P

DEPARTMENT OF HOMELAND SECURITY

[Docket No. CISA–2026–0067]

Agency Information Collection Activities: State and Local Cybersecurity Grant Program (SLCGP) Evaluation

AGENCY: Cybersecurity and Infrastructure Security Agency (CISA), Department of Homeland Security (DHS).

ACTION: 60-day notice and request for comments; new collection (request for a new OMB Control Number, 1670–NEW).

SUMMARY: The Stakeholder Engagement Division (SED) Grant Analytics Branch within the Cybersecurity and Infrastructure Security Agency (CISA) submits the following Information Collection Request (ICR) to the Office of Management and Budget (OMB) for review and clearance in accordance with the Paperwork Reduction Act of 1995.

DATES: Comments are encouraged and will be accepted until July 31, 2026.

Submissions received after the deadline for receiving comments may not be considered.

ADDRESSES: You may submit comments, identified by docket number Docket #

CISA–2026–0067, by following the instructions below for submitting comment via the Federal eRulemaking Portal at *http://www.regulations.gov.*

Instructions: All comments received must include the agency name and docket number Docket # CISA–2026–0067. All comments received will be posted without change to *http://www.regulations.gov,* including any personal information provided.

Docket: For access to the docket to read background documents or comments received, go to *http://www.regulations.gov.*

FOR FURTHER INFORMATION CONTACT: Jessena Robinson, 202–706–1385, *Jessena.Robinson@cisa.dhs.gov;* Ijeoma Mordi, 202–746–2255, *Ijeoma.Mordi@cisa.dhs.gov*.

SUPPLEMENTARY INFORMATION: The Foundations for Evidence-Based Policymaking Act of 2018 (Pub. L. 115–435), or the Evidence Act, promotes the use of evidence to inform decision making and requires federal agencies to undertake activities toward this end. Specifically, the Evidence Act requires agencies to develop Learning Agendas and Annual Evaluation Plans. CISA's evaluations are included in the Department's Annual Evaluation Plans, indicating that the Department has recognized those evaluations as ''significant.'' CISA's SLCGP Evaluation [1] is one such significant evaluation and was included in the Department of Homeland Security FY 2024 Annual Evaluation Plan. CISA SED's Grant Analytics Branch of the Stakeholder Engagement Division and its evaluation services contractor are working together to conduct this study.

CISA SLCGP Evaluation [2]

This evaluation aligns with DHS's FY 2024 Annual Evaluation Plan and is a part of CISA's effort to implement the Evidence Act. This evaluation supports key strategic objectives at both the departmental and agency levels by bringing evidence to bear on relevant decisions including:

- *DHS's Quadrennial Homeland Security Review (2023)*
  - Mission 1: Counter Terrorism and Prevent Threats,
  - Mission 4: Secure cyberspace and Critical Infrastructure,
  - Mission 5: Build a Resilient Nation and Respond to Incidents, and
  - Mission 6: Combat Crimes of Exploitation and Protect Victims.
- *CISA Strategic Plan (2023–2025)*
  - Goal 1: Cyber Defense—Spearhead the National Effort to Ensure Defense and Resilience of Cyberspace

The SLCGP is a federal initiative co-administered by CISA and the Federal Emergency Management Agency (FEMA) that provides critical funding to state, local, and territorial (SLT) governments to strengthen their cybersecurity posture. Established under the Infrastructure Investment and Jobs Act of 2021, the program allocates $1 billion over four years to help these entities develop and implement robust cybersecurity plans, address resource gaps, and enhance their capability to protect against growing cyber threats.

The overarching goal of the SLCGP is to assist SLT governments in managing and reducing systemic cyber risk. Program objectives remain the same throughout the four-year program. The FY 2022–2025 SLCGP Notice of Funding Opportunities (NOFOs) state that each recipient's application must be aligned to an objective:

Applicants are required to submit applications that address at least one of the following program objectives in their applications:

1. Develop and establish appropriate governance structures, including by developing, implementing, or revising Cybersecurity Plans, to improve capabilities to respond to cybersecurity incidents and ensure continuity of operations.

2. Understand their current cybersecurity posture and areas for improvement based on continuous testing, evaluation, and structured assessments.

3. Implement security protections commensurate with risk.

4. Ensure organization personnel are appropriately trained in cybersecurity commensurate with responsibility.

The evaluation will assess the SLCGP's implementation and short- and medium-term outcome achievement. The study will answer evaluation questions originally derived from the FY 2024 DHS Annual Evaluation plan and the program's FY 2024 Evidence Overview, including:

1. How do SLT implementation approaches vary?

2. What SLCGP funded projects are most commonly utilized to mitigate cybersecurity incidents?

3. How have SLT government recipients leveraged new technology and cybersecurity tools to mitigate cybersecurity threats and incidents?

4. What SLCGP funded interventions were most effective at mitigating threats and ensuring continuity of SLT government operations?

5. What barriers, if any, are preventing the entities from utilizing the grant funds?

6. To what extent are SLT grant recipients using the knowledge gained from SLCGP technical assistance and/or products to prevent cybersecurity incidents?

7. To what extent do regular ongoing phishing training, awareness campaigns; and role-based cybersecurity training for SLT government employees contribute to a reduction in cybersecurity incidents?

8. To what extent have the SLCGP funds increased cybersecurity preparedness of SLT governments and resilience of critical infrastructure?

This evaluation will additionally examine how effectively grant funds are being utilized, understand challenges and successes grant recipients have encountered implementing funds to date, and measure progress made towards the program's short- and medium-term outcomes. The evaluation design is informed by an Evaluability Assessment, which determined that the SLCGP is ready for formal evaluation during or after its fourth funding year (FY 2025). With the program scheduled to conclude its active funding phase in FY 2026 and the final period of performance to conclude in FY 2029, this evaluation is well-timed to determine the program's effectiveness and provide information to support evidence-based decisions about its future.

Ultimately, the evaluation will enable a nuanced understanding of both the processes and effects of the program on grant recipients, thereby determining the success of SLCGP. Study findings will support continuous program improvement and demonstrate program value added.

This is a new information collection. CISA's Stakeholder Engagement Division (SED) Grant Analytics branch will collect information for this evaluation. Information will be collected from SLCGP recipients via a 60-minute online survey; federal staff members from CISA and FEMA via in-depth interviews; along with the potential addition of a focus group with state Chief Information Officers (CIOs)

[1] For consistency with CISA PA&E guidance, the term ''mid-term'' has been removed from the title of this evaluation in the design report and supporting PRA documents. References to a ''mid-term evaluation'' may still appear in associated administrative, privacy, and human subjects documentation that were previously submitted and approved. The scope, methods, and timing of the evaluation remain unchanged.

[2] For consistency with CISA PA&E guidance, the term ''mid-term'' has been removed from the title of this evaluation in the design report and supporting PRA documents. References to a ''mid-term evaluation'' may still appear in associated administrative, privacy, and human subjects documentation that were previously submitted and approved. The scope, methods, and timing of the evaluation remain unchanged.

and/or Chief Information Security Officer (CISOs) representing the 55 SLCGP recipients (if additional information is needed). The potential respondent universe consists of 100–200 representatives from 55 SLCGP recipients and 8–25 CISA and FEMA staff working to administer the program within CISA's SED, Cybersecurity Division (CSD), and Integrated Operations Division (IOD), along with FEMA's Grant Programs Directorate (GPD).

Electronic Survey

All state CIOs and/or CISOs, who serve as the head of their state or territory's SLCGP Cybersecurity Planning Committee in the grant year 2025 or thereafter, will receive the survey via email. While the total number (N) of responses for SLCGP recipients is 55 (one survey response per state or territory participating in the SLCGP), the total respondent universe for SLCGP recipients will range from 100–200 contributors. This is due to the ability of each state or territory's CIO/CISO to invite relevant members of their State Administrative Agencies (SAAs) and/or SLCGP Cybersecurity Planning Committees to collaborate with them in answering the survey questions.

To conduct outreach, a comprehensive contact database will be compiled using official grant recipient information and each response will be linked to a non-personal identifier. To compile this database, CISA SED will provide the evaluation team with a list of state Chief Information Officer (CIO) and Chief Information Security Officer (CISO) names and emails. The survey distribution will follow a clear communication plan, beginning with an initial email notification explaining the evaluation purpose, timeline, and mandatory participation requirements as stipulated in the Notice of Funding Opportunity.

Following this introduction, the Qualtrics survey link will be distributed via email to identified stakeholders, with clear instructions, estimated completion time (60 minutes), and technical support contact information. Automatic reminders will be sent to non-respondents at scheduled intervals to maximize response rates. The survey will collect only personal identifying information for contact purposes (first name, last name, locality/entity name, job title, and work email address), with no additional PII from respondents.

SED has designed the survey to gather both quantitative and qualitative feedback from program participants. Questions will align with program objectives and evaluation metrics outlined in recipients' approved Cybersecurity Plans and projects, ensuring relevant data collection. The questions will focus on how the program is being implemented to date. This information will help assess whether program activities are being implemented with fidelity to the program's logic model and observe the intermediate outcomes of the program as it relates to recipient cyber posture improvement. Questions will additionally focus on any challenges recipients are facing in program fund implementation, as well as what successful strategies that have applied to date.

Federal Staff Interviews

The interviews will gather information from federal staff at CISA (SED, CSD, and IOD) and FEMA (GPD). These virtual interviews, being held on Microsoft Teams, will provide in-depth insights on the program's design intent, policy objectives, and regulatory compliance, while enabling cross-state comparisons and identification of best practices as observed by federal staff. Additionally, federal staff can offer technical expertise, insights into stakeholder relationships, and perspectives on administrative challenges. Some topics will intentionally appear in both the survey and the interviews, as the interviews allow for greater depth and context to complement survey findings. Participation in the interviews is voluntary.

Potential Collection of Information via SLCGP Focus Group Discussions

The survey will provide an option for recipients to opt-in to a voluntary focus group in order to share more context around their responses to the survey questions over a subsequent MS Teams call(s). A post-hoc focus group may be utilized if more contextual evidence is needed to support a robust understanding of recipient responses. However, if survey response data is sufficient in quantity and clarity, this evaluation team will opt not to employ subsequent focus group engagement in an effort to reduce burden. If a focus group is not held, all those who 'opted in' to participate will be notified and all opt-in status data collected via the survey will be expunged from the MS SharePoint folder.

If employed, recipients who indicated interest in voluntary participation will be notified via email about the date and time of the focus group, along with a calendar invite sent via email. Depending on the volume of participants, multiple focus group times may be offered to accommodate schedules for maximum attendance. During the session, questions will not deviate from the survey question categories. Participants will be asked questions aligned with the survey topics to provide more detailed and context-rich responses.

Survey, interview, and focus group findings will be synthesized into a comprehensive report for SED leadership, presenting key insights about program implementation, successful practices, challenges, trends/patterns, and recommendations for improvement for subsequent funding years. Results will be used to inform future program iterations and shape policy developments related to cybersecurity grant management. Relevant findings will be incorporated into required reports to Congress and the Office of Management and Budget (OMB) regarding the program's early outcomes and effectiveness. The collection of information at the midterm stage of program will establish baseline metrics for comparison in future program evaluations, creating a longitudinal view of program performance and demonstrating CISA's commitment to maximizing the impact of the SLCGP on strengthening the nation's cybersecurity infrastructure at state and local levels.

Usability Testing

The survey instrument was tested in a pilot study conducted with a convenience sample of eight representatives from CISA SED, Integrated Operations Division (IOD), FEMA Grant Programs Directorate (GPD), and regional CISA representatives who work hand-in-hand with the target survey population. The purpose of the pilot was to estimate survey burden, assess respondents' understanding of the survey questions, test usability, and identify improvements in the flow and structure of the survey. Results from the question ''Did the survey feel burdensome in any way (*e.g.* too time-consuming, repetitive, unclear questions)?'' identified 50 percent of respondents reporting the survey as ''somewhat burdensome'' due to its length, with 38 percent reporting ''no, it was straightforward,'' and 12 percent reporting ''yes, it was frustrating to complete.'' In response, the evaluation team reviewed the survey for repetitive or redundant questions, which were subsequently collapsed or removed. Sections within the survey that were similar to each other were also consolidated into a single section to streamline the structure. Additionally,

skip logic functions within the survey were maximized in order to reduce survey-taking time. Ultimately, 62 percent of usability testers reported being ''extremely confident'' that Chief Information Officers (CIOs) and Chief Information Security Officers (CISOs) would be able to answer all survey questions. Zero percent of pilot testers reported they were ''not confident'' that CIOs/CISOs could answer the survey questions.

While the focus group and interview guides were not pilot tested, they were reviewed and approved by CISA's Program Analysis and Evaluation Branch; CISA's Office of Privacy, Access, Civil Liberties, and Transparency; and DHS' Compliance Assurance Program Office. Because they are open-ended semi-structured guides, the focus group and interview facilitators on the evaluation team can rephrase and/or elaborate upon questions until the respondent understands them. Focus group and interview facilitators will be trained to stop at the one-hour mark, so the time burden is already known.

Burden reduction is further considered and implemented through the optional nature of the focus groups. If survey response data is sufficient in quantity and clarity, the evaluation team will not employ subsequent focus group engagement.

The evaluation team will not be collecting data from small businesses or small entities, only federal, state, and territorial government staff members.

Without collecting this information, CISA will not meet the requirements of the Evidence Act to conduct program evaluations—particularly, this evaluation, which was included in the Department of Homeland Security FY 2024 Annual Evaluation Plan as a ''significant'' evaluation. In addition, without collecting this information, SED, other CISA stakeholder engagement programs, and CISA-at-largecannot determine whether, or to what extent, SLCGP activities, funds, and services deliver value and utility to stakeholders in supporting informed decision-making and risk reduction. Thus, CISA will not have the information needed to learn how to improve the planning, execution, and delivery of the SLCGP funds and services so that they are more meaningful, relevant, timely, and actionable for stakeholders. Without collecting this information, we will also not be able to assess how to best engage and build trusted relationships with stakeholders, which is needed to identify areas for improvement in how CISA collaborates and interacts with stakeholders to support information exchange within and across sectors.

The following privacy notice, obtained from CISA's Office of Privacy, Access, Civil Liberties and Transparency (PACT), will be displayed on the survey landing page:

Privacy Notice

Authority: Homeland Security Act of 2002, Pub. L. 107–296, 2220A and § 2220A(q)(2) codified as amended at 6 U.S.C. 665g.

Purpose: The DHS Cybersecurity and Infrastructure Security Agency (CISA) Stakeholder Engagement Division (SED) Grant Analytics Branch will use this information to evaluate quantitative and qualitative feedback regarding the effectiveness of the State and Local Cybersecurity Grant Program (SLCGP) to understand how state, local, and territorial organizations approach cybersecurity planning and implementation.

Routine Use: The information collected will be aggregated for disclosure in its report to DHS Program Analysis & Evaluation (PA&E) and FEMA Grants Programs Directorate (FEMA GPD) as well as within CISA to the program as it relates to enhancing the security and resilience of critical cyber infrastructure. Relevant findings may also be incorporated into required reports to Congress and the Office of Management and Budget (OMB) regarding the program's early outcomes and effectiveness.

Disclosure: Providing this information is required by the Notice of Funding Opportunity (NOFO). Not providing the requested information may prevent DHS from evaluating the program's progress toward meeting goals and outcomes as outlined in the grant funding.

This is a new information collection.

The Office of Management and Budget is particularly interested in comments which:

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 submissions of responses.

Analysis

Agency: Cybersecurity and Infrastructure Security Agency (CISA), Department of Homeland Security (DHS).

Title: Stakeholder Engagement Division (SED) State and Local Cybersecurity Grant Program (SLCGP) Evaluation.[3]

OMB Number: 1670–NEW.

Frequency: Once.

Affected Public: State and Territorial Chief Information Officers and Chief Information Security Officers participating in the SLCGP.

Number of Respondents: 72.

Estimated Time per Respondent: 1 hour for 55 respondents (Survey Only) and 1 hour for 17 respondents (Potential Additional Focus Group).

Total Burden Hours: 72.

Total Annual Burden Cost: $13,244.34.

Total Annual Government Burden Cost: $348,245.61.

Winfield P. Werntz,

Acting Chief Information Officer, Department of Homeland Security, Cybersecurity and Infrastructure Security Agency.

[FR Doc. 2026–10893 Filed 5–29–26; 8:45 am]

BILLING CODE 9111–LF–P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR–7093–N–05; OMB Control No. 2535–0102]

60-Day Notice of Proposed Information Collection: Electronic Line of Credit Control System (eLOCCS) System Access Authorization Form Collection

AGENCY: Office of the Chief Financial Officer, HUD.

ACTION: Notice.

SUMMARY: HUD is seeking approval from the Office of Management and Budget (OMB) for the information collection described below. In accordance with the Paperwork Reduction Act, HUD is requesting comment from all interested parties on the proposed collection of information. The purpose of this notice is to allow for 60 days of public comment.

[3] For consistency with CISA PA&E guidance, the term ''mid-term'' has been removed from the title of this evaluation design report. References to a ''mid-term evaluation'' may still appear in associated administrative, privacy, and human subjects documentation that were previously submitted and approved. The scope, methods, and timing of the evaluation remain unchanged.

DATES: *Comments Due Date:* July 31, 2026.

ADDRESSES: Interested persons are invited to submit comments regarding this proposal. Written comments and recommendations for the proposed information collection can be sent within 60 days of publication of this notice to *www.regulations.gov.* Interested persons are also invited to submit comments regarding this proposal and comments should refer to the proposal by name and/or OMB Control Number and should be sent to: *Malik.R.Hawkins@hud.gov,* Department of Housing and Urban Development, 451 7th Street SW, Room, Washington, DC 20410.

FOR FURTHER INFORMATION CONTACT: Dan Lam, Director, Financial Systems Quality Assurance Division, Office of the Chief Financial Officer (OCFO), Department of Housing and Urban Development, 451 7th Street SW, Washington, DC 20410; email Dan Lam at *Dan.Lam@hud.gov,* telephone 202–402–3705. This is not a toll-free number. HUD welcomes and is prepared to receive calls from individuals who are deaf or hard of hearing, as well as individuals with speech or communication disabilities. To learn more about how to make an accessible telephone call, please visit *https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs.*

Copies of available documents submitted to OMB may be obtained from Dan Lam, *Dan.Lam@hud.gov.*

SUPPLEMENTARY INFORMATION: This notice informs the public that HUD is seeking approval from OMB for the information collection described in Section A.

A. Overview of Information Collection

Title of Information Collection: Electronic Line of Credit Control System (eLOCCS) System Access Authorization form.

OMB Approval Number: 2535–0102.

Type of Request Revision of currently approved collection.

Form Number: HUD–27054E.

Description of the need for the information and proposed use: Establish access to the eLOCCS payment system.

Respondents: State or Local Government; Public Housing Authorities (PHAs), Individuals or Households.

Estimated Number of Respondents: 2,420.

Estimated Number of Responses: 2,420.

Frequency of Response: 1.

Average Hours per Response: 0.17.

Total Estimated Burdens: 411.

Information collection	Number of respondents	Frequency of response	Responses per annum	Burden hour per response	Annual burden hours	Hourly cost per response	Annual cost
HUD–27054E	2,420.00	1.00	2,420.00	0.17	411.40	$67.24	$27,662.54

B. Solicitation of Public Comment

This notice is soliciting comments from members of the public and affected parties concerning the collection of information described in Section A on the following:

(1) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

(2) The accuracy of the agency's estimate of the burden of the proposed collection of information;

(3) Ways to enhance the quality, utility, and clarity of the information to be collected; and

(4) Ways to minimize the burden of the collection of information on those who are to respond; including through the use of appropriate automated collection techniques or other forms of information technology, *e.g.,* permitting electronic submission of responses.

HUD encourages interested parties to submit comment in response to these questions.

C. Authority

Section 2 of the Paperwork Reduction Act of 1995, 44 U.S.C. 3507.

Irving Dennis,

Principal Deputy Chief Financial Officer.

[FR Doc. 2026–10918 Filed 5–29–26; 8:45 am]

BILLING CODE 4210–67–P

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

[Docket No. FWS–R2–ES–2026–1387; FXES11130200000–267–FF02ENEH00]

Endangered Wildlife and Plants; Receipt of Recovery Permit Applications

AGENCY: Fish and Wildlife Service, Interior.

ACTION: Notice of receipt of permit applications; request for comments.

SUMMARY: We, the U.S. Fish and Wildlife Service, invite the public to comment on the following applications for a permit to conduct scientific research to promote conservation or other activities intended to recover and enhance endangered species survival. With some exceptions, the Endangered Species Act (ESA) prohibits certain activities that may impact endangered species, unless a Federal permit allows such activity. The ESA also requires that we invite public comment before issuing these permits.

DATES: To ensure consideration, please submit your written comments by July 1, 2026. Comments submitted electronically using the Federal eRulemaking Portal (see **ADDRESSES**, below) must be received by 11:59 p.m. eastern time on the closing date.

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: *Comment submission:* All submissions must include the docket number [FWS–R2–ES–2026–1387] for this document. You must submit comments using one of the following methods:

- *Electronic submission:* Federal eRulemaking Portal at: *https://www.regulations.gov.* In the Search box, enter FWS–R2–ES–2026–1387, which is the docket number for this action. Then click the Search button. On the resulting page, you may submit a comment by clicking on ''Comment.'' Please ensure that you have found the correct document before submitting your comments.
- *U.S. mail:* Public Comments Processing, Attn: Docket No. FWS–R2–ES–2026–1387, Policy and Regulations Branch, U.S. Fish and Wildlife Service, MS: PRB (JAO/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: Karen Myers, Acting Supervisor, Environmental Review Division, by phone at 512–577–6594, or via email at *karen_myers@fws.gov.* Submit requests for copies of the applications and related documents, by one of these methods. All requests should specify the applicant name(s) and application number(s) (*e.g.,* ESXXXXXX; see table 1 in **SUPPLEMENTARY INFORMATION**). 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:

Background

With some exceptions, the Endangered Species Act of 1973, as amended (ESA; 16 U.S.C. 1531 *et seq.*), prohibits activities that constitute take of listed species unless a Federal permit is issued that allows such activity. The ESA's definition of ''take'' includes hunting, shooting, harming, wounding, or killing, and also such activities as pursuing, harassing, trapping, capturing, or collecting.

The ESA and our implementing regulations in the Code of Federal Regulations (CFR) at title 50, part 17, provide for issuing such permits and require that we invite public comment before issuing permits for activities involving listed species.

A recovery permit we issue under the ESA, section 10(a)(1)(A), authorizes the permittee to conduct activities with endangered or threatened species for scientific purposes that promote recovery or enhance the species' propagation or survival. These activities often include such prohibited actions as capture and collection. Our regulations implementing section 10(a)(1)(A) for these permits are found at 50 CFR 17.22 for endangered wildlife species, 50 CFR 17.32 for threatened wildlife species, 50 CFR 17.62 for endangered plant species, and 50 CFR 17.72 for threatened plant species.

Permit Applications Available for Review and Comment

Documents and other information submitted with these applications are available for review by any party who submits a request as specified in **ADDRESSES**. Our release of documents is subject to Privacy Act (5 U.S.C. 552a) and Freedom of Information Act (5 U.S.C. 552) requirements.

Proposed activities in the following permit requests are for the recovery and enhancement of propagation or survival of the species in the wild. We invite local, State, Tribal, and Federal agencies and the public to submit written data, views, or arguments with respect to these applications. The comments and recommendations that will be most useful and likely to influence agency decisions are those supported by quantitative information or studies. Please refer to the permit record number when submitting comments.

TABLE 1—PERMIT APPLICATIONS

Application No.	Applicant	Species	Location	Activity	Type of take	Permit action
ESPER0003492 ...	Jacobs Engineering Group; Tempe, Arizona.	Black-footed ferret (*Mustela nigripes*), southwestern willow flycatcher (*Empidonax traillii extimus*), Yuma Ridgway's rail (*Rallus obsoletus yumanensis*), razorback sucker (*Xyrauchen texanus*), spikedace (*Meda fulgida*), loach minnow (*Tiaroga cobitis*), Virgin River chub (*Gila robusta semidnuda*), woundfin (*Plagopterus argentissimus*).	Arizona, California, New Mexico, Nevada, Utah.	Presence/absence surveys, nest monitor.	Harass, harm.	Renew/amend.
ESPER0003456 ...	Tetra Tech, Inc.—Albuquerque; Albuquerque, New Mexico.	Southwestern willow flycatcher (*Empidonax traillii extimus*), northern aplomado falcon (*Falco femoralis septentrionalis*), Jemez Mountains salamander (*Plethodon neomexicanus*), Rio Grande silvery minnow (*Hybognathus amarus*).	Arizona, Colorado, New Mexico, Texas.	Presence/absence surveys, capture, handle, bio-sample.	Harass, harm, capture.	Renew/amend.
ESPER11667520	San Antonio Zoo; San Antonio, Texas.	Clear Creek gambusia (*Gambusia heterochir*), Big Bend gambusia (*Gambusia gaigei*), Comanche Springs pupfish (*Cyprinodon elegans*), Leon Springs pupfish (*Cyprinodon bovinus*), Pecos gambusia (*Gambusia nobilis*).	Texas	Captive propagation.	Harass, harm.	Amend.
ESPER0011772 ...	U.S. Department of Agriculture, Coronado National Forest; Tucson, Arizona.	Beardless chinchweed (*Pectis imberbis*), Huachuca water-umbel (*Lilaeopsis schaffneriana var. recurve*), Pima pineapple cactus (*Coryphantha scheeri var. robustispina*), Canelo Hills ladies'-tresses (*Spiranthes delitescens*), Mexican long-nosed bat (*Leptonycteris nivalis*), jaguar (*Panthera onca*), ocelot (*Leopardus (=Felis) pardalis*), Mexican wolf (*Canis lupus baileyi*), Mount Graham red squirrel (*Tamiasciurus fremonti grahamensis*), northern aplomado falcon (*Falco femoralis septentrionalis*), masked bobwhite (quail) (*Colinus virginianus ridgwayi*), southwestern willow flycatcher (*Empidonax traillii extimus*), Sonoran tiger salamander (*Ambystoma mavortium stebbinsi*), desert pupfish (*Cyprinodon macularius*), Gila topminnow (*Poeciliopsis occidentalis*), Yaqui chub (*Gila purpurea*), Gila chub (*Gila intermedia*), spikedace (*Meda fulgida*), loach minnow (*Tiaroga cobitis*).	Arizona, New Mexico.	Presence/absence surveys, capture, handle, bio-sample, midden search, salvage, seed collection, vegetative collection.	Harass, harm, capture, collect.	Renew/amend.

TABLE 1—PERMIT APPLICATIONS—Continued

Application No.	Applicant	Species	Location	Activity	Type of take	Permit action
ESPER0032549 ...	U.S. Forest Service—Santa Fe National Forest; Santa Fe, New Mexico.	Jemez Mountains salamander (*Plethodon neomexicanus*), New Mexico meadow jumping mouse (*Zapus hudsonius luteus*), Holy Ghost ipomopsis (*Ipomopsis sancti-spiritus*).	New Mexico	Presence/absence surveys, capture, handle, bio-sample, seed collection.	Harass, harm, capture, trap, collect.	Renew/amend.
ES08394B	U.S. Forest Service; Springerville, Arizona.	Southwestern willow flycatcher (*Empidonax traillii extimus*), Gila chub (*Gila intermedia*), spikedace (*Meda fulgida*), loach minnow (*Tiaroga cobitis*).	Arizona, New Mexico.	Presence/absence surveys.	Harass, harm.	Renew/amend.
ES88227B	Deatherage, Jay; Nacgdoches, Texas.	Gray bat (*Myotis grisescens*)	Alabama, Arkansas, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Mississippi, Missouri, North Carolina, Oklahoma, Tennessee, Virginia, West Virginia.	Presence/absence surveys, bio-sample, capture, handle, radio telemetry,.	Harass, harm, capture.	Amend.
ES037155	Bio-West, Inc.; Round Rock, Texas.	Southwestern willow flycatcher (*Empidonax traillii extimus*), Barton Springs salamander (*Eurycea sosorum*), Austin blind salamander (*Eurycea waterlooensis*), Colorado pikeminnow (*Ptychocheilus lucius*), razorback sucker (*Xyrauchen texanus*), fountain darter (*Etheostoma fonticola*), Rio Grande silvery minnow (*Hybognathus amarus*), sharpnose shiner (*Notropis oxyrhynchus*), smalleye shiner (*Notropis buccula*), Neosho mucket (*Lampsilis rafinesqueana*), Ouachita rock pocketbook (*Arcidens wheeleri*), scaleshell mussel (*Leptodea leptodon*), winged mapleleaf (*Quadrula fragosa*), Texas fatmucket (*Lampsilis bracteata*), Texas pimpleback (*Cyclonaias petrina*), false spike (*Fusconaia mitchelli*), Guadalupe orb (*Cyclonaias necki*), Guadalupe fatmucket (*Lampsilis bergmanni*), Balcones spike (*Fusconaia iheringi*), Texas hornshell (*Popenaias popeii*), Comal Springs riffle beetle (*Heterelmis comalensis*), Comal Springs dryopid beetle (*Stygoparnus comalensis*), Peck's Cave amphipod (*Stygobromus (=Stygonectes) pecki*).	Arkansas, California, Colorado, Nevada, New Mexico, Oklahoma, Texas, Utah.	Presence/absence surveys, capture, handle, bio-sample, voucher specimen collection.	Harass, harm, capture, kill.	Renew/amend.
ESPER0029467 ...	Gladstone, Nicholas; Austin, Texas.	Coffin Cave mold beetle (*Batrisodes texanus*), Helotes mold beetle (*Batrisodes venyivi*), Kretschmarr Cave mold beetle (*Texamaurops reddelli*), beetle, (no common name) (*Rhadine exilis*), beetle, (no common name) (*Rhadine infernalis*), Tooth Cave ground beetle (*Rhadine persephone*), Robber Baron Cave meshweaver (*Cicurina baronia*), Madla Cave meshweaver (*Cicurina madla*), Government Canyon Bat Cave meshweaver (*Cicurina vespera*), Cokendolpher Cave harvestman (*Texella cokendolpheri*), Bee Creek Cave harvestman (*Texella reddelli*), Bone Cave harvestman (*Texella reyesi*), Tooth Cave pseudoscorpion (*Tartarocreagris texana*), Government Canyon Bat Cave spider (*Tayshaneta microps*), Tooth Cave spider (*Tayshaneta myopica*), Peck's Cave amphipod (*Stygobromus (=Stygonectes) Pecki*), Comal Springs riffle beetle (*Heterelmis comalensis*), Comal Springs dryopid beetle (*Stygoparnus comalensis*), Guadalupe fatmucket (*Lampsilis bergmanni*), Texas fatmucket (*Lampsilis bracteata*), Guadalupe orb (*Cyclonaias necki*), Texas pimpleback (*Cyclonaias petrina*), Balcones spike (*Fusconaia iheringi*), false spike (*Fusconaia mitchelli*), Austin blind salamander (*Eurycea waterlooensis*), Barton Springs salamander (*Eurycea sosorum*), Texas blind salamander (*Eurycea rathbuni*).	Texas	Presence/absence surveys.	Harass, harm.	Amend.
ES195191	Baer Engineering and Environmental Consulting, Inc.; Austin, Texas.	Golden-cheeked warbler (*Setophaga chrysoparia*)	Texas	Presence/absence surveys.	Harass, harm.	Renew.

TABLE 1—PERMIT APPLICATIONS—Continued

Application No.	Applicant	Species	Location	Activity	Type of take	Permit action
ES27791B	National Park Service—Montezuma Castle and Tuzigoot National Monuments; Camp Verde, Arizona.	Southwestern willow flycatcher (*Empidonax traillii extimus*).	Arizona	Presence/absence surveys.	Harass, harm.	Renew/amend.
ESPER0013385 ...	Sea Turtle, Inc.; South Padre Island, Texas.	Kemp's ridley sea turtle (*Lepidochelys kempii*), green sea turtle (*Chelonia mydas*), loggerhead sea turtle (*Caretta caretta*), hawksbill sea turtle (*Eretmochelys imbricata*), leatherback sea turtle (*Dermochelys coriacea*).	Texas	Rehabilitation, remove from the wild, return to the wild, tag, bio-sample, capture, handle, educational display.	Harass, harm, capture.	Renew/amend.
ES11267C	Buschow, Marissa; Flagstaff, Arizona.	Southwestern willow flycatcher (*Empidonax traillii extimus*).	Texas	Presence/absence surveys, nest monitor.	Harass, harm.	Amend.
ESPER6353114 ...	Schwope, Whitney; Boerne, Texas.	Guadalupe fatmucket (*Lampsilis bergmanni*), Texas fatmucket (*Lampsilis bracteata*), Guadalupe orb (*Cyclonaias necki*), Texas pimpleback (*Cyclonaias petrina*), Balcones spike (*Fusconaia iheringi*), false spike (*Fusconaia mitchelli*), Texas hornshell (*Popenaias popeii*), dunes sagebrush lizard (*Sceloporus arenicolus*).	New Mexico, Texas.	Presence/absence surveys, salvage, translocation.	Harass, harm, capture.	Amend.
ESPER1889346 ...	Tschirhart, Kara; San Antonio, Texas.	Beetle, (no common name) (*Rhadine exilis*), beetle, (no common name) (*Rhadine infernalis*), Helotes mold beetle (*Batrisodes venyivi*), Cokendolpher Cave harvestman (*Texella cokendolpheri*), Government Canyon Bat Cave meshweaver (*Cicurina vespera*), Government Canyon Bat Cave spider (*Tayshaneta microps*), Madla Cave meshweaver (*Cicurina madla*), Robber Baron Cave meshweaver (*Cicurina baronia*), Bee Creek Cave harvestman (*Texella reddelli*), Kretschmarr Cave mold beetle (*Texamaurops reddelli*), Tooth Cave pseudoscorpion (*Tartarocreagris texana*), Tooth Cave spider (*Tayshaneta myopica*), Tooth Cave ground beetle (*Rhadine persephone*), Bone Cave harvestman (*Texella reyesi*), Coffin Cave mold beetle (*Batrisodes texanus*).	Texas	Presence/absence surveys.	Harass, harm.	Amend.
ESPER7032540 ...	Blankenship, Ryan; Duncanville, Texas.	Guadalupe fatmucket (*Lampsilis bergmanni*), Texas fatmucket (*Lampsilis bracteata*), Guadalupe orb (*Cyclonaias necki*), Texas pimpleback (*Cyclonaias petrina*), Balcones spike (*Fusconaia iheringi*), false spike (*Fusconaia mitchelli*).	Texas	Presence/absence surveys, capture, handle, tag.	Harass, harm, capture.	Amend.
ES79006D	Lazo, Walker; San Antonio, Texas.	Golden-cheeked warbler (*Setophaga chrysoparia*), beetle, (no common name) (*Rhadine exilis*), beetle, (no common name) (*Rhadine infernalis*), Helotes mold beetle (*Batrisodes venyivi*), Cokendolpher Cave harvestman (*Texella cokendolpheri*), Government Canyon Bat Cave meshweaver (*Cicurina vespera*), Government Canyon Bat Cave spider (*Tayshaneta microps*), Madla Cave meshweaver (*Cicurina madla*), Robber Baron Cave meshweaver (*Cicurina baronia*), Bee Creek Cave harvestman (*Texella reddelli*), Kretschmarr Cave mold beetle (*Texamaurops reddelli*), Tooth Cave pseudoscorpion (*Tartarocreagris texana*), Tooth Cave spider (*Tayshaneta myopica*), Tooth Cave ground beetle (*Rhadine persephone*), Bone Cave harvestman (*Texella reyesi*), Coffin Cave mold beetle (*Batrisodes texanus*).	Texas	Presence/absence surveys, voucher specimen collection.	Harass, harm, kill.	Renew.

TABLE 1—PERMIT APPLICATIONS—Continued

Application No.	Applicant	Species	Location	Activity	Type of take	Permit action
ES022190	Arizona-Sonora Desert Museum; Tucson, Arizona.	Mount Graham red squirrel (*Tamiasciurus fremonti grahamensis*), masked bobwhite quail (*Colinus virginianus ridgwayi*), Sonoran tiger salamander (*Ambystoma mavortium stebbinsi*), Mexican gray wolf (*Canis lupus baileyi*), ocelot (*Leopardus (=Felis) pardalis*), thick-billed parrot (*Rhynchopsitta pachyrhyncha*), bonytail chub (*Gila elegans*), Colorado pikeminnow (*Ptychocheilus lucius*), desert pupfish (*Cyprinodon macularius*), Gila chub (*Gila intermedia*), Gila topminnow (*Poeciliopsis occidentalis*), loach minnow (*Tiaroga cobitis*), razorback sucker (*Xyrauchen texanus*), spikedace (*Meda fulgida*), woundfin (*Plagopterus argentissimus*), Yaqui chub (*Gila purpurea*), pima pineapple cactus (*Coryphantha scheeri var. robustispina*), Nichol Turk's head cactus (*Echinocactus horizonthalonius var. nicholii*), Kearney bluestar (*Amsonia kearneyana*), Arizona hedgehog cactus (*Echinocereus arizonicus ssp. arizonicus*), Acuña cactus (*Echinomastus erectocentrus var. acunensis*), Sonoyta mud turtle (*Kinosternon sonoriense longifemorale*), Virgin River chub (*Gila robusta semidnuda*).	Arizona	Educational display, captive propagation, hold, salvage, transplant, seed and vegetative collection.	Harass, harm, capture, collect.	Renew/ amend.
ESPER0070375 ...	Clemens, Brad; Sierra Vista, Arizona.	Southwestern willow flycatcher (*Empidonax traillii extimus*).	New Mexico	Presence/absence surveys.	Harass, harm.	Amend.
CS16179896	U.S. Geological Survey Southwest Biological Science Center; Flagstaff, Arizona.	Huachuca water-umbel (*Lilaeopsis schaffneriana var. recurva*).	Arizona	Seed and vegetative collection.	Harm, collect.	New.
ESPER19995599	Stanek, Jenna; Los Alamos, New Mexico.	Southwestern willow flycatcher (*Empidonax traillii extimus*), Jemez Mountains salamander (*Plethodon neomexicanus*).	New Mexico	Presence/absence surveys.	Harass, harm.	Amend.
CS16515249	Cowan, Brian; Austin, Texas.	Beetle, (no common name) (*Rhadine exilis*), beetle, (no common name) (*Rhadine infernalis*), Helotes mold beetle (*Batrisodes venyivi*), Cokendolpher Cave harvestman (*Texella cokendolpheri*), Government Canyon Bat Cave meshweaver (*Cicurina vespera*), Government Canyon Bat Cave spider (*Tayshaneta microps*), Madla Cave meshweaver (*Cicurina madla*), Robber Baron Cave meshweaver (*Cicurina baronia*), Bee Creek Cave harvestman (*Texella reddelli*), Kretschmarr Cave mold beetle (*Texamaurops reddelli*), Tooth Cave pseudoscorpion (*Tartarocreagris texana*), Tooth Cave spider (*Tayshaneta myopica*), Tooth Cave ground beetle (*Rhadine persephone*), Bone Cave harvestman (*Texella reyesi*), Coffin Cave mold beetle (*Batrisodes texanus*), Peck's Cave amphipod (*Stygobromus (=Stygonectes) pecki*), Comal Springs dryopid beetle (*Stygoparnus comalensis*), Comal Springs riffle beetle (*Heterelmis comalensis*), fountain darter (*Etheostoma fonticola*).	Texas	Presence/absence surveys, salvage, voucher specimen collection.	Harass, harm, kill.	New.
CS16545485	Lind, Meghan; Dripping Springs, Texas.	Golden-cheeked warbler (*Setophaga chrysoparia*), Attwater's greater prairie-chicken (*Tympanuchus cupido attwateri*), northern aplomado falcon (*Falco femoralis septentrionalis*), Houston toad (*Bufo houstonensis*), Guadalupe fatmucket (*Lampsilis bergmanni*), Texas fatmucket (*Lampsilis bracteata*), Guadalupe orb (*Cyclonaias necki*), Texas pimpleback (*Cyclonaias petrina*), Balcones spike (*Fusconaia iheringi*), false spike (*Fusconaia mitchelli*).	Texas	Presence/absence surveys.	Harass, harm.	New.
CS16612265	Hibbitts, Toby; College Station, Texas.	Houston toad (*Bufo houstonensis*)	Texas	Re-introduction ...	Harass, harm.	New.
CS16736924	Garcia, Israel; Phoenix, Arizona.	Southwestern willow flycatcher (*Empidonax traillii extimus*).	Arizona, Colorado, New Mexico, Utah.	Presence/absence surveys.	Harass, harm.	New.
ES821356	Grand Canyon Monitoring and Research Center; Flagstaff, Arizona.	Bonytail chub (*Gila elegans*), razorback sucker (*Xyrauchen texanus*), Gila topminnow (*Poeciliopsis occidentalis*), Colorado pikeminnow (*Ptychocheilus lucius*).	Arizona, Utah	Presence/absence surveys, capture, handle, tag, educational display, hold, biosample.	Harass, harm, capture.	Renew/ amend.

TABLE 1—PERMIT APPLICATIONS—Continued

Application No.	Applicant	Species	Location	Activity	Type of take	Permit action
ESPER1906334 ...	HDR Engineering Inc.; Austin, Texas.	Rio Grande Silvery Minnow (*Hybognathus amarus*), spikedace (*Meda fulgida*), loach minnow (*Tiaroga cobitis*), southwestern willow flycatcher (*Empidonax traillii extimus*), razorback sucker (*Xyrauchen texanus*), Colorado pikeminnow (*Ptychocheilus lucius*).	Arizona, New Mexico, Utah.	Presence/absence surveys.	Harass, harm.	Amend.
CS16775512	Johnson, Cassidy; Houston, Texas.	Houston toad (*Bufo houstonensis*)	Texas	e-DNA analysis ..	Collect	New.
CS16861614	Tobler, Michael; Saint Louis, Missouri.	Leon Springs pupfish (*Cyprinodon bovinus*), Comanche Springs pupfish (*Cyprinodon elegans*), Big Bend gambusia (*Gambusia gaigei*), Clear Creek gambusia (*Gambusia heterochir*), Pecos gambusia (*Gambusia nobilis*).	New Mexico, Texas.	Presence/absence surveys, capture, handle, bio-sample, hold, captive propagation, re-introduction, remove from the wild, return to the wild.	Harass, harm, capture.	New.
CS17255607	Thiels, Sabrina; Rosenberg, Texas.	Guadalupe fatmucket (*Lampsilis bergmanni*), Texas fatmucket (*Lampsilis bracteata*), Guadalupe orb (*Cyclonaias necki*), Texas pimpleback (*Cyclonaias petrina*), Balcones spike (*Fusconaia iheringi*), false spike (*Fusconaia mitchelli*).	Texas	Presence/absence surveys, capture, handle.	Harass, harm, capture.	New.
CS17307962	Adkins Consulting, Inc.; Durango, Colorado.	Southwestern willow flycatcher (*Empidonax traillii extimus*).	Arizona, Colorado, New Mexico, Utah.	Presence/absence surveys.	Harass, harm.	New.
CS17427569	Troia, Matthew; San Antonio, Texas.	Fountain darter (*Etheostoma fonticola*)	Texas	Presence/absence surveys.	Harass, harm.	New.
ESPER0009587 ...	Rieck, Jean Marie; Flagstaff, Arizona.	Southwestern willow flycatcher (*Empidonax traillii extimus*).	Arizona, Colorado, New Mexico, Utah.	Presence/absence surveys.	Harass, harm.	Renew.
ES174552	Animas Biological Studies, LLC.; Durango, Colorado.	Southwestern willow flycatcher (*Empidonax traillii extimus*).	Arizona, Colorado, New Mexico, Utah.	Presence/absence surveys, nest monitor, band, capture, handle.	Harass, harm, capture.	Renew.
CS17649158	Albert, Steven; Ramah, New Mexico.	Southwestern willow flycatcher (*Empidonax traillii extimus*), northern aplomado falcon (*Falco femoralis septentrionalis*), California least tern (*Sternula antillarum browni*).	Arizona, Colorado, New Mexico, Utah.	Presence/absence surveys.	Harass, harm.	New.
ES73317B	Britt, Charles; Las Cruces, New Mexico.	Southwestern willow flycatcher (*Empidonax traillii extimus*), northern aplomado falcon (*Falco femoralis septentrionalis*).	Arizona, New Mexico.	Presence/absence surveys.	Harass, harm.	Renew.
ESPER0005108 ...	Cambrian Environmental; Austin, Texas.	Houston Toad (*Bufo houstonensis*), beetle, (no common name) (*Rhadine exilis*), beetle, (no common name) (*Rhadine infernalis*), Helotes mold beetle (*Batrisodes venyivi*), Cokendolpher Cave harvestman (*Texella cokendolpheri*), Government Canyon Bat Cave meshweaver (*Cicurina vespera*), Government Canyon Bat Cave spider (*Tayshaneta microps*), Madla Cave meshweaver (*Cicurina madla*), Robber Baron Cave meshweaver (*Cicurina baronia*), Bee Creek Cave harvestman (*Texella reddelli*), Kretschmarr Cave mold beetle (*Texamaurops reddelli*), Tooth Cave pseudoscorpion (*Tartarocreagris texana*), Tooth Cave spider (*Tayshaneta myopica*), Tooth Cave ground beetle (*Rhadine persephone*), Bone Cave harvestman (*Texella reyesi*), Coffin Cave mold beetle (*Batrisodes texanus*), Texas blind salamander (*Eurycea rathbuni*), Barton Springs salamander (*Eurycea sosorum*), Austin blind salamander (*Eurycea waterlooensis*), dunes sagebrush lizard (*Sceloporus arenicolus*).	New Mexico, Texas.	Presence/absence surveys, capture, handle, bio-sample, captive propagation, remove from the wild, return to the wild, tag, salvage, voucher Specimen.	Harass, harm, kill, trap, capture.	Renew/amend.
CS18866600	Bureau of Land Management—Yuma; Yuma, Arizona.	Yuma Ridgway's rail (*Rallus obsoletus yumanensis*)	Arizona, California.	Presence/absence surveys.	Harass, harm.	New.
ESPER18519390	Moors, Amanda; Globe, Arizona.	Southwestern willow flycatcher (*Empidonax traillii extimus*).	Arizona	Presence/absence surveys.	Harass, harm.	Amend.
CS19319859	Breslin, Peter; Phoenix, Arizona.	Fickeisen plains cactus (*Pediocactus peeblesianus ssp. fickeiseniae*), Brady pincushion cactus (*Pediocactus bradyi*), Peebles Navajo cactus (*Pediocactus peeblesianus ssp. peeblesianus*).	Arizona	Seed and vegetative collection.	Collect	New.

TABLE 1—PERMIT APPLICATIONS—Continued

Application No.	Applicant	Species	Location	Activity	Type of take	Permit action
ES822908	Caesar Kleberg Wildlife Research Institute—Texas A&M University—Kingsville; Kingsville, Texas.	Ocelot (*Leopardus (=Felis) pardalis*)	Texas	Monitor, ... observe	Harass, harm.	Amend.
CS19383720	Huse Biological Consulting LLC; Rio Rancho, New Mexico.	Yuma Ridgway's rail (*Rallus obsoletus yumanensis*), southwestern willow flycatcher (*Empidonax traillii extimus*).	Arizona, New Mexico, Nevada, Utah.	Presence/absence surveys.	Harass, harm.	New.
CS19381521	Huse Biological Consulting LLC; Rio Rancho, New Mexico.	Dunes sagebrush lizard (*Sceloporus arenicolus*), Sonoran tiger salamander (*Ambystoma mavortium stebbinsi*), Jemez Mountains salamander (*Plethodon neomexicanus*).	Arizona, New Mexico, Texas.	Presence/absence surveys, capture, handle.	Harass, harm, capture.	New.
ESPER0009523 ...	SWCA Environmental Consultants; Flagstaff, Arizona.	Black-footed ferret (*Mustela nigripes*), Mexican long-nosed bat (*Leptonycteris nivalis*), southwestern willow flycatcher (*Empidonax traillii extimus*), Yuma Ridgway's rail (*Rallus obsoletus yumanensis*), bonytail chub (*Gila elegans*), Colorado pikeminnow (*Ptychocheilus lucius*), razorback sucker (*Xyrauchen texanus*), desert pupfish (*Cyprinodon macularius*), Yaqui chub (*Gila purpurea*), Gila topminnow (*Poeciliopsis occidentalis*), woundfin (*Plagopterus argentissimus*), Virgin River chub (*Gila robusta semidnuda*).	Arizona, California, Colorado, Nevada, New Mexico, Texas, Utah.	Presence/absence surveys, nest monitor, band, bio-sample, capture, handle, nestling removal, egg replacement.	Harass, harm, capture.	Renew/ amend.
ESPER0009319 ...	Oklahoma Aquarium; Jenks, Oklahoma.	Green sea turtle (*Chelonia mydas*), loggerhead sea turtle (*Caretta caretta*).	Oklahoma	Educational display, hold, remove from the wild.	Harass, harm, capture.	Renew.
CS19793454	Ocelot Conservation Facility; Kingsville, Texas.	Ocelot (*Leopardus (=Felis) pardalis*)	Texas	Presence/absence surveys, bio-sample, captive propagation, hold, capture, handle,. monitor, ... remove from the wild, return to the wild, re-introduction, population augmentation, tag, vaccinate.	Harass, harm, capture.	New.
ESPER0024337 ...	East Foundation; San Antonio, Texas.	Ocelot (*Leopardus (=Felis) pardalis*)	Texas	Translocation, hold, captive propagation, remove from the wild, return to the wild.	Harass, harm, capture.	Amend.

Public Availability of Comments

All comments we receive become part of the public record associated with this action. Requests for copies of comments will be handled in accordance with the Freedom of Information Act, National Environmental Policy Act, and Service and Department of the Interior policies and procedures. 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 to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so. 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

We provide this notice under section 10 of the Endangered Species Act (16 U.S.C. 1531 *et seq.*).

Leston Jacks,

Acting Regional Director, Southwest Region, U.S. Fish and Wildlife Service.

[FR Doc. 2026–10885 Filed 5–29–26; 8:45 am]

BILLING CODE 4333–15–P

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

[Docket No. FWS–R5–ES–2026–1321; FXES11130500000–267–FF05E00000]

Endangered Species; Receipt of Recovery Permit Applications

AGENCY: Fish and Wildlife Service, Interior.

ACTION: Notice of receipt of permit applications; request for comments.

SUMMARY: We, the U.S. Fish and Wildlife Service, have received applications for permits to conduct scientific research to promote conservation or other activities intended to enhance the propagation or survival of endangered or threatened species under the Endangered Species Act. We invite local, State, and Federal agencies; Tribes; and the public to comment on these applications. Before issuing the requested permits, we will take into consideration any information that we receive during the public comment period.

DATES: We must receive your written comments on or before July 1, 2026. Comments submitted electronically using the Federal eRulemaking Portal (see **ADDRESSES**, below) must be received by 11:59 p.m. eastern time on the closing date.

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:

Comment submission: All submissions must include the docket number [FWS–R5–ES–2026–1321] for this document. You must submit comments using one of the following methods:

- *Electronic submission:* Federal eRulemaking Portal at: *https://www.regulations.gov.* In the Search box, enter FWS–R5–ES–2026–1321, which is the docket number for this action. Then click the Search button. On the resulting page, you may submit a comment by clicking on ''Comment.'' Please ensure that you have found the correct document before submitting your comments.
- *U.S. mail:* Public Comments Processing, Attn: Docket No. FWS–R5–ES–2026–1321, Policy and Regulations Branch, U.S. Fish and Wildlife Service, MS: PRB (JAO/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: Abby Goldstein, 413–253–8212 (phone), or *permitsR5ES@fws.gov* (email). Submit requests for copies of the applications and related documents, by one of these methods. All requests should specify the applicant name(s) and application number(s) (*e.g.,* ESXXXXXX; see table in **SUPPLEMENTARY INFORMATION**). 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, invite local, State, and Federal agencies; Tribes; and the public to review and comment on applications we have received for permits under section 10(a)(1)(A) of the Endangered Species Act of 1973, as amended (ESA; 16 U.S.C. 1531 *et seq.*), and our implementing regulations in part 17 of title 50 of the Code of Federal Regulations (CFR). The requested permits would allow the applicants to conduct activities intended to promote recovery of species that are listed as endangered under the ESA. Documents and other information submitted with the applications are available for review, subject to the requirements of the Privacy Act of 1974, as amended (5 U.S.C. 552a) and the Freedom of Information Act (5 U.S.C. 552).

Background

With some exceptions, the ESA prohibits activities that constitute take of listed species, unless a Federal permit is issued that allows such activity. The ESA's definition of ''take'' includes such activities as pursuing, harassing, trapping, capturing, or collecting, in addition to hunting, shooting, harming, wounding, or killing.

A recovery permit issued by us under section 10(a)(1)(A) of the ESA authorizes the permittee to conduct activities constituting or resulting in take of endangered or threatened species for scientific purposes that promote recovery or for enhancement of propagation or survival of the species. Our regulations implementing section 10(a)(1)(A) for these permits are found at 50 CFR 17.22 for endangered wildlife species, 50 CFR 17.32 for threatened wildlife species, 50 CFR 17.62 for endangered plant species, and 50 CFR 17.72 for threatened plant species.

Permit Applications Available for Review and Comment

In accordance with the ESA, we invite local, State, and Federal agencies; Tribes; and the public to submit written data, views, or arguments with respect to the applications in table 1.

TABLE 1—PERMIT APPLICATIONS RECEIVED

Application No.	Applicant	Species	Location	Activity	Type of take	Permit action
PER31379402–0	Fort Drum Military Reservation, U.S. Army; Fort Drum, NY.	Indiana bat (*Myotis sodalis*), northern long-eared bat (*Myotis septentrionalis*).	New York	Capture via mistnet, band, telemetry, release.	Capture	New.

TABLE 1—PERMIT APPLICATIONS RECEIVED—Continued

Application No.	Applicant	Species	Location	Activity	Type of take	Permit action
CS18420331	Hillary Mower; Crab Orchard, WV.	Indiana bat (*Myotis sodalis*), northern long-eared bat (*Myotis septentrionalis*), tri-colored bat (*Perimyotis subflavus*), gray bat (*Myotis grisescens*), Virginia big-eared bat (*Corynorhinus (=Plecotus) townsendii virginianus*).	Alabama, Arkansas, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Mississippi, New Hampshire, New Jersey, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Vermont, Virginia, West Virginia.	Capture via mistnet and harp trap, band, telemetry, release.	Capture	New.
PER82615D–4	Downeast Salmon Federation; Columbia Falls, ME.	Atlantic salmon (*Salmo salar*).	Maine	Electrofish, trap, mark, propagate.	Capture, Collect	Renew with amendment.
PER12175217–1	Jacob Miller; Hurricane, WV.	Add: Guadalupe Orb (*Cyclonaias necki*), Rusty patched bumble bee (*Bombus affinis*), Alabama lampmussel (*Lampsilis virescens*), Balcones spike (*Fusconaia iheringi*), Cumberlandian combshell (*Epioblasma brevidens*), Cumberland monkeyface (*Theliderma intermedia*), Dromedary pearlymussel (*Dromus dromas*), Dwarf wedgemussel (*Alasmidonta heterodon*), False spike (*Fusconaia mitchelli*), Fluted kidneyshell (*Ptychobranchus subtentus*), Guadalupe fatmucket (*Lampsilis bergmanni*), James Spinymussel (*Parvaspina collina*), Oyster Mussel (*Epioblasma capsaeformis*), Purple Bean (*Villosa perpurpurea*), Rough Rabbitsfoot (*Quadrula cylindrica strigillata*), Shiny Pigtoe (*Fusconaia cor*), Texas Fatmucket (*Lampsilis bracteata*), Texas Fawnsfoot (*Truncilla macrodon*), Texas Pimpleback (*Cyclonaias petrina*), Yellow Lance (Elliptio lanceolata).	Add: Connecticut, Delaware, Louisiana, Maine, Massachusetts, New Jersey, North Dakota, Rhode Island, South Carolina, Texas.	Capture, release	Capture	Amend.
PER26044385–0	Walter Veselka; Reedsville, WV.	Rusty patched bumble bee (*Bombus affinis*).	West Virginia	Capture, photograph, release.	Capture	New.

Public Availability of Comments

Written comments we receive become part of the administrative record associated with this action. 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 request in your comment that we withhold your personal identifying information from public review, 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.

Next Steps

If we decide to issue permits to the applicants listed in this notice, we will publish a notice in the **Federal Register**.

Authority: Section 10(c) of the Endangered Species Act of 1973, as amended (16 U.S.C. 1531 *et seq.*).

Amanda Cross,

Acting Assistant Regional Director, Ecological Services, Northeast Region.

[FR Doc. 2026–10856 Filed 5–29–26; 8:45 am]

BILLING CODE 4333–15–P

DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs

[267A2100DD/AAKP300000/A0A501010.000000]

Scotts Valley Band of Pomo Indians of California; Liquor Control Ordinance

AGENCY: Bureau of Indian Affairs, Interior.

ACTION: Notice.

SUMMARY: This notice publishes the Scotts Valley Band of Pomo Indians of California Liquor Control Ordinance, which regulates and controls the consumption, possession, sale, manufacture, and distribution of liquor within Tribal Trust Lands under the jurisdiction of the Scotts Valley Band of Pomo Indians of California, including its Trust Land located in Vallejo County, in order to permit alcohol sales by tribally owned and operated enterprises and private lessees, and at tribally approved special events. The Liquor Control Ordinance will provide a source of revenue for the continued operation of the tribal government, the delivery of governmental services, and the economic viability of tribal enterprises.

DATES: This Ordinance shall become effective June 1, 2026.

FOR FURTHER INFORMATION CONTACT: Ms. Sarraye Forrest-Davis, Tribal Government Specialist, Bureau of Indian Affairs, Pacific Region, Division of Tribal Government Services, 2800 Cottage Way, Room W–2820, Sacramento, California 95825, Telephone (916) 206–9634, Fax: (916) 978–6099.

SUPPLEMENTARY INFORMATION: Pursuant to the Act of August 15, 1953, Public Law 83–277, 67 Stat. 586, 18 U.S.C. 1161, as interpreted by the Supreme Court in *Rice* v. *Rehner,* 463 U.S. 713 (1983), the Secretary of the Interior shall certify and publish in the **Federal Register** notice of adopted liquor control ordinances for the purpose of regulating liquor transactions in Indian country. On October 16, 2025, the Tribal Council of the Scotts Valley Band of Pomo Indians of California adopted the Scotts Valley Band of Pomo Indians of California Liquor Control Ordinance by Resolution No. S.V. 29–25.

This notice is published in accordance with the authority delegated by the Secretary of the Interior to the Assistant Secretary–Indian Affairs. I certify that the Tribal Council of the Scotts Valley Band of Pomo Indians of California enacted the Liquor Control Ordinance on October 16, 2025.

The Scotts Valley Band of Pomo Indians of California Liquor Control Ordinance shall read as follows:

Scotts Valley Band of Pomo Indians of California

A Liquor Control Ordinance of the Scotts Valley Band of Pomo Indians of California on the Scotts Valley Indian Reservation and Tribal Lands

Article 1. Introduction

Section 1. Title; Short Title

This Ordinance shall be known and cited as ''A Liquor Control Ordinance of the Scotts Valley Band of Pomo Indians of California on the Scotts Valley Indian Reservation and Indian Lands'' and may be cited as the ''Scotts Valley Liquor Control Ordinance'' or ''Liquor Control Ordinance.''

Section 2. Authority

This Ordinance is enacted pursuant to the Act of August 15, 1953 (Pub. L. 83–277, 67 Stat. 586, 18 U.S.C. 1161) and by powers vested in the Tribal Council of the Scotts Valley Band of Pomo Indians of California, the Tribe's governing body, to promulgate, adopt, and enforce ordinances and resolutions as authorized under Article VI, Section 1 (d), of the Constitution of the Scotts Valley Band of Pomo Indians of the Sugar Bowl Reservation, adopted September 24, 1994.

Section 3. Purpose; Findings

The purpose of this Ordinance is to regulate and control the consumption, possession, sale, manufacture, and distribution of liquor within Tribal Trust Lands under the jurisdiction of the Scotts Valley Band of Pomo Indians of California, including its Trust Land located in Vallejo County, in order to permit alcohol sales by tribally owned and operated enterprises and private lessees, and at tribally approved special events. Enactment of a liquor control ordinance will help promote and provide a source of revenue for the continued operation of the tribal government, the delivery of governmental services, and the economic viability of tribal enterprises.

The Tribal Council of the Scotts Valley Band of Pomo Indians of California enacts this Ordinance based upon the following findings:

i. The distribution, manufacturing, possession, consumption, and sale of liquor on Tribal Trust Lands is a matter of special concern to the Scotts Valley Band of Pomo Indians of California.

ii. The Scotts Valley Band of Pomo Indians of California is the beneficial owner of Tribal Trust Lands.

iii. In the event the Scotts Valley Band of Pomo Indians of California seeks to operate gaming and related dining, entertainment, and lodging facilities, it shall be located on Tribal Trust Lands where by the Scotts Valley Band of Pomo Indians of California is the beneficial owner.

iv. In the event the Scotts Valley Band of Pomo Indians establishes and operates a gaming facility, it will serve as an integral and indispensable part of the Tribe's economy, providing revenue to the Scotts Valley Band of Pomo Indians of California's government and employment of its tribal citizens and others in the local community.

v. Federal law, as codified at 18 U.S.C. 1154 and 1161, currently prohibits the introduction of liquor into Indian county, except in accordance with State law and the duly enacted laws of the Scotts Valley Band of Pomo Indians of California.

vi. The Scotts Valley Band of Pomo Indians of California recognizes the need for strict control and regulation of liquor transactions on lands under the Scotts Valley Band of Pomo Indians of California's jurisdiction because of the potential problems associated with the unregulated or inadequate regulation of sales, possession, manufacturing, distribution, and consumption of liquor.

vii. Regulating the possession, sale, distribution, consumption, and manufacture of liquor within lands under the Scotts Valley Band of Pomo Indians of California's jurisdiction is also consistent with the Scotts Valley Band of Pomo Indians of California's interests in ensuring the peace, safety, health, and general welfare of the Scotts Valley Band of Pomo Indians of California and its members.

viii. Tribal control and regulation of liquor on lands under the Scotts Valley Band of Pomo Indians of California's jurisdiction is consistent with the Scotts Valley Band of Pomo Indians of California's custom and tradition of controlling the possession and consumption of liquor on Tribal Lands, and at Tribal events.

ix. The purchase, distribution, manufacturing, consumption, possession, and sale of liquor on lands

under the Scotts Valley Band of Pomo Indians of California's jurisdiction shall take place only at duly licensed (1) Tribally owned enterprises, (2) other enterprises operated pursuant to a lease with the Tribe, and (3) Tribally sanctioned events.

x. The sale, consumption, possession, or other commercial manufacture or distribution of liquor on lands under the Scotts Valley Band of Pomo Indians of California's jurisdiction, other than sales, consumption, possession, manufacture, and distributions made in strict compliance with this Ordinance, is detrimental to the health, safety, and general welfare of the member of the Tribe, and is prohibited.

xi. The Tribal Trust Land in the City of Vallejo, Solano County, California, accepted into trust for the benefit of the Scotts Valley Band of Pomo Indians on January 10, 2025, shall be subject to this Ordinance and to such site-specific licensing and regulatory provisions as the Tribal Council may adopt to ensure compliance with applicable federal and state law and any Tribal-State Gaming Compact.

Section 4. Jurisdiction

This Ordinance shall apply to all Lands now or in the future under the governmental control or authority of the Tribe, including Tribe's current Reservation, Tribal Trust Lands, as well as any Lands that may be taken into trust for the Tribe in the future.

Section 5. Application of 18 U.S.C. 1161

By enacting this Ordinance, the Tribe hereby regulates the sale, manufacturing, distribution, possession, and consumption of liquor while ensuring that such activity conforms with all applicable laws of the State of California as required by 18 U.S.C. 1161, other applicable Federal law, and any applicable Tribal-State Gaming Compact.

Article 2. Definitions

Section 1. Definitions

As used in this Ordinance, the terms below are defined as follows:

(a) ''Alcohol'' means ethyl alcohol, hydrated oxide of ethyl, or other distilled spirits including spirit of wine, in any form, and regardless of source or the process used for its production.

(b) ''Alcoholic beverage'' means all alcohol, spirits, liquor, wine, beer and any liquid or solid containing alcohol, spirits, liquor, wine, or beer, and which contains one-half of one percent or more of alcohol by volume and that is fit for human consumption, either alone or when diluted, mixed, or combined with any other substance(s).

(c) ''Compact'' means a Tribal-State Compact between the State and the Scotts Valley Band of Pomo Indians of California, as may be amended from time to time or procedures prescribed by the Secretary of the Interior pursuant to 25 U.S.C. 2710(d)(7), under which the Tribe may conduct Class III gaming on ''Indian lands'' as such term is defined in the Indian Gaming Regulatory Act, 25 U.S.C. 2701, *et seq.*

(d) ''Lands under the Tribe's Jurisdiction'' means and includes all Lands now or in the future under the governmental authority or control of the Scotts Valley Band of Pomo Indians of California.

(e) ''License'' means, unless otherwise stated, a license issued by the Tribe in accordance with this Ordinance.

(f) ''Liquor'' means any alcoholic beverage, as defined in this Section.

(g) ''Person'' means any individual or entity, whether Indian or non-Indian, receiver, assignee, trustee in bankruptcy, trust, estate, firm, corporation, partnership, joint corporation, association, society, or any group of individuals acting as a unit, whether mutual, cooperative, fraternal, non-profit or otherwise, and any other Indian tribe, band or group. The term shall also include the businesses of the Tribe.

(h) ''Tribe'' means the Scotts Valley Band of Pomo Indians of California, a federally recognized Indian Tribe that is listed in the **Federal Register**.

(i) ''Tribal Trust Lands'' or ''Lands'' means all real property currently held in trust by the United States for the Scotts Valley Band of Pomo Indians of California, including approximately one hundred sixty acres located in the City of Vallejo, Solano County, California, which was accepted into trust for the benefit of the Tribe on January 10, 2025; and as well as real property that may be taken into trust in the future for the benefit of the Scotts Valley Band of Pomo Indians of California.

(j) ''Sale'' and ''sell'' mean the transfer for consideration of any kind, including by exchange or barter.

(k) ''State'' means the State of California.

(l) ''Reservation'' means the Sugar Bowl Reservation.

Article 3. Liquor Sales, Possession, Consumption, and Manufacture

Section 1. Possession of Alcohol

The introduction, consumption, and possession of alcoholic beverages shall be lawful within and on Lands under the Tribe's jurisdiction; provided that such introduction, consumption, or possession is in conformity with the laws of the State and this Ordinance.

Section 2. Retail Sales of Alcohol

The sale of alcoholic beverages shall be lawful within and on Lands under the Tribe's jurisdiction; provided that such sales are in conformity with the laws of the State and are made pursuant to a license issued by the Tribe.

Section 3. Manufacture of Alcohol

The manufacture of beer, wine, and liquor shall be lawful within and on Lands under the Tribe's jurisdiction; provided that such manufacture is in conformity with the laws of the State and pursuant to a license issued by the Tribe.

Section 4. Age Limits

The legal age for possession or consumption of alcohol on Tribal Trust Lands shall be the same as that of the State, which is currently 21 years. No person under the age of 21 years shall purchase, possess or consume any alcoholic beverage or be present in any area of the Tribe's gaming operation in which alcoholic beverages may be consumed, except to the extent permitted by State law. If there is any conflict between State law and the terms of the Compact regarding the age limits for alcohol possession or consumption, the age limits in the Compact shall govern for purposes of this Ordinance.

Article 4. Power of the Tribal Council To License

Section 1. Licensing

The Tribal Council shall have the authority to require and the power to issue a license under this Ordinance for the sale, manufacture, distribution, or possession (including, without limitation, retail, wholesale, manufacturer, special events licenses and any other type of liquor license recognized by State law) on its Lands; and shall have the power to establish and enforce procedures and standards for such Tribal licensing of liquor sales, manufacture, distribution, and possession within and on Tribal Trust Lands, including the setting of a license fee schedule, and shall have the power to publish and enforce such standards; provided that no Tribal license shall be issued except upon showing of satisfactory proof that the applicant is duly licensed by the State. The fact that an applicant for a Tribal license possesses a license issued by the State shall not provide the applicant with an entitlement to a Tribal license. The Tribal Council may, in its discretion, set standards that are more, but in no case less, stringent than those of the State.

Article 5. Power To Enforce

Section 1. Enforcement

(a) The Tribal Council shall have the power to develop, enact, promulgate, and enforce regulations as necessary for the enforcement of this Ordinance and to protect the public health, welfare, and safety of the Tribe and Lands under the Tribe's jurisdiction; provided that all such regulations shall conform to, and not be in conflict with, any applicable Tribal, Federal, or State law. Regulations enacted pursuant to this Ordinance may include provisions for suspension or revocation of a Tribal liquor license, reasonable search and seizure provisions, and civil and criminal penalties for the violation of this Ordinance to the full extent permitted by Federal law and consistent with due process.

(b) Tribal law enforcement personnel and security personnel duly authorized by the Tribal Council shall have the authority to enforce this Ordinance by confiscating any liquor sold, possessed, distributed, manufactured, or introduced within Tribal Trust Lands in violation of this Ordinance or of any regulations duly adopted or pursuant to this Ordinance to the full extent permitted by Tribal, Federal, and State law and consistent with due process.

(c) The Tribal Council shall have the exclusive jurisdiction to hold hearings on violations of this Ordinance and any procedures or regulations adopted under or pursuant to this Ordinance; to promulgate appropriate procedures governing such hearings; to determine and enforce penalties or damages for violations of this Ordinance; and to delegate to a subordinate hearing officer or panel the authority to take any or all of the foregoing actions on its behalf.

Article 6. Taxes

Section 1. Taxation

Nothing contained in this Ordinance is intended to, nor does it in any way, limit or restrict the Tribe's ability to impose any tax upon the sale or consumption of liquor or any alcoholic beverage. The Tribe retains the right to impose such taxes by an appropriate Ordinance to the fullest extent permitted by Federal law.

Article 7. Miscellaneous Provisions

Section 1. Sovereign Immunity Preserved

Nothing contained in this Ordinance shall be deemed or construed, in any way, as a waiver of the Tribe's sovereign immunity, nor shall it be intended to waive, limit, alter, waive, or restrict the sovereign immunity of the Tribe or any of its officers, entities, agencies, agents, and/or officials from unconsented suit or action of any kind. All inherent sovereign rights of the Tribe, its officers, entities, and/or agents are hereby expressly reserved, including the Tribe's sovereign immunity from uncontested suits or actions of any kind.

Section 2. Conformity With Applicable Laws

All acts and transactions under this Ordinance shall be in conformity with the Compact and laws of the State to the extent required by 18 U.S.C. 1161, and with all Federal laws regarding alcohol in Indian Country.

Section 3. Effective Date

This Ordinance shall be effective as of the date on which the Secretary of the Interior certifies this Ordinance and publishes the same in the **Federal Register**.

Section 4. Repeal of Prior Acts

All prior enactments of the Tribal Council, including Tribal laws, resolutions, policies, regulations, or ordinances pertaining to the subject matter set forth in this Ordinance are hereby repealed.

Section 5. Amendments

This Ordinance may only be amended pursuant to an amendment duly enacted by the Tribal Council and, to the extent required by Federal law, certification by the Secretary of the Interior and publication in the **Federal Register**.

Section 6. Severability and Savings Clause

If any section, part, or provision of this Ordinance is held invalid, void, or unenforceable by a court of competent jurisdiction, such adjudication shall not be held to render the remaining sections, parts, and provisions of this Ordinance inapplicable, invalid, void, or unenforceable and the remainder of this Ordinance shall not be affected and shall continue in full force and effect.

William Henry Kirkland III,

Assistant Secretary—Indian Affairs.

[FR Doc. 2026–10861 Filed 5–29–26; 8:45 am]

BILLING CODE 4337–15–P

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[A2407–014–004–065516; #O2509–014–004–125222; LLESJ0000]

Notice of Realty Action: Calcasieu Pass Non-Competitive Direct Sale, Cameron Parish, LA

AGENCY: Bureau of Land Management, Interior.

ACTION: Notice of realty action.

SUMMARY: The Bureau of Land Management (BLM) Southeastern States District Office is proposing a non-competitive (direct) sale of approximately 2.97 acres of public land in Cameron Parish, Louisiana, to the private entity, Cameron Land Ventures LLC, an affiliate of Venture Global LNG, Inc. These entities will be collectively referred to as 'Venture Global' throughout this Notice. Venture Global has expressed interest in purchasing the parcel to support the development of a Liquified Natural Gas (LNG) hub that has already been evaluated in an environmental impact statement prepared by the Federal Energy Regulatory Commission. The sale would take place under the authority of the Federal Land Policy and Management Act of 1976 (FLPMA), as amended, and BLM land sale regulations. The sale would be for no less than the appraised fair market value, which will be completed prior to any sale taking place. This notice hereby provides a 45-day period, beginning upon publication in the **Federal Register**.

DATES: Interested parties must submit written comments, postmarked, or delivered no later than July 16, 2026.

ADDRESSES: You may submit comments related to the Calcasieu Pass Direct Sale Realty Action by any of the following methods:

- *Email: BLM_ES_SSDO_Calcasieu_Pass_NORA@BLM.GOV.*
- *Mail:* Bureau of Land Management, Attn: Calcasieu Pass, 273 Market Street, Flowood, MS 39232.

Documents pertinent to this proposal may be examined online at the following link: *https://eplanning.blm.gov/eplanning-ui/project/2041667/510,* and at the Southeastern States District Office.

FOR FURTHER INFORMATION CONTACT: Shayne Banks, Southeastern States District Manager, by telephone at (601) 919–4652, or, by email at *sbanks@blm.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: This sale is being held in response to a request from Venture Global, to acquire approximately 2.97 acres of federal land adjacent to existent property that they manage. The case file number is LAES106753433.The federal parcel to be offered in Cameron Parish, Louisiana, is in the following lands described:

The following format is the legal description for the nominated parcel.

A parcel of land situated in lot 4 of section 32, township 15 south, range 10 west, Louisiana Meridian, Cameron Parish, Louisiana, being the parcel of land described as an exception to lot 4 in file no. 235028, recorded March 25, 1994, in the official records of Cameron Parish and more particularly described as follows:

BEGINNING at the position of a 2 ins. diam. pipe set in concrete on the west bank of Calcasieu pass on the line between irregular sections 31 and 32, township 15 south, range 10 west, Louisiana Meridian, which point bears S. 75°09′ E, 6834.4 ft., more or less, from the ''old monument'' which is the most westerly point of the irregular section 32, said POINT OF BEGINNING also being S. 75°09′ E, 143.0 ft. from a 4 ins. diam. transite pipe with a brass cap set in concrete;

THENCE, N. 75°09′ W, on the line between sections 31 and 32, a distance of 350.0 ft. to a point;

THENCE, N. 2°58′ W, a distance of 240.0 ft. to a point;

THENCE, N. 36°45′ E, a distance of 128.7 ft. to a point;

THENCE, S. 59°24′ E, a distance of 505.0 ft., more or less, to the west bank of Calcasieu Pass;

THENCE, southwesterly along the right descending bank of Calcasieu Pass, the general course beginning S. 42°32′ W, a distance of 238.0 ft. to the POINT OF BEGINNING, containing 2.97 acres of land.

BASIS OF BEARINGS refer to True North.

Reserving all minerals.

Pursuant to the requirements of 43 CFR 2711.1–2(d), publication of this notice in the **Federal Register** segregates the land from all forms of appropriation under the public land laws, including the mining laws, except for the sale provisions of FLPMA. Until completion of the sale, the BLM will no longer accept land use applications affecting this public land. The effect of segregation will terminate upon issuance of a patent, publication in the **Federal Register** of termination of the segregation, or on June 1, 2028., unless extended by the Eastern States State Director in accordance with 43 CFR 2711.1–2(d).

The conveyance document if issued will contain the following terms, covenants, conditions, and reservations:

1. All minerals shall be reserved to the United States, together with the right to prospect for, mine, and remove such deposits from the same under applicable law and such regulations as the Secretary of the Interior may prescribe.

2. An appropriate indemnification clause protecting the United States from claims arising out of the patentee's use, occupancy, or operations on the patented lands. It will also contain any other terms and conditions deemed necessary and appropriate by the Authorized Officer.

The EA, appraisal report, map, and environmental site assessment will be available for review at the location listed in the **ADDRESSES** section earlier, once completed. Interested parties may submit, in writing, any comments concerning the sale, including notifications of any encumbrances, or other claims relating to the parcel (see **ADDRESSES**).

The BLM Eastern States State Director will review adverse comments regarding the parcel and may sustain, vacate, or modify this realty action, in whole or in part. In the absence of timely objections, this realty action will become the final determination of the Department of the Interior.

In addition to publication in the **Federal Register**, the BLM will also publish this notice in the Cameron Parish Pilot newspaper, once a week, for three consecutive weeks.

Background

The approximately 2.97-acre parcel proposed for non-competitive direct sale was originally part of a larger tract of public domain land vested in the United States in 1803, On November 22, 1875, the land was transferred by executive order to a predecessor agency of the United States Coast Guard (USCG) for use as a lighthouse beacon site, later known as Calcasieu Pass Radio Beacon Site.

The parcel is located in Cameron Parish, Louisiana, Section 32, Township 15 South, Range 10 West. Section 32 was initially reserved for lighthouse purposes by Executive order on November 22, 1875. On August 22, 1984, the USCG sent a letter expressing their intent to relinquish custody, accountability, and control of 154.7 acres of Section 32 while retaining 7.7 acres. Subsequently, on September 20, 1991, the USCG notified the BLM of its intent to relinquish an additional 3.8 acres. Congress passed Public Law 103–175 on December 2, 1993, which directed the Secretary of the Interior to convey specified lands within Section 32 to Cameron Parish, while reserving approximately three acres under the jurisdiction of the USCG.

On July 3, 2025, the USCG notified the BLM of its intent to relinquish custody, accountability, and control of the three-acre parcel, as it no longer required the land for operational purposes. The BLM is preparing documents in relation to revocation of the withdrawal reserving the acres for lighthouse purposes for consideration by the Secretary of the Interior. Should the Secretary of the Interior elect to revoke the withdrawal, the land would be available for sale by the BLM.

Although Public Law 103–175 and the USCG Notice of Intent referenced a three-acre parcel, BLM review and completion of a Land Surveyor Report, indicated the actual size is 2.97 acres. The USCG intends to relinquish any remaining acreage at this site, as it no longer has an operational need for the land.

National Environmental Policy Act Compliance

The National Environmental Policy Act (NEPA) requires federal agencies to evaluate the potential environmental effects of their proposed actions and to consider reasonable alternatives before making decisions. The BLM is preparing an Environmental Assessment (EA) under NEPA to evaluate the environmental effects of the proposed sale of these acres to Venture Global for development in association with a LNG hub that has already been evaluated in an Environmental Impact Statement (EIS) prepared by the Federal Energy Regulatory Commission. The proposed sale conforms with the BLM Southeastern States District Office Louisiana Approved Planning Analysis Decision Record, approved in September 2002.

If the EA supports the finding that the proposed action will not result in significant environmental impacts, the BLM will issue a Finding of No Significant Impact. However, if significant impacts are identified, the BLM will initiate the preparation of an EIS. The EA, once completed, will be made available to the public on the BLM's ePlanning website at the following link: *https://*

eplanning.blm.gov/eplanning-ui/project/2041667/510.

The land is suitable for direct sale under FLPMA, without competition, consistent with 43 CFR 2711.3–3(a)(3), as direct sales may be used ''when in the opinion of the authorized officer, a competitive sale is not appropriate and the public interest would best be served by a direct sale[,]'' including when ''Where is a need to recognize an authorized use such as an existing business which could suffer a substantial economic loss if the tract were purchased by other than the authorized user.''

Additional Information

The BLM will utilize and coordinate the NEPA process for the realty action to help support compliance with applicable procedural requirements under the Endangered Species Act (16 U.S.C. 1536) and section 106 of the National Historic Preservation Act (54 U.S.C. 306108) as provided in 36 CFR 800.2(d)(3), including any public involvement requirements of section 106. The information about historic and cultural resources and threatened and endangered species within the area potentially affected by the proposed action will assist the BLM in identifying and evaluating impacts to such resources.

The BLM will consult with Indian Tribes on a government-to-government basis in accordance with Executive Order 13175, BLM Manual Section 1780, and other Departmental policies. Tribal concerns, including impacts on Indian trust assets and potential impacts to cultural resources, will be given due consideration.

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: 43 CFR part 2710)

Mitchell Leverette,

Eastern States Director.

[FR Doc. 2026–10826 Filed 5–29–26; 8:45 am]

BILLING CODE 4331–18–P

DEPARTMENT OF THE INTERIOR

National Park Service

[NPS–WASO–NRSS–SSB–NPS0042581; PPWONRANDE2, PMP00E105.YP0000; OMB Control Number 1024–0224]

Agency Information Collection Activities; Programmatic Clearance for NPS-Sponsored Public Surveys

AGENCY: National Park Service, Interior.

ACTION: Notice of information collection; request for comment.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, we, the National Park Service (NPS) are proposing to renew an information collection without change.

DATES: Interested persons are invited to submit comments on or before July 31, 2026.

ADDRESSES: Written comments and suggestions on the information collection requirements should be submitted by the date specified above in **DATES** to *https://www.reginfo.gov/public/do/PRAMain.* Find this particular information collection by selecting ''Currently under Review—Open for Public Comments'' or by using the search function. Please provide a copy of your comments to the NPS Information Collection Clearance Officer (ADIR–ICCO), 13461 Sunrise Valley Drive, (MS–244) Reston, VA 20191 (mail); or *phadrea_ponds@nps.gov* (email). Please reference 1024–0289 (EPI) in the subject line of your comments.

FOR FURTHER INFORMATION CONTACT: Bret Meldrum, Chief, Social Science Program National Park Service, 1201 Oakridge Drive, Fort Collins, CO 80525; or by email at *bret_meldrum@nps.gov.* Please reference OMB Control Number 1024–0224 in the subject line of your comments. 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 information collection request (ICR) at *https://www.reginfo.gov/public/do/PRAMain.*

SUPPLEMENTARY INFORMATION: In accordance with the Paperwork Reduction Act of 1995, (PRA, 44 U.S.C. 3501 *et seq.*) and 5 CFR 1320.8(d)(1), all information collections require approval under the PRA. We may not conduct or sponsor and you are not required to respond to a collection of information unless it displays a currently valid OMB control number.

As part of our continuing effort to reduce paperwork and respondent burdens, we invite the public and other Federal agencies to comment on new, proposed, revised, and continuing collections of information. This helps us assess the impact of our information collection requirements and minimize the public's reporting burden. It also helps the public understand our information collection requirements and provide the requested data in the desired format.

We are especially interested in public comment addressing the following:

(1) Whether or not the collection of information is necessary for the proper performance of the functions of the agency, including whether or not the information will have practical utility.

(2) The accuracy of our estimate of the burden for this collection of information, including the validity of the methodology and assumptions used.

(3) Ways to enhance the quality, utility, and clarity of the information to be collected.

(4) How might the agency minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.,* permitting electronic submission of response.

Comments that you submit in response to this notice are a matter of public record. We will include or summarize each comment in our request to OMB to approve this ICR. Before including your address, phone number, email address, or other personally identifiable information in your comment, you should be aware that your entire comment—including your personally identifiable information—may be made publicly available at any time. While you can ask us in your comment to withhold your personally identifiable information from public review, we cannot guarantee that we will be able to do so.

Abstract: The National Park Service (NPS) is authorized under 54 U.S.C. 100701 to collect information that supports park management and planning. The NPS Social Science Program (SSP) uses this generic approval to quickly submit survey requests to OMB, allowing the agency to process at least 25 requests each year—about five times more than through the regular review process.

This Programmatic Clearance covers all NPS social science information

collections—such as surveys, interviews, and focus groups—that provide useful information to park managers about visitor experiences, services, programs, and planning. To qualify, each request must clearly support NPS management or planning needs or produce research that directly benefits the agency. The process is limited to non-controversial topics that are unlikely to draw significant public attention.

All collections must be reviewed by NPS and approved by OMB before they are administered. At least 80% of the questions in each collection must come from the approved Pool of Known Questions (PKQ). Because the PKQ is not exhaustive, requestors may add park-specific or research-specific questions as long as they fall within approved topic areas. The Social Science Program will continue to ensure quality and submit each request to OMB for expedited review.

Title of Collection: Programmatic Clearance for NPS-Sponsored Public Surveys.

OMB Control Number: 1024–0224.

Form Number: Form 10–201.

Type of Review: Extension of an approved collection.

Respondents/Affected Public: Individuals/Households.

Total Estimated Number of Annual Responses: 132,750.

Estimated Completion Time per Response: Varies from 15 minutes to 1 hour (times vary depending upon the activity).

Total Estimated Number of Annual Burden Hours: 35,376 hours.

Respondent's Obligation: Voluntary.

Frequency of Collection: On occasion.

Total Estimated Annual Non Hour Burden Cost: None.

The authority for this action is the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*).

Phadrea Ponds,

Information Collection Clearance Officer, National Park Service.

[FR Doc. 2026–10857 Filed 5–29–26; 8:45 am]

BILLING CODE 4312–52–P

INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 701–TA–526 and 731–TA–1262 (Second Review)]

Melamine From China; Institution of Five-Year Reviews

AGENCY: United States International Trade Commission.

ACTION: Notice.

SUMMARY: The Commission hereby gives notice that it has instituted reviews pursuant to the Tariff Act of 1930, as amended, to determine whether revocation of the antidumping and countervailing duty orders on melamine from China would be likely to lead to continuation or recurrence of material injury. Pursuant to the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission.

DATES: Instituted June 1, 2026. To be assured of consideration, the deadline for responses is July 1, 2026. Comments on the adequacy of responses may be filed with the Commission by August 10, 2026.

FOR FURTHER INFORMATION CONTACT: Jordan Harriman (202–205–2610), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its internet server (*https://www.usitc.gov*). The public record for this proceeding may be viewed on the Commission's electronic docket (EDIS) at *https://edis.usitc.gov*.

SUPPLEMENTARY INFORMATION:

Background.—On December 28, 2015, the Department of Commerce (''Commerce'') issued antidumping and countervailing duty orders on imports of melamine from China (80 FR 80751). Following the five-year reviews by Commerce and the Commission, effective July 9, 2021, Commerce issued a continuation of the antidumping and countervailing duty orders on imports of melamine from China (86 FR 36252). The Commission is now conducting second reviews pursuant to section 751(c) of the Act, as amended (19 U.S.C. 1675(c)), to determine whether revocation of the orders would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. Provisions concerning the conduct of this proceeding may be found in the Commission's Rules of Practice and Procedure at 19 CFR part 201, subparts A and B, and 19 CFR part 207, subparts A and F. The Commission will assess the adequacy of interested party responses to this notice of institution to determine whether to conduct full or expedited reviews. The Commission's determinations in any expedited reviews will be based on the facts available, which may include information provided in response to this notice.

Definitions.—The following definitions apply to these reviews:

(1) *Subject Merchandise* is the class or kind of merchandise that is within the scope of the five-year reviews, as defined by Commerce.

(2) The *Subject Country* in these reviews is China.

(3) The *Domestic Like Product* is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the *Subject Merchandise.* In its original determinations and expedited five-year review determinations, the Commission found a single *Domestic Like Product* consisting of melamine, coextensive with Commerce's scope.

(4) The *Domestic Industry* is the U.S. producers as a whole of the *Domestic Like Product,* or those producers whose collective output of the *Domestic Like Product* constitutes a major proportion of the total domestic production of the product. In its original determinations and expedited five-year review determinations, the Commission defined the *Domestic Industry* as all U.S. producers of the *Domestic Like Product.*

(5) An *Importer* is any person or firm engaged, either directly or through a parent company or subsidiary, in importing the *Subject Merchandise* into the United States from a foreign manufacturer or through its selling agent.

Participation in the proceeding and public service list.—Persons, including industrial users of the *Subject Merchandise* and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in the proceeding as parties must file an entry of appearance with the Secretary to the Commission, as provided in § 201.11(b)(4) of the Commission's rules, no later than 21 days after publication of this notice in the **Federal Register**. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the proceeding.

Former Commission employees who are seeking to appear in Commission five-year reviews are advised that they may appear in a review even if they participated personally and substantially in the corresponding underlying original investigation or an earlier review of the same underlying investigation. The Commission's

designated agency ethics official has advised that a five-year review is not the same particular matter as the underlying original investigation, and a five-year review is not the same particular matter as an earlier review of the same underlying investigation for purposes of 18 U.S.C. 207, the post-employment statute for Federal employees, and Commission rule 201.15(b) (19 CFR 201.15(b)), 79 FR 3246 (Jan. 17, 2014), 73 FR 24609 (May 5, 2008). Consequently, former employees are not required to seek Commission approval to appear in a review under Commission rule 19 CFR 201.15, even if the corresponding underlying original investigation or an earlier review of the same underlying investigation was pending when they were Commission employees. For further ethics advice on this matter, contact Charles Smith, Office of the General Counsel, at 202–205–3408.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and APO service list.—Pursuant to § 207.7(a) of the Commission's rules, the Secretary will make BPI submitted in this proceeding available to authorized applicants under the APO issued in the proceeding, provided that the application is made no later than 21 days after publication of this notice in the **Federal Register**. Authorized applicants must represent interested parties, as defined in 19 U.S.C. 1677(9), who are parties to the proceeding. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Certification.—Pursuant to § 207.3 of the Commission's rules, any person submitting information to the Commission in connection with this proceeding must certify that the information is accurate and complete to the best of the submitter's knowledge. In making the certification, the submitter will acknowledge that information submitted in response to this request for information and throughout this proceeding or other proceeding may be disclosed to and used: (i) by the Commission, its employees and Offices, and contract personnel (a) for developing or maintaining the records of this or a related proceeding, or (b) in internal investigations, audits, reviews, and evaluations relating to the programs, personnel, and operations of the Commission including under 5 U.S.C. Appendix 3; or (ii) by U.S. government employees and contract personnel, solely for cybersecurity purposes. All contract personnel will sign appropriate nondisclosure agreements.

Written submissions.—Pursuant to § 207.61 of the Commission's rules, each interested party response to this notice must provide the information specified below. The deadline for filing such responses is 5:15 p.m. on July 1, 2026. Pursuant to § 207.62(b) of the Commission's rules, eligible parties (as specified in Commission rule 207.62(b)(1)) may also file comments concerning the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews. The deadline for filing such comments is 5:15 p.m. on August 10, 2026. All written submissions must conform with the provisions of § 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of §§ 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's *Handbook on Filing Procedures,* available on the Commission's website at *https://www.usitc.gov/documents/handbook_on_filing_procedures.pdf,* elaborates upon the Commission's procedures with respect to filings. Also, in accordance with §§ 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the proceeding must be served on all other parties to the proceeding (as identified by either the public or APO service list as appropriate), and a certificate of service must accompany the document (if you are not a party to the proceeding you do not need to serve your response).

Please note the Secretary's Office will accept only electronic filings at this time. Filings must be made through the Commission's Electronic Document Information System (EDIS, *https://edis.usitc.gov*). No in-person paper-based filings or paper copies of any electronic filings will be accepted until further notice.

No response to this request for information is required if a currently valid Office of Management and Budget (''OMB'') number is not displayed; the OMB number is 3117 0016/USITC No. 26–5–692, expiration date June 30, 2026. Public reporting burden for the request is estimated to average 15 hours per response. Please send comments regarding the accuracy of this burden estimate to the Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436.

Inability to provide requested information.—Pursuant to § 207.61(c) of the Commission's rules, any interested party that cannot furnish the information requested by this notice in the requested form and manner shall notify the Commission at the earliest possible time, provide a full explanation of why it cannot provide the requested information, and indicate alternative forms in which it can provide equivalent information. If an interested party does not provide this notification (or the Commission finds the explanation provided in the notification inadequate) and fails to provide a complete response to this notice, the Commission may take an adverse inference against the party pursuant to § 776(b) of the Act (19 U.S.C. 1677e(b)) in making its determinations in the reviews.

Information to be provided in response to this notice of institution: As used below, the term ''firm'' includes any related firms.

Those responding to this notice of institution are encouraged, but not required, to visit the USITC's website at *https://usitc.gov/reports/response_noi_worksheet,* where one can download and complete the ''NOI worksheet'' Excel form for the subject proceeding, to be included as attachment/exhibit 1 of your overall response.

(1) The name and address of your firm or entity (including World Wide Web address) and name, telephone number, fax number, and Email address of the certifying official.

(2) A statement indicating whether your firm/entity is an interested party under 19 U.S.C. 1677(9) and if so, how, including whether your firm/entity is a U.S. producer of the *Domestic Like Product,* a U.S. union or worker group, a U.S. importer of the *Subject Merchandi*se, a foreign producer or exporter of the *Subject Merchandise,* a U.S. or foreign trade or business association (a majority of whose members are interested parties under the statute), or another interested party (including an explanation). If you are a union/worker group or trade/business association, identify the firms in which your workers are employed or which are members of your association.

(3) A statement indicating whether your firm/entity is willing to participate in this proceeding by providing information requested by the Commission.

(4) A statement of the likely effects of the revocation of the antidumping and countervailing duty orders on the *Domestic Industry* in general and/or your firm/entity specifically. In your response, please discuss the various factors specified in section 752(a) of the Act (19 U.S.C. 1675a(a)) including the likely volume of subject imports, likely price effects of subject imports, and likely impact of imports of *Subject Merchandise* on the *Domestic Industry.*

(5) A list of all known and currently operating U.S. producers of the *Domestic Like Product.* Identify any known related parties and the nature of the relationship as defined in section 771(4)(B) of the Act (19 U.S.C. 1677(4)(B)).

(6) A list of all known and currently operating U.S. importers of the *Subject Merchandise* and producers of the *Subject Merchandise* in the *Subject Country* that currently export or have exported *Subject Merchandise* to the United States or other countries after 2019.

(7) A list of 3–5 leading purchasers in the U.S. market for the *Domestic Like Product* and the *Subject Merchandise* (including street address, World Wide Web address, and the name, telephone number, fax number, and Email address of a responsible official at each firm).

(8) A list of known sources of information on national or regional prices for the *Domestic Like Product* or the *Subject Merchandise* in the U.S. or other markets.

(9) If you are a U.S. producer of the *Domestic Like Product,* provide the following information on your firm's operations on that product during calendar year 2025, except as noted (report quantity data in pounds and value data in U.S. dollars, f.o.b. plant). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total U.S. production of the *Domestic Like Product* accounted for by your firm's(s') production;

(b) Capacity (quantity) of your firm to produce the *Domestic Like Product* (that is, the level of production that your establishment(s) could reasonably have expected to attain during the year, assuming normal operating conditions (using equipment and machinery in place and ready to operate), normal operating levels (hours per week/weeks per year), time for downtime, maintenance, repair, and cleanup, and a typical or representative product mix);

(c) the quantity and value of U.S. commercial shipments of the *Domestic Like Product* produced in your U.S. plant(s);

(d) the quantity and value of U.S. internal consumption/company transfers of the *Domestic Like Product* produced in your U.S. plant(s); and

(e) the value of (i) net sales, (ii) cost of goods sold (COGS), (iii) gross profit, (iv) selling, general and administrative (SG&A) expenses, and (v) operating income of the *Domestic Like Product* produced in your U.S. plant(s) (include both U.S. and export commercial sales, internal consumption, and company transfers) for your most recently completed fiscal year (identify the date on which your fiscal year ends).

(10) If you are a U.S. importer or a trade/business association of U.S. importers of the *Subject Merchandise* from the *Subject Country,* provide the following information on your firm's(s') operations on that product during calendar year 2025 (report quantity data in pounds and value data in U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) The quantity and value (landed, duty-paid but not including antidumping or countervailing duties) of U.S. imports and, if known, an estimate of the percentage of total U.S. imports of *Subject Merchandise* from the *Subject Country* accounted for by your firm's(s') imports;

(b) the quantity and value (f.o.b. U.S. port, including antidumping and/or countervailing duties) of U.S. commercial shipments of *Subject Merchandise* imported from the *Subject Country;* and

(c) the quantity and value (f.o.b. U.S. port, including antidumping and/or countervailing duties) of U.S. internal consumption/company transfers of *Subject Merchandise* imported from the *Subject Country.*

(11) If you are a producer, an exporter, or a trade/business association of producers or exporters of the *Subject Merchandise* in the *Subject Country,* provide the following information on your firm's(s') operations on that product during calendar year 2025 (report quantity data in pounds and value data in U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping or countervailing duties). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total production of *Subject Merchandise* in the *Subject Country* accounted for by your firm's(s') production;

(b) Capacity (quantity) of your firm(s) to produce the *Subject Merchandise* in the *Subject Country* (that is, the level of production that your establishment(s) could reasonably have expected to attain during the year, assuming normal operating conditions (using equipment and machinery in place and ready to operate), normal operating levels (hours per week/weeks per year), time for downtime, maintenance, repair, and cleanup, and a typical or representative product mix); and

(c) the quantity and value of your firm's(s') exports to the United States of *Subject Merchandise* and, if known, an estimate of the percentage of total exports to the United States of *Subject Merchandise* from the *Subject Country* accounted for by your firm's(s') exports.

(12) Identify significant changes, if any, in the supply and demand conditions or business cycle for the *Domestic Like Product* that have occurred in the United States or in the market for the *Subject Merchandise* in the *Subject Country* after 2019, and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology; production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the *Domestic Like Product* produced in the United States, *Subject Merchandise* produced in the *Subject Country,* and such merchandise from other countries.

(13) (OPTIONAL) A statement of whether you agree with the above definitions of the *Domestic Like Product* and *Domestic Industry;* if you disagree with either or both of these definitions, please explain why and provide alternative definitions.

Authority: This proceeding is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to § 207.61 of the Commission's rules.

By order of the Commission.

Issued: May 26, 2026.

Lisa Barton,

Secretary to the Commission.

[FR Doc. 2026–10910 Filed 5–29–26; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 337–TA–1501]

Certain Coated Confectionery Products and Components Thereof; Notice of Institution of Investigation

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that a complaint was filed with the U.S. International Trade Commission on April 8, 2026, under section 337 of the Tariff Act of 1930, as amended, on behalf of Promotion in Motion, Inc. of Park Ridge, New Jersey. A supplement to the complaint was filed on May 6, 2026. The complaint, as supplemented, alleges violations of section 337 based upon the importation into the United States, the sale for importation, and the sale within the United States after importation of certain coated confectionery products and components thereof by reason of the infringement of certain claims of U.S. Patent No. 9,750,267 (''the '267 patent'') and U.S. Patent No. 11,317,640 (''the '640 patent''). The complaint, as supplemented, further alleges that an industry in the United States exists or is in the process of being established as required by the applicable Federal Statute. The complainant requests that the Commission institute an investigation and, after the investigation, issue a limited exclusion order and cease and desist orders.

ADDRESSES: The complaint, except for any confidential information contained therein, may be viewed on the Commission's electronic docket (EDIS) at *https://edis.usitc.gov.* For help accessing EDIS, please email *EDIS3Help@usitc.gov.* Hearing impaired individuals are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on (202) 205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at (202) 205–2000. General information concerning the Commission may also be obtained by accessing its internet server at *https://www.usitc.gov.*

FOR FURTHER INFORMATION CONTACT: Susan Orndoff, The Office of the Secretary, Docket Services Division, U.S. International Trade Commission, telephone (202) 205–1802.

SUPPLEMENTARY INFORMATION:

Authority: The authority for institution of this investigation is contained in section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. 1337, and in section 210.10 of the Commission's Rules of Practice and Procedure, 19 CFR 210.10 (2025).

Scope of Investigation: Having considered the complaint, the U.S. International Trade Commission, on May 27, 2026, *ordered that*—

(1) Pursuant to subsection (b) of section 337 of the Tariff Act of 1930, as amended, an investigation be instituted to determine whether there is a violation of subsection (a)(1)(B) of section 337 in the importation into the United States, the sale for importation, or the sale within the United States after importation of certain products identified in paragraph (2) by reason of infringement of one or more of claims 1–15, 20–31, 36–42, 44–47, 50–60, and 63–66 of the '267 patent and claims 1–3 and 6–20 of the '640 patent, and whether an industry in the United States exists or is in the process of being established as required by subsection (a)(2) of section 337;

(2) Pursuant to section 210.10(b)(1) of the Commission's Rules of Practice and Procedure, 19 CFR 210.10(b)(1), the plain language description of the accused products or category of accused products, which defines the scope of the investigation, is ''coated fruit snack products that contain probiotics, and components thereof, including fruit centers, coatings, and encapsulated probiotics'';

(3) For the purpose of the investigation so instituted, the following are hereby named as parties upon which this notice of investigation shall be served:

(a) The complainant is:

Promotion in Motion, Inc., One PIM Plaza, Park Ridge, NJ 07656

(b) The respondents are the following entities alleged to be in violation of section 337, and are the parties upon which the complaint is to be served:

Cibo Vita, Inc., 12 Vreeland Avenue, Totowa, NJ 07512

Cibo Vita Founders, Inc., 1209 Orange St., Wilmington, DE 19801

New Cibo Vita, LLC, 1209 Orange St., Wilmington, DE 19801

AnaBio Technologies, LTD, 11 Herbert Street, Dublin 2, Ireland

(4) For the investigation so instituted, the Chief Administrative Law Judge, U.S. International Trade Commission, shall designate the presiding Administrative Law Judge.

The Office of Unfair Import Investigations will not participate as a party in this investigation.

Responses to the complaint and the notice of investigation must be submitted by the named respondents in accordance with section 210.13 of the Commission's Rules of Practice and Procedure, 19 CFR 210.13. Pursuant to 19 CFR 201.16(e) and 210.13(a), such responses will be considered by the Commission if received not later than 20 days after the date of service by the Commission of the complaint and the notice of investigation. Extensions of time for submitting responses to the complaint and the notice of investigation will not be granted unless good cause therefor is shown.

Failure of a respondent to file a timely response to each allegation in the complaint and in this notice may be deemed to constitute a waiver of the right to appear and contest the allegations of the complaint and this notice, and to authorize the administrative law judge and the Commission, without further notice to the respondent, to find the facts to be as alleged in the complaint and this notice and to enter an initial determination and a final determination containing such findings, and may result in the issuance of an exclusion order or a cease and desist order or both directed against the respondent.

By order of the Commission.

Issued: May 27, 2026.

Lisa Barton,

Secretary to the Commission.

[FR Doc. 2026–10845 Filed 5–29–26; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 337–TA–1494]

Certain TOPCon Solar Cells, Modules, Panels, Components Thereof, and Products Containing Same; Commission Determination Not To Review an Initial Determination Granting a Motion To Intervene

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has determined not to review an initial determination (''ID'') (Order No. 7) of the presiding administrative law judge (''ALJ'') granting a motion to intervene filed by non-party BYD America LLC (''BYD'').

FOR FURTHER INFORMATION CONTACT: Edward S. Jou, Esq., Office of the General Counsel, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436, telephone (202) 205–3316. Copies of non-confidential

documents filed in connection with this investigation may be viewed on the Commission's electronic docket (EDIS) at *https://edis.usitc.gov.* For help accessing EDIS, please email *EDIS3Help@usitc.gov.* General information concerning the Commission may also be obtained by accessing its internet server at *https://www.usitc.gov.* Hearing-impaired persons are advised that information on this matter can be obtained by contacting the Commission's TDD terminal, telephone (202) 205–1810.

SUPPLEMENTARY INFORMATION: The Commission instituted this investigation on March 30, 2026, based on a complaint, as supplemented, filed by First Solar, Inc. (''First Solar'') of Phoenix, Arizona. 91 FR 15632–34 (Mar. 30, 2026). The complaint, as supplemented, alleged violations of section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. 1337, based upon the importation into the United States and the sale of certain TOPCon solar cells, modules, panels, components thereof, and products containing same by reason of the infringement of certain claims of U.S. Patent No. 9,130,074 (''the '074 patent''). *Id.* at 15632. The complaint, as supplemented, further alleged that an industry in the United States exists or is in the process of being established. *Id.* The Commission's notice of investigation named as respondents AXITEC, LLC of Radnor, Pennsylvania; AXITEC Energy GmbH & Co. KG of Böblingen, Germany; AXITEC SOLAR, LLC of Newark, Delaware; Canadian Solar Inc. of Kitchener, Ontario, Canada; CSI Solar Co., Ltd. of Suzhou, China; Canadian Solar (USA) Inc. of Walnut Creek, California; Canadian Solar Manufacturing (Thailand) Co., Ltd. of Bo Win, Thailand; Canadian Solar US Module Manufacturing Corporation of Mesquite, Texas; Canadian Solar International Ltd. of Kowloon, Hong Kong; JA Solar Technology Co., Ltd. of Beijing, China; JA Solar USA, Inc. of San Jose, California; JA Solar AZ, LLC of Phoenix, Arizona; JA Solar International, Ltd. of Kowloon, Hong Kong; JA Solar Vietnam Co., Ltd. of Bac Giang, Vietnam; JinkoSolar Holding Co., Ltd. of Jiangxi Province, China; Jinko Solar Co., Ltd. of Jiangxi Province, China; Jinko Solar (Vietnam) Industries Co. Ltd. of Quang Ninh, Vietnam; Jinko Solar Technology Sdn. Bhd. Of Pulau Pinang, Malaysia; Zhejiang Jinko Solar Co., Ltd. of Zhejiang Province, China; JinkoSolar (U.S.) Inc. of Campbell, California; JinkoSolar (U.S.) Manufacturing Inc. of Dover, Delaware; JinkoSolar (U.S.) Industries Inc. of Jacksonville, Florida; Mundra Solar PV Limited of Gujarat, India; Mundra Solar Energy Ltd. of Gujarat, India; Adani Green Energy Ltd. of Gujarat, India; Philadelphia Solar LLC of Amman, Jordan; Philadelphia Solar USA Inc. of San Mateo, California; Hanwha Q CELLS USA Inc. of Dalton, GA; Hanwha Q CELLS America Inc. of Irvine, California; Hanwha Q CELLS USA Corp. of Irvine, California; Hanwha Solutions Corporation of Seoul, Korea; Jiangsu Runergy New Energy Technology Co., Ltd. of Jiangsu Province, China; Runergy USA Inc. of Pleasanton, California; Runergy Alabama Inc. of Huntsville, Alabama; Runergy USA Trading LLC of Dover, Delaware; Runergy PV Technology (Thailand) Co., Ltd. of Rayong, Thailand; Trina Solar Co., Ltd. of Jiangsu Province, China; Trina Solar (U.S.), Inc. of Fremont, California; Trina Solar Energy Development Co., Ltd. of Thai Nguyen Province, Vietnam; Changzhou Trina Solar Energy Co., Ltd. of Zhejiang, China; Trina Solar Yiwu Technology Co., Ltd. of Zhejiang; China; Tl Energy, Inc. of Austin, Texas; Tl Gl Dallas Solar Module LLC of Wilmer, TX; Vietnam Sunergy Joint Stock Company of Bac Giang Province, Vietnam; VSUN Solar USA Inc. of Fremont, California; Toyo Co., Ltd. of Tokyo, Japan; and Toyo Solar Texas, LLC of Humble, Texas. *Id.* at 15633. The Office of Unfair Import Investigations (''OUII'') is also a party in this investigation. *Id.*

On April 14, 2026, BYD filed a motion to intervene as a respondent pursuant to Commission Rule 210.19, 19 CFR 210.19. On April 22, 2026, respondents JinkoSolar Holding Co., Ltd., Jinko Solar Co., Ltd., Jinko Solar (Vietnam) Industries Co. Ltd., Jinko Solar Technology Sdn. Bhd., Zhejiang Jinko Solar Co., Ltd., JinkoSolar (U.S.) Inc., JinkoSolar (U.S.) Manufacturing Inc., and JinkoSolar (U.S.) Industries Inc. filed a statement of non-opposition. On April 24, 2026, First Solar filed a statement of non-opposition. Also on April 24, 2026, OUII filed a response in support of the motion.

On April 27, 2026, the ALJ issued the subject ID (Order No. 7) granting BYD's motion to intervene. No petitions for review of the ID were filed.

The Commission has determined not to review the subject ID.

The Commission vote for this determination took place on May 27, 2026.

The authority for the Commission's determination is contained in section 337 of the Tariff Act of 1930, as amended (19 U.S.C. 1337), and in Part 210 of the Commission's Rules of Practice and Procedure (19 CFR part 210).

By order of the Commission.

Issued: May 27, 2026.

Lisa Barton,

Secretary to the Commission.

[FR Doc. 2026–10848 Filed 5–29–26; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 731–TA–1534–1536 (Review)]

Methionine From France, Japan, and Spain; Institution of Five-Year Reviews

AGENCY: United States International Trade Commission.

ACTION: Notice.

SUMMARY: The Commission hereby gives notice that it has instituted reviews pursuant to the Tariff Act of 1930, as amended, to determine whether revocation of the antidumping duty orders on methionine from France, Japan, and Spain would be likely to lead to continuation or recurrence of material injury. Pursuant to the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission.

DATES: Instituted June 1, 2026. To be assured of consideration, the deadline for responses is July 1, 2026. Comments on the adequacy of responses may be filed with the Commission by August 10, 2026.

FOR FURTHER INFORMATION CONTACT: Alexis Yim (202–708–1446), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its internet server (*https://www.usitc.gov*). The public record for this proceeding may be viewed on the Commission's electronic docket (EDIS) at *https://edis.usitc.gov.*

SUPPLEMENTARY INFORMATION:

Background.—On July 13, 2021, the Department of Commerce (''Commerce'') issued an antidumping order on imports of methionine from France (86 FR 36705). On September 14, 2021, Commerce issued antidumping orders on imports of methionine from Japan and Spain (86 FR 51119). The Commission is conducting reviews

pursuant to section 751(c) of the Act, as amended (19 U.S.C. 1675(c)), to determine whether revocation of the orders would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. Provisions concerning the conduct of this proceeding may be found in the Commission's Rules of Practice and Procedure at 19 CFR part 201, subparts A and B, and 19 CFR part 207, subparts A and F. The Commission will assess the adequacy of interested party responses to this notice of institution to determine whether to conduct full or expedited reviews. The Commission's determinations in any expedited reviews will be based on the facts available, which may include information provided in response to this notice.

Definitions.—The following definitions apply to these reviews:

(1) *Subject Merchandise* is the class or kind of merchandise that is within the scope of the five-year reviews, as defined by Commerce.

(2) The *Subject Countries* in these reviews are France, Japan, and Spain.

(3) The *Domestic Like Product* is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the *Subject Merchandise.* In its original determinations, the Commission defined a single *Domestic Like Product* of both DL-methionine (''DLM'') and hydroxy analogue of DLM (''MHA''), coextensive with Commerce's scope.

(4) The *Domestic Industry* is the U.S. producers as a whole of the *Domestic Like Product,* or those producers whose collective output of the *Domestic Like Product* constitutes a major proportion of the total domestic production of the product. In its original determinations, the Commission defined the *Domestic Industry* to include all domestic producers of the *Domestic Like Product.*

(5) The *Order Dates* are the dates that the orders under review became effective. In the review concerning France, the *Order Date* is July 13, 2021. In the reviews concerning Japan and Spain, the *Order Date* is September 14, 2021.

(6) An *Importer* is any person or firm engaged, either directly or through a parent company or subsidiary, in importing the *Subject Merchandise* into the United States from a foreign manufacturer or through its selling agent.

Participation in the proceeding and public service list.—Persons, including industrial users of the *Subject Merchandise* and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in the proceeding as parties must file an entry of appearance with the Secretary to the Commission, as provided in § 201.11(b)(4) of the Commission's rules, no later than 21 days after publication of this notice in the **Federal Register**. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the proceeding.

Former Commission employees who are seeking to appear in Commission five-year reviews are advised that they may appear in a review even if they participated personally and substantially in the corresponding underlying original investigation or an earlier review of the same underlying investigation. The Commission's designated agency ethics official has advised that a five-year review is not the same particular matter as the underlying original investigation, and a five-year review is not the same particular matter as an earlier review of the same underlying investigation for purposes of 18 U.S.C. 207, the post-employment statute for Federal employees, and Commission rule 201.15(b) (19 CFR 201.15(b)), 79 FR 3246 (Jan. 17, 2014), 73 FR 24609 (May 5, 2008). Consequently, former employees are not required to seek Commission approval to appear in a review under Commission rule 19 CFR 201.15, even if the corresponding underlying original investigation or an earlier review of the same underlying investigation was pending when they were Commission employees. For further ethics advice on this matter, contact Charles Smith, Office of the General Counsel, at 202–205–3408.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and APO service list.—Pursuant to § 207.7(a) of the Commission's rules, the Secretary will make BPI submitted in this proceeding available to authorized applicants under the APO issued in the proceeding, provided that the application is made no later than 21 days after publication of this notice in the **Federal Register**. Authorized applicants must represent interested parties, as defined in 19 U.S.C. 1677(9), who are parties to the proceeding. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Certification.—Pursuant to § 207.3 of the Commission's rules, any person submitting information to the Commission in connection with this proceeding must certify that the information is accurate and complete to the best of the submitter's knowledge. In making the certification, the submitter will acknowledge that information submitted in response to this request for information and throughout this proceeding or other proceeding may be disclosed to and used: (i) by the Commission, its employees and Offices, and contract personnel (a) for developing or maintaining the records of this or a related proceeding, or (b) in internal investigations, audits, reviews, and evaluations relating to the programs, personnel, and operations of the Commission including under 5 U.S.C. Appendix 3; or (ii) by U.S. government employees and contract personnel, solely for cybersecurity purposes. All contract personnel will sign appropriate nondisclosure agreements.

Written submissions.—Pursuant to § 207.61 of the Commission's rules, each interested party response to this notice must provide the information specified below. The deadline for filing such responses is on or before 5:15 p.m. on July 1, 2026. Pursuant to § 207.62(b) of the Commission's rules, eligible parties (as specified in Commission rule 207.62(b)(1)) may also file comments concerning the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews. The deadline for filing such comments is on or before 5:15 p.m. on August 10, 2026. All written submissions must conform with the provisions of § 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of §§ 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's *Handbook on Filing Procedures,* available on the Commission's website at *https://www.usitc.gov/documents/handbook_on_filing_procedures.pdf,* elaborates upon the Commission's procedures with respect to filings. Also, in accordance with §§ 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the proceeding must be served on all other parties to the proceeding (as identified by either the public or APO service list as appropriate), and a certificate of service must accompany the document (if you are not a party to the proceeding you do not need to serve your response).

Please note the Secretary's Office will accept only electronic filings at this time. Filings must be made through the Commission's Electronic Document Information System (EDIS, *https://edis.usitc.gov*). No in-person paper-based filings or paper copies of any

electronic filings will be accepted until further notice.

No response to this request for information is required if a currently valid Office of Management and Budget (''OMB'') number is not displayed; the OMB number is 3117 0016/USITC No. 26–5–693, expiration date June 30, 2026. Public reporting burden for the request is estimated to average 15 hours per response. Please send comments regarding the accuracy of this burden estimate to the Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436.

Inability to provide requested information.—Pursuant to § 207.61(c) of the Commission's rules, any interested party that cannot furnish the information requested by this notice in the requested form and manner shall notify the Commission at the earliest possible time, provide a full explanation of why it cannot provide the requested information, and indicate alternative forms in which it can provide equivalent information. If an interested party does not provide this notification (or the Commission finds the explanation provided in the notification inadequate) and fails to provide a complete response to this notice, the Commission may take an adverse inference against the party pursuant to § 776(b) of the Act (19 U.S.C. 1677e(b)) in making its determinations in the reviews.

Information to be Provided in Response to This Notice of Institution: If you are a domestic producer, union/worker group, or trade/business association; import/export *Subject Merchandise* from more than one *Subject Country;* or produce *Subject Merchandise* in more than one *Subject Country,* you may file a single response. If you do so, please ensure that your response to each question includes the information requested for each pertinent *Subject Country.* As used below, the term ''firm'' includes any related firms.

Those responding to this notice of institution are encouraged, but not required, to visit the USITC's website at *https://usitc.gov/reports/response_noi_worksheet,* where one can download and complete the ''NOI worksheet'' Excel form for the subject proceeding, to be included as attachment/exhibit 1 of your overall response.

(1) The name and address of your firm or entity (including World Wide Web address) and name, telephone number, fax number, and Email address of the certifying official.

(2) A statement indicating whether your firm/entity is an interested party under 19 U.S.C. 1677(9) and if so, how, including whether your firm/entity is a U.S. producer of the *Domestic Like Product,* a U.S. union or worker group, a U.S. importer of the *Subject Merchandise,* a foreign producer or exporter of the *Subject Merchandise,* a U.S. or foreign trade or business association (a majority of whose members are interested parties under the statute), or another interested party (including an explanation). If you are a union/worker group or trade/business association, identify the firms in which your workers are employed or which are members of your association.

(3) A statement indicating whether your firm/entity is willing to participate in this proceeding by providing information requested by the Commission.

(4) A statement of the likely effects of the revocation of the antidumping duty orders on the *Domestic Industry* in general and/or your firm/entity specifically. In your response, please discuss the various factors specified in § 752(a) of the Act (19 U.S.C. 1675a(a)) including the likely volume of subject imports, likely price effects of subject imports, and likely impact of imports of *Subject Merchandise* on the *Domestic Industry.*

(5) A list of all known and currently operating U.S. producers of the *Domestic Like Product.* Identify any known related parties and the nature of the relationship as defined in § 771(4)(B) of the Act (19 U.S.C. 1677(4)(B)).

(6) A list of all known and currently operating U.S. importers of the *Subject Merchandise* and producers of the *Subject Merchandise* in each *Subject Country* that currently export or have exported *Subject Merchandise* to the United States or other countries since the *Order Dates.*

(7) A list of 3–5 leading purchasers in the U.S. market for the *Domestic Like Product* and the *Subject Merchandise* (including street address, World Wide Web address, and the name, telephone number, fax number, and Email address of a responsible official at each firm).

(8) A list of known sources of information on national or regional prices for the *Domestic Like Product* or the *Subject Merchandise* in the U.S. or other markets.

(9) If you are a U.S. producer of the *Domestic Like Product,* provide the following information on your firm's operations on that product during calendar year 2025, except as noted (report quantity data in short tons and value data in U.S. dollars, f.o.b. plant). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total U.S. production of the *Domestic Like Product* accounted for by your firm's(s') production;

(b) Capacity (quantity) of your firm to produce the *Domestic Like Product* (that is, the level of production that your establishment(s) could reasonably have expected to attain during the year, assuming normal operating conditions (using equipment and machinery in place and ready to operate), normal operating levels (hours per week/weeks per year), time for downtime, maintenance, repair, and cleanup, and a typical or representative product mix);

(c) the quantity and value of U.S. commercial shipments of the *Domestic Like Product* produced in your U.S. plant(s);

(d) the quantity and value of U.S. internal consumption/company transfers of the *Domestic Like Product* produced in your U.S. plant(s); and

(e) the value of (i) net sales, (ii) cost of goods sold (COGS), (iii) gross profit, (iv) selling, general and administrative (SG&A) expenses, and (v) operating income of the *Domestic Like Product* produced in your U.S. plant(s) (include both U.S. and export commercial sales, internal consumption, and company transfers) for your most recently completed fiscal year (identify the date on which your fiscal year ends).

(10) If you are a U.S. importer or a trade/business association of U.S. importers of the *Subject Merchandise* from any *Subject Country,* provide the following information on your firm's(s') operations on that product during calendar year 2025 (report quantity data in short tons and value data in U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) The quantity and value (landed, duty-paid but not including antidumping duties) of U.S. imports and, if known, an estimate of the percentage of total U.S. imports of *Subject Merchandise* from each *Subject Country* accounted for by your firm's(s') imports;

(b) the quantity and value (f.o.b. U.S. port, including antidumping duties) of U.S. commercial shipments of *Subject Merchandise* imported from each *Subject Country;* and

(c) the quantity and value (f.o.b. U.S. port, including antidumping duties) of U.S. internal consumption/company transfers of *Subject Merchandise* imported from each *Subject Country.*

(11) If you are a producer, an exporter, or a trade/business association of producers or exporters of the *Subject Merchandise* in any *Subject Country,* provide the following information on your firm's(s') operations on that product during calendar year 2025 (report quantity data in short tons and value data in U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping duties). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total production of *Subject Merchandise* in each *Subject Country* accounted for by your firm's(s') production;

(b) Capacity (quantity) of your firm(s) to produce the *Subject Merchandise* in each *Subject Country* (that is, the level of production that your establishment(s) could reasonably have expected to attain during the year, assuming normal operating conditions (using equipment and machinery in place and ready to operate), normal operating levels (hours per week/weeks per year), time for downtime, maintenance, repair, and cleanup, and a typical or representative product mix); and

(c) the quantity and value of your firm's(s') exports to the United States of *Subject Merchandise* and, if known, an estimate of the percentage of total exports to the United States of *Subject Merchandise* from each *Subject Country* accounted for by your firm's(s') exports.

(12) Identify significant changes, if any, in the supply and demand conditions or business cycle for the *Domestic Like Product* that have occurred in the United States or in the market for the *Subject Merchandise* in each *Subject Country* since the *Order Dates,* and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology; production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the *Domestic Like Product* produced in the United States, *Subject Merchandise* produced in each *Subject Country,* and such merchandise from other countries.

(13) (OPTIONAL) A statement of whether you agree with the above definitions of the *Domestic Like Product* and *Domestic Industry;* if you disagree with either or both of these definitions, please explain why and provide alternative definitions.

*Authority:*This proceeding is being conducted under authority of Title VII of the Tariff Act of 1930; this notice is published pursuant to § 207.61 of the Commission's rules.

By order of the Commission.

Issued: May 26, 2026.

Lisa Barton,

Secretary to the Commission.

[FR Doc. 2026–10913 Filed 5–29–26; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 701–TA–632–635, 731–TA–1466, and 731–TA–1468 (Review)]

Fluid End Blocks From China, Germany, India, and Italy; Scheduling of Full Five-Year Reviews

AGENCY: United States International Trade Commission.

ACTION: Notice.

SUMMARY: The Commission hereby gives notice of the scheduling of full reviews pursuant to the Tariff Act of 1930 to determine whether revocation of the countervailing duty orders on fluid end blocks from China and India, and the countervailing and antidumping duty orders on fluid end blocks from Germany and Italy, would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. The Commission has determined to exercise its authority to extend the review period by up to 90 days.

DATES: May 28, 2026.

FOR FURTHER INFORMATION CONTACT: Nitin Joshi ((202) 708–1669), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its internet server (*https://www.usitc.gov*). The public record for these reviews may be viewed on the Commission's electronic docket (EDIS) at *https://edis.usitc.gov.*

SUPPLEMENTARY INFORMATION:

Background.—On March 6, 2026, the Commission determined that responses to its notice of institution of the subject five-year reviews were such that full reviews should proceed (91 FR 14588, March 25, 2026); accordingly, full reviews are being scheduled pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(5)). A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements are available from the Office of the Secretary and at the Commission's website.

Participation in the reviews and public service list.—Persons, including industrial users of the subject merchandise and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in these reviews as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11 of the Commission's rules, by 45 days after publication of this notice. A party that filed a notice of appearance following publication of the Commission's notice of institution of the reviews need not file an additional notice of appearance. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the reviews.

For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A and B (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

Please note the Secretary's Office will accept only electronic filings during this time. Filings must be made through the Commission's Electronic Document Information System (EDIS, *https://edis.usitc.gov*). No in-person paper-based filings or paper copies of any electronic filings will be accepted until further notice.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and BPI service list.—Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in these reviews available to authorized applicants under the APO issued in the reviews, provided that the application is made by 45 days after publication of this notice. Authorized

applicants must represent interested parties, as defined by 19 U.S.C. 1677(9), who are parties to the reviews. A party granted access to BPI following publication of the Commission's notice of institution of the reviews need not reapply for such access. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Staff report.—The prehearing staff report in the reviews will be placed in the nonpublic record on September 28, 2026, and a public version will be issued thereafter, pursuant to section 207.64 of the Commission's rules.

Hearing.—The Commission will hold an in-person hearing in connection with the reviews beginning at 9:30 a.m. on Tuesday, October 20, 2026. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission on or before 5:15 p.m. on Friday, October 9, 2026. Any requests to appear as a witness via videoconference must be included with your request to appear. Requests to appear via videoconference must include a statement explaining why the witness cannot appear in person; the Chairman, or other person designated to conduct the reviews, may in their discretion for good cause shown, grant such a request. Requests to appear as remote witness due to illness or a positive COVID–19 test result may be submitted by 3 p.m. the business day prior to the hearing. Further information about participation in the hearing will be posted on the Commission's website at *https://www.usitc.gov/calendarpad/calendar.html.*

A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the hearing. All parties and nonparties desiring to appear at the hearing and make oral presentations should attend a prehearing conference, if deemed necessary, to be held at 9:30 a.m. on Wednesday, October 14, 2026. Parties shall file and serve written testimony and presentation slides in connection with their presentation at the hearing by no later than noon on October 19, 2026. Oral testimony and written materials to be submitted at the public hearing are governed by sections 201.6(b)(2), 201.13(f), and 207.24 of the Commission's rules. Parties must submit any request to present a portion of their hearing testimony *in camera* no later than 7 business days prior to the date of the hearing.

Written submissions.—Each party to the reviews may submit a prehearing brief to the Commission. Prehearing briefs must conform with the provisions of section 207.65 of the Commission's rules; the deadline for filing is 5:15 p.m. on October 7, 2026. Parties shall also file written testimony in connection with their presentation at the hearing, and posthearing briefs, which must conform with the provisions of section 207.67 of the Commission's rules. The deadline for filing posthearing briefs is 5:15 p.m. on October 28, 2026. In addition, any person who has not entered an appearance as a party to the reviews may submit a written statement of information pertinent to the subject of the reviews on or before 5:15 p.m. on October 28, 2026. On November 20, 2026, the Commission will make available to parties all information on which they have not had an opportunity to comment. Parties may submit final comments on this information on or before 5:15 p.m. on November 24, 2026, but such final comments must not contain new factual information and must otherwise comply with section 207.68 of the Commission's rules. All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's *Handbook on Filing Procedures,* available on the Commission's website at *https://www.usitc.gov/documents/handbook_on_filing_procedures.pdf,* elaborates upon the Commission's procedures with respect to filings.

Additional written submissions to the Commission, including requests pursuant to section 201.12 of the Commission's rules, shall not be accepted unless good cause is shown for accepting such submissions, or unless the submission is pursuant to a specific request by a Commissioner or Commission staff.

In accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the reviews must be served on all other parties to the reviews (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

The Commission has determined that these reviews are extraordinarily complicated and therefore has determined to exercise its authority to extend the review period by up to 90 days pursuant to 19 U.S.C.1675(c)(5)(B).

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

By order of the Commission.

Issued: May 28, 2026.

Lisa Barton,

Secretary to the Commission.

[FR Doc. 2026–10933 Filed 5–29–26; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 701–TA–647 and 731–TA–1517–1519 (Review)]

Passenger Vehicle and Light Truck Tires From South Korea, Taiwan, Thailand, and Vietnam; Institution of Five-Year Reviews

AGENCY: United States International Trade Commission.

ACTION: Notice.

SUMMARY: The Commission hereby gives notice that it has instituted reviews pursuant to the Tariff Act of 1930, as amended, to determine whether revocation of the countervailing duty order on passenger and vehicle light truck tires (''PVLT tires'') from Vietnam and the revocation of the antidumping duty orders on PVLTs from South Korea, Taiwan, and Thailand would be likely to lead to continuation or recurrence of material injury. Pursuant to the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission.

DATES: Instituted June 1, 2026. To be assured of consideration, the deadline for responses is July 1, 2026. Comments on the adequacy of responses may be filed with the Commission by August 10, 2026.

FOR FURTHER INFORMATION CONTACT: Alec Resch (202–708–1448), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its internet server (*https://www.usitc.gov*). The public record for this proceeding may be viewed on the Commission's electronic docket (EDIS) at *https://edis.usitc.gov.*

SUPPLEMENTARY INFORMATION:

Background.—On July 19, 2021, the Department of Commerce (''Commerce'') issued a countervailing duty order on

imports of PVLT tires from Vietnam and antidumping duty orders on imports of PVLT tires from South Korea, Taiwan, and Thailand (86 FR 38011–38013). The Commission is conducting reviews pursuant to section 751(c) of the Act, as amended (19 U.S.C. 1675(c)), to determine whether revocation of the orders would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. Provisions concerning the conduct of this proceeding may be found in the Commission's Rules of Practice and Procedure at 19 CFR part 201, subparts A and B, and 19 CFR part 207, subparts A and F. The Commission will assess the adequacy of interested party responses to this notice of institution to determine whether to conduct full or expedited reviews. The Commission's determination in any expedited reviews will be based on the facts available, which may include information provided in response to this notice.

Definitions.—The following definitions apply to these reviews:

(1) *Subject Merchandise* is the class or kind of merchandise that is within the scope of the five-year reviews, as defined by Commerce.

(2) The *Subject Countries* in these reviews are South Korea, Taiwan, Thailand, and Vietnam.

(3) The *Domestic Like Product* is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the *Subject Merchandise.* In its original determinations, the Commission defined the *Domestic Like Product* as a single domestic like product consisting of PVLT tires, coextensive with the scope.

(4) The *Domestic Industry* is the U.S. producers as a whole of the *Domestic Like Product,* or those producers whose collective output of the *Domestic Like Product* constitutes a major proportion of the total domestic production of the product. In its original determinations, the Commission defined the *Domestic Industry* as all domestic producers of PVLT tires, except for three firms. One Commissioner defined the *Domestic Industry* differently, to include all domestic producers of PVLT tires.

(5) The *Order Date* is the date that the countervailing and antidumping duty orders under review became effective. In these review the *Order Date* is July 19, 2021.

(6) An *Importer* is any person or firm engaged, either directly or through a parent company or subsidiary, in importing the *Subject Merchandise* into the United States from a foreign manufacturer or through its selling agent.

Participation in the proceeding and public service list.—Persons, including industrial users of the *Subject Merchandise* and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in the proceeding as parties must file an entry of appearance with the Secretary to the Commission, as provided in § 201.11(b)(4) of the Commission's rules, no later than 21 days after publication of this notice in the **Federal Register**. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the proceeding.

Former Commission employees who are seeking to appear in Commission five-year reviews are advised that they may appear in a review even if they participated personally and substantially in the corresponding underlying original investigation or an earlier review of the same underlying investigation. The Commission's designated agency ethics official has advised that a five-year review is not the same particular matter as the underlying original investigation, and a five-year review is not the same particular matter as an earlier review of the same underlying investigation for purposes of 18 U.S.C. 207, the post-employment statute for Federal employees, and Commission rule 201.15(b) (19 CFR 201.15(b)), 79 FR 3246 (Jan. 17, 2014), 73 FR 24609 (May 5, 2008). Consequently, former employees are not required to seek Commission approval to appear in a review under Commission rule 19 CFR 201.15, even if the corresponding underlying original investigation or an earlier review of the same underlying investigation was pending when they were Commission employees. For further ethics advice on this matter, contact Charles Smith, Office of the General Counsel, at 202–205–3408.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and APO service list.—Pursuant to § 207.7(a) of the Commission's rules, the Secretary will make BPI submitted in this proceeding available to authorized applicants under the APO issued in the proceeding, provided that the application is made no later than 21 days after publication of this notice in the **Federal Register**. Authorized applicants must represent interested parties, as defined in 19 U.S.C. 1677(9), who are parties to the proceeding. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Certification.—Pursuant to § 207.3 of the Commission's rules, any person submitting information to the Commission in connection with this proceeding must certify that the information is accurate and complete to the best of the submitter's knowledge. In making the certification, the submitter will acknowledge that information submitted in response to this request for information and throughout this proceeding or other proceeding may be disclosed to and used: (i) by the Commission, its employees and Offices, and contract personnel (a) for developing or maintaining the records of this or a related proceeding, or (b) in internal investigations, audits, reviews, and evaluations relating to the programs, personnel, and operations of the Commission including under 5 U.S.C. Appendix 3; or (ii) by U.S. government employees and contract personnel, solely for cybersecurity purposes. All contract personnel will sign appropriate nondisclosure agreements.

Written submissions.—Pursuant to § 207.61 of the Commission's rules, each interested party response to this notice must provide the information specified below. The deadline for filing such responses is on or before 5:15 p.m. on July 1, 2026. Pursuant to § 207.62(b) of the Commission's rules, eligible parties (as specified in Commission rule 207.62(b)(1)) may also file comments concerning the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews. The deadline for filing such comments is on or before 5:15 p.m. on August 10, 2026. All written submissions must conform with the provisions of § 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of §§ 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's *Handbook on Filing Procedures,* available on the Commission's website at *https://www.usitc.gov/documents/handbook_on_filing_procedures.pdf,* elaborates upon the Commission's procedures with respect to filings. Also, in accordance with §§ 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the proceeding must be served on all other parties to the proceeding (as identified by either the public or APO service list as appropriate), and a certificate of service must accompany the document (if you are not a party to the proceeding you do not need to serve your response).

Please note the Secretary's Office will accept only electronic filings at this time. Filings must be made through the Commission's Electronic Document Information System (EDIS, *https://edis.usitc.gov*). No in-person paper-based filings or paper copies of any electronic filings will be accepted until further notice.

No response to this request for information is required if a currently valid Office of Management and Budget (''OMB'') number is not displayed; the OMB number is 3117 0016/USITC No. 26–5–695, expiration date June 30, 2026. Public reporting burden for the request is estimated to average 15 hours per response. Please send comments regarding the accuracy of this burden estimate to the Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436.

Inability to provide requested information.—Pursuant to § 207.61(c) of the Commission's rules, any interested party that cannot furnish the information requested by this notice in the requested form and manner shall notify the Commission at the earliest possible time, provide a full explanation of why it cannot provide the requested information, and indicate alternative forms in which it can provide equivalent information. If an interested party does not provide this notification (or the Commission finds the explanation provided in the notification inadequate) and fails to provide a complete response to this notice, the Commission may take an adverse inference against the party pursuant to § 776(b) of the Act (19 U.S.C. 1677e(b)) in making its determinations in the reviews.

Information to be provided in response to this notice of institution: If you are a domestic producer, union/worker group, or trade/business association; import/export *Subject Merchandise* from more than one *Subject Country;* or produce *Subject Merchandise* in more than one *Subject Country,* you may file a single response. If you do so, please ensure that your response to each question includes the information requested for each pertinent *Subject Country.* As used below, the term ''firm'' includes any related firms.

Those responding to this notice of institution are encouraged, but not required, to visit the USITC's website at *https://usitc.gov/reports/response_noi_worksheet,* where one can download and complete the ''NOI worksheet'' Excel form for the subject proceeding, to be included as attachment/exhibit 1 of your overall response.

(1) The name and address of your firm or entity (including World Wide Web address) and name, telephone number, fax number, and Email address of the certifying official.

(2) A statement indicating whether your firm/entity is an interested party under 19 U.S.C. 1677(9) and if so, how, including whether your firm/entity is a U.S. producer of the *Domestic Like Product,* a U.S. union or worker group, a U.S. importer of the *Subject Merchandise*, a foreign producer or exporter of the *Subject Merchandise,* a U.S. or foreign trade or business association (a majority of whose members are interested parties under the statute), or another interested party (including an explanation). If you are a union/worker group or trade/business association, identify the firms in which your workers are employed or which are members of your association.

(3) A statement indicating whether your firm/entity is willing to participate in this proceeding by providing information requested by the Commission.

(4) A statement of the likely effects of the revocation of the countervailing duty order and revocation of the antidumping duty orders on the *Domestic Industry* in general and/or your firm/entity specifically. In your response, please discuss the various factors specified in § 752(a) of the Act (19 U.S.C. 1675a(a)) including the likely volume of subject imports, likely price effects of subject imports, and likely impact of imports of *Subject Merchandise* on the *Domestic Industry.*

(5) A list of all known and currently operating U.S. producers of the *Domestic Like Product.* Identify any known related parties and the nature of the relationship as defined in § 771(4)(B) of the Act (19 U.S.C. 1677(4)(B)).

(6) A list of all known and currently operating U.S. importers of the *Subject Merchandise* and producers of the *Subject Merchandise* in each *Subject Country* that currently export or have exported *Subject Merchandise* to the United States or other countries since the *Order Date.*

(7) A list of 3–5 leading purchasers in the U.S. market for the *Domestic Like Product* and the *Subject Merchandise* (including street address, World Wide Web address, and the name, telephone number, fax number, and Email address of a responsible official at each firm).

(8) A list of known sources of information on national or regional prices for the *Domestic Like Product* or the *Subject Merchandise* in the U.S. or other markets.

(9) If you are a U.S. producer of the *Domestic Like Product,* provide the following information on your firm's operations on that product during calendar year 2025, except as noted (report quantity data in number of tires and value data in U.S. dollars, f.o.b. plant). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total U.S. production of the *Domestic Like Product* accounted for by your firm's(s') production;

(b) Capacity (quantity) of your firm to produce the *Domestic Like Product* (that is, the level of production that your establishment(s) could reasonably have expected to attain during the year, assuming normal operating conditions (using equipment and machinery in place and ready to operate), normal operating levels (hours per week/weeks per year), time for downtime, maintenance, repair, and cleanup, and a typical or representative product mix);

(c) the quantity and value of U.S. commercial shipments of the *Domestic Like Product* produced in your U.S. plant(s);

(d) the quantity and value of U.S. internal consumption/company transfers of the *Domestic Like Product* produced in your U.S. plant(s); and

(e) the value of (i) net sales, (ii) cost of goods sold (COGS), (iii) gross profit, (iv) selling, general and administrative (SG&A) expenses, and (v) operating income of the *Domestic Like Product* produced in your U.S. plant(s) (include both U.S. and export commercial sales, internal consumption, and company transfers) for your most recently completed fiscal year (identify the date on which your fiscal year ends).

(10) If you are a U.S. importer or a trade/business association of U.S. importers of the *Subject Merchandise* from any *Subject Country,* provide the following information on your firm's(s') operations on that product during calendar year 2025 (report quantity data in number of tires and value data in U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) The quantity and value (landed, duty-paid but not including antidumping and/or countervailing duties) of U.S. imports and, if known, an estimate of the percentage of total U.S. imports of *Subject Merchandise* from each *Subject Country* accounted for by your firm's(s') imports;

(b) the quantity and value (f.o.b. U.S. port, including antidumping and/or countervailing duties) of U.S. commercial shipments of *Subject Merchandise* imported from each *Subject Country;* and

(c) the quantity and value (f.o.b. U.S. port, including antidumping and/or countervailing duties) of U.S. internal consumption/company transfers of *Subject Merchandise* imported from each *Subject Country.*

(11) If you are a producer, an exporter, or a trade/business association of producers or exporters of the *Subject Merchandise* in any *Subject Country,* provide the following information on your firm's(s') operations on that product during calendar year 2025 (report quantity data in number of tires and value data in U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping and/or countervailing duties). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total production of *Subject Merchandise* in each *Subject Country* accounted for by your firm's(s') production;

(b) Capacity (quantity) of your firm(s) to produce the *Subject Merchandise* in each *Subject Country* (that is, the level of production that your establishment(s) could reasonably have expected to attain during the year, assuming normal operating conditions (using equipment and machinery in place and ready to operate), normal operating levels (hours per week/weeks per year), time for downtime, maintenance, repair, and cleanup, and a typical or representative product mix); and

(c) the quantity and value of your firm's(s') exports to the United States of *Subject Merchandise* and, if known, an estimate of the percentage of total exports to the United States of *Subject Merchandise* from each *Subject Country* accounted for by your firm's(s') exports.

(12) Identify significant changes, if any, in the supply and demand conditions or business cycle for the *Domestic Like Product* that have occurred in the United States or in the market for the *Subject Merchandise* in each *Subject Country* since the *Order Date,* and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology; production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the *Domestic Like Product* produced in the United States, *Subject Merchandise* produced in each *Subject Country,* and such merchandise from other countries.

(13) (OPTIONAL) A statement of whether you agree with the above definitions of the *Domestic Like Product* and *Domestic Industry;* if you disagree with either or both of these definitions, please explain why and provide alternative definitions.

Authority: This proceeding is being conducted under authority of Title VII of the Tariff Act of 1930; this notice is published pursuant to § 207.61 of the Commission's rules.

By order of the Commission.

Issued: May 26, 2026.

Lisa Barton,

Secretary to the Commission.

[FR Doc. 2026–10915 Filed 5–29–26; 8:45 am]

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INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 701–TA–648 and 731–TA–1521–1522 (Review)]

Walk-Behind Lawn Mowers From China and Vietnam; Institution of Five-Year Reviews

AGENCY: United States International Trade Commission.

ACTION: Notice.

SUMMARY: The Commission hereby gives notice that it has instituted reviews pursuant to the Tariff Act of 1930, as amended, to determine whether revocation of the countervailing duty order on walk-behind lawn mowers (''mowers'') from China and revocation of the antidumping duty orders on mowers from China and Vietnam would be likely to lead to continuation or recurrence of material injury. Pursuant to the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission.

DATES: Instituted June 1, 2026. To be assured of consideration, the deadline for responses is July 1, 2026. Comments on the adequacy of responses may be filed with the Commission by August 10, 2026.

FOR FURTHER INFORMATION CONTACT: Peter Stebbins (202–205–2039), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its internet server (*https://www.usitc.gov*). The public record for this proceeding may be viewed on the Commission's electronic docket (EDIS) at *https://edis.usitc.gov*.

SUPPLEMENTARY INFORMATION:

Background.—On July 13, 2021, the Department of Commerce (''Commerce'') issued a countervailing duty order on imports of mowers and antidumping duty orders on imports of mowers from China and Vietnam (86 FR 36702). The Commission is conducting reviews pursuant to section 751(c) of the Act, as amended (19 U.S.C. 1675(c)), to determine whether revocation of the orders would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. Provisions concerning the conduct of this proceeding may be found in the Commission's Rules of Practice and Procedure at 19 CFR part 201, subparts A and B, and 19 CFR part 207, subparts A and F. The Commission will assess the adequacy of interested party responses to this notice of institution to determine whether to conduct full or expedited reviews. The Commission's determinations in any expedited reviews will be based on the facts available, which may include information provided in response to this notice.

Definitions.—The following definitions apply to these reviews:

(1) *Subject Merchandise* is the class or kind of merchandise that is within the scope of the five-year reviews, as defined by Commerce.

(2) The *Subject Countries* in these reviews are China and Vietnam.

(3) The *Domestic Like Product* is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the *Subject Merchandise.* In its original determinations, the Commission defined the *Domestic Like Product* to include all walk-behind mowers that meet the physical description in the

scope, including those mowers with engines subject to the orders on *Small Vertical Shaft Engines from China, Inv. nos. 701–TA–643 and 731–TA–1493 (Final)*.

(4) The *Domestic Industry* is the U.S. producers as a whole of the *Domestic Like Product*, or those producers whose collective output of the *Domestic Like Product* constitutes a major proportion of the total domestic production of the product. In its original determinations, the Commission defined the *Domestic Industry* as all domestic producers of walk-behind mowers that meet the physical description in the scope, including those containing engines subject to the orders on *Small Vertical Shaft Engines from China, Inv. nos. 701–TA–643 and 731–TA–1493 (Final)*.

(5) The *Order Date* is the date that the countervailing duty order on China under review became effective and the antidumping duty orders for China and Vietnam under review became effective. In these reviews, the *Order Date* is July 13, 2021.

(6) An *Importer* is any person or firm engaged, either directly or through a parent company or subsidiary, in importing the *Subject Merchandise* into the United States from a foreign manufacturer or through its selling agent.

Participation in the proceeding and public service list.—Persons, including industrial users of the *Subject Merchandise* and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in the proceeding as parties must file an entry of appearance with the Secretary to the Commission, as provided in § 201.11(b)(4) of the Commission's rules, no later than 21 days after publication of this notice in the **Federal Register**. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the proceeding.

Former Commission employees who are seeking to appear in Commission five-year reviews are advised that they may appear in a review even if they participated personally and substantially in the corresponding underlying original investigation or an earlier review of the same underlying investigation. The Commission's designated agency ethics official has advised that a five-year review is not the same particular matter as the underlying original investigation, and a five-year review is not the same particular matter as an earlier review of the same underlying investigation for purposes of 18 U.S.C. 207, the post-employment statute for Federal employees, and Commission rule 201.15(b) (19 CFR 201.15(b)), 79 FR 3246 (Jan. 17, 2014), 73 FR 24609 (May 5, 2008). Consequently, former employees are not required to seek Commission approval to appear in a review under Commission rule 19 CFR 201.15, even if the corresponding underlying original investigation or an earlier review of the same underlying investigation was pending when they were Commission employees. For further ethics advice on this matter, contact Charles Smith, Office of the General Counsel, at 202–205–3408.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and APO service list.—Pursuant to § 207.7(a) of the Commission's rules, the Secretary will make BPI submitted in this proceeding available to authorized applicants under the APO issued in the proceeding, provided that the application is made no later than 21 days after publication of this notice in the **Federal Register**. Authorized applicants must represent interested parties, as defined in 19 U.S.C. 1677(9), who are parties to the proceeding. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Certification.—Pursuant to § 207.3 of the Commission's rules, any person submitting information to the Commission in connection with this proceeding must certify that the information is accurate and complete to the best of the submitter's knowledge. In making the certification, the submitter will acknowledge that information submitted in response to this request for information and throughout this proceeding or other proceeding may be disclosed to and used: (i) by the Commission, its employees and Offices, and contract personnel (a) for developing or maintaining the records of this or a related proceeding, or (b) in internal investigations, audits, reviews, and evaluations relating to the programs, personnel, and operations of the Commission including under 5 U.S.C. Appendix 3; or (ii) by U.S. government employees and contract personnel, solely for cybersecurity purposes. All contract personnel will sign appropriate nondisclosure agreements.

Written submissions.—Pursuant to § 207.61 of the Commission's rules, each interested party response to this notice must provide the information specified below. The deadline for filing such responses is on or before 5:15 p.m. on July 1, 2026. Pursuant to § 207.62(b) of the Commission's rules, eligible parties (as specified in Commission rule 207.62(b)(1)) may also file comments concerning the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews. The deadline for filing such comments is on or before 5:15 p.m. on August 10, 2026. All written submissions must conform with the provisions of § 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of §§ 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's *Handbook on Filing Procedures*, available on the Commission's website at *https://www.usitc.gov/documents/handbook_on_filing_procedures.pdf*, elaborates upon the Commission's procedures with respect to filings. Also, in accordance with §§ 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the proceeding must be served on all other parties to the proceeding (as identified by either the public or APO service list as appropriate), and a certificate of service must accompany the document (if you are not a party to the proceeding you do not need to serve your response).

Please note the Secretary's Office will accept only electronic filings at this time. Filings must be made through the Commission's Electronic Document Information System (EDIS, *https://edis.usitc.gov*). No in-person paper-based filings or paper copies of any electronic filings will be accepted until further notice.

No response to this request for information is required if a currently valid Office of Management and Budget (''OMB'') number is not displayed; the OMB number is 3117 0016/USITC No. 26–5–694, expiration date June 30, 2026. Public reporting burden for the request is estimated to average 15 hours per response. Please send comments regarding the accuracy of this burden estimate to the Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436.

Inability to provide requested information.—Pursuant to § 207.61(c) of the Commission's rules, any interested party that cannot furnish the information requested by this notice in the requested form and manner shall notify the Commission at the earliest possible time, provide a full explanation of why it cannot provide the requested information, and indicate alternative forms in which it can provide equivalent information. If an interested party does not provide this notification (or the Commission finds the explanation provided in the notification

inadequate) and fails to provide a complete response to this notice, the Commission may take an adverse inference against the party pursuant to § 776(b) of the Act (19 U.S.C. 1677e(b)) in making its determinations in the reviews.

Information To Be Provided in Response to This Notice of Institution: If you are a domestic producer, union/worker group, or trade/business association; import/export *Subject Merchandise* from more than one *Subject Country*; or produce *Subject Merchandise* in more than one *Subject Country*, you may file a single response. If you do so, please ensure that your response to each question includes the information requested for each pertinent *Subject Country*. As used below, the term ''firm'' includes any related firms.

Those responding to this notice of institution are encouraged, but not required, to visit the USITC's website at *https://usitc.gov/reports/response_noi_worksheet*, where one can download and complete the ''NOI worksheet'' Excel form for the subject proceeding, to be included as attachment/exhibit 1 of your overall response.

(1) The name and address of your firm or entity (including World Wide Web address) and name, telephone number, fax number, and Email address of the certifying official.

(2) A statement indicating whether your firm/entity is an interested party under 19 U.S.C. 1677(9) and if so, how, including whether your firm/entity is a U.S. producer of the *Domestic Like Product*, a U.S. union or worker group, a U.S. importer of the *Subject Merchandise*, a foreign producer or exporter of the *Subject Merchandise*, a U.S. or foreign trade or business association (a majority of whose members are interested parties under the statute), or another interested party (including an explanation). If you are a union/worker group or trade/business association, identify the firms in which your workers are employed or which are members of your association.

(3) A statement indicating whether your firm/entity is willing to participate in this proceeding by providing information requested by the Commission.

(4) A statement of the likely effects of the revocation of the countervailing duty order and revocation of the antidumping duty orders on the *Domestic Industry* in general and/or your firm/entity specifically. In your response, please discuss the various factors specified in § 752(a) of the Act (19 U.S.C. 1675a(a)) including the likely volume of subject imports, likely price effects of subject imports, and likely impact of imports of *Subject Merchandise* on the *Domestic Industry*.

(5) A list of all known and currently operating U.S. producers of the *Domestic Like Product*. Identify any known related parties and the nature of the relationship as defined in § 771(4)(B) of the Act (19 U.S.C. 1677(4)(B)).

(6) A list of all known and currently operating U.S. importers of the *Subject Merchandise* and producers of the *Subject Merchandise* in each *Subject Country* that currently export or have exported *Subject Merchandise* to the United States or other countries since the *Order Date*.

(7) A list of 3–5 leading purchasers in the U.S. market for the *Domestic Like Product* and the *Subject Merchandise* (including street address, World Wide Web address, and the name, telephone number, fax number, and Email address of a responsible official at each firm).

(8) A list of known sources of information on national or regional prices for the *Domestic Like Product* or the *Subject Merchandise* in the U.S. or other markets.

(9) If you are a U.S. producer of the *Domestic Like Product*, provide the following information on your firm's operations on that product during calendar year 2025, except as noted (report quantity data in units of mowers and value data in U.S. dollars, f.o.b. plant). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total U.S. production of the *Domestic Like Product* accounted for by your firm's(s') production;

(b) Capacity (quantity) of your firm to produce the *Domestic Like Product* (that is, the level of production that your establishment(s) could reasonably have expected to attain during the year, assuming normal operating conditions (using equipment and machinery in place and ready to operate), normal operating levels (hours per week/weeks per year), time for downtime, maintenance, repair, and cleanup, and a typical or representative product mix);

(c) the quantity and value of U.S. commercial shipments of the *Domestic Like Product* produced in your U.S. plant(s);

(d) the quantity and value of U.S. internal consumption/company transfers of the *Domestic Like Product* produced in your U.S. plant(s); and

(e) the value of (i) net sales, (ii) cost of goods sold (COGS), (iii) gross profit, (iv) selling, general and administrative (SG&A) expenses, and (v) operating income of the *Domestic Like Product* produced in your U.S. plant(s) (include both U.S. and export commercial sales, internal consumption, and company transfers) for your most recently completed fiscal year (identify the date on which your fiscal year ends).

(10) If you are a U.S. importer or a trade/business association of U.S. importers of the *Subject Merchandise* from any *Subject Country*, provide the following information on your firm's(s') operations on that product during calendar year 2025 (report quantity data in in units of mowers and value data in U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) The quantity and value (landed, duty-paid but not including antidumping and/or countervailing duties) of U.S. imports and, if known, an estimate of the percentage of total U.S. imports of *Subject Merchandise* from each *Subject Country* accounted for by your firm's(s') imports;

(b) the quantity and value (f.o.b. U.S. port, including antidumping and/or countervailing duties) of U.S. commercial shipments of *Subject Merchandise* imported from each *Subject Country*; and

(c) the quantity and value (f.o.b. U.S. port, including antidumping and/or countervailing duties) of U.S. internal consumption/company transfers of *Subject Merchandise* imported from each *Subject Country*.

(11) If you are a producer, an exporter, or a trade/business association of producers or exporters of the *Subject Merchandise* in any *Subject Country*, provide the following information on your firm's(s') operations on that product during calendar year 2025 (report quantity data in units of mowers and value data in U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping or countervailing duties). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total production of *Subject Merchandise* in each *Subject Country* accounted for by your firm's(s') production;

(b) Capacity (quantity) of your firm(s) to produce the *Subject Merchandise* in each *Subject Country* (that is, the level of production that your establishment(s) could reasonably have expected to attain during the year, assuming normal operating conditions (using equipment

and machinery in place and ready to operate), normal operating levels (hours per week/weeks per year), time for downtime, maintenance, repair, and cleanup, and a typical or representative product mix); and

(c) the quantity and value of your firm's(s') exports to the United States of *Subject Merchandise* and, if known, an estimate of the percentage of total exports to the United States of *Subject Merchandise* from each *Subject Country* accounted for by your firm's(s') exports.

(12) Identify significant changes, if any, in the supply and demand conditions or business cycle for the *Domestic Like Product* that have occurred in the United States or in the market for the *Subject Merchandise* in each *Subject Country* since the *Order Date*, and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology; production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the *Domestic Like Product* produced in the United States, *Subject Merchandise* produced in each *Subject Country*, and such merchandise from other countries.

(13) (OPTIONAL) A statement of whether you agree with the above definitions of the *Domestic Like Product* and *Domestic Industry*; if you disagree with either or both of these definitions, please explain why and provide alternative definitions.

Authority: This proceeding is being conducted under authority of Title VII of the Tariff Act of 1930; this notice is published pursuant to § 207.61 of the Commission's rules.

By order of the Commission.

Issued: May 26, 2026.

Lisa Barton,

Secretary to the Commission.

[FR Doc. 2026–10912 Filed 5–29–26; 8:45 am]

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INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 701–TA–473 and 731–TA–1173 (Third Review)]

Potassium Phosphate Salts From China; Institution of Five-Year Reviews

AGENCY: United States International Trade Commission.

ACTION: Notice.

SUMMARY: The Commission hereby gives notice that it has instituted reviews pursuant to the Tariff Act of 1930, as amended, to determine whether revocation of the countervailing and the antidumping duty orders on potassium phosphate salts from China would be likely to lead to continuation or recurrence of material injury. Pursuant to the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission.

DATES: Instituted June 1, 2026. To be assured of consideration, the deadline for responses is July 1, 2026. Comments on the adequacy of responses may be filed with the Commission by August 10, 2026.

FOR FURTHER INFORMATION CONTACT: Julie Duffy (202–708–2579), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its internet server (*https://www.usitc.gov*). The public record for this proceeding may be viewed on the Commission's electronic docket (EDIS) at *https://edis.usitc.gov.*

SUPPLEMENTARY INFORMATION:

Background.—On July 22, 2010, the Department of Commerce (''Commerce'') issued antidumping and countervailing duty orders on imports of potassium phosphate salts from China (75 FR 42682–42684). Commerce issued a continuation of the antidumping and countervailing duty orders on imports of potassium phosphate salts from China following Commerce's and the Commission's first five-year reviews, effective December 21, 2015 (80 FR 79305) and second five-year reviews, effective July 12, 2021 (86 FR 36524). The Commission is now conducting third five-year reviews pursuant to section 751(c) of the Act, as amended (19 U.S.C. 1675(c)), to determine whether revocation of the orders would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. Provisions concerning the conduct of this proceeding may be found in the Commission's Rules of Practice and Procedure at 19 CFR part 201, subparts A and B, and 19 CFR part 207, subparts A and F. The Commission will assess the adequacy of interested party responses to this notice of institution to determine whether to conduct full or expedited reviews. The Commission's determinations in any expedited reviews will be based on the facts available, which may include information provided in response to this notice.

Definitions.—The following definitions apply to these reviews:

(1) *Subject Merchandise* is the class or kind of merchandise that is within the scope of the five-year reviews, as defined by Commerce.

(2) The *Subject Country* in these reviews is China.

(3) The *Domestic Like Product* is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the *Subject Merchandise.* In its original determinations and its expedited first and second five-year review determinations, the Commission defined anhydrous dipotassium phosphate (''DKP'') and tetrapotassium pyrophosphate (''TKPP''), each of which is within Commerce's scope definition, as separate *Domestic Like Products.*

(4) The *Domestic Industry* is the U.S. producers as a whole of the *Domestic Like Product,* or those producers whose collective output of the *Domestic Like Product* constitutes a major proportion of the total domestic production of the product. In its original determinations and its expedited first and second five-year review determinations, the Commission defined two *Domestic Industries* as follows: (1) all domestic producers of DKP and (2) all domestic producers of TKPP.

(5) An *Importer* is any person or firm engaged, either directly or through a parent company or subsidiary, in importing the *Subject Merchandise* into the United States from a foreign manufacturer or through its selling agent.

Participation in the proceeding and public service list.—Persons, including industrial users of the *Subject Merchandise* and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to

participate in the proceeding as parties must file an entry of appearance with the Secretary to the Commission, as provided in § 201.11(b)(4) of the Commission's rules, no later than 21 days after publication of this notice in the **Federal Register**. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the proceeding.

Former Commission employees who are seeking to appear in Commission five-year reviews are advised that they may appear in a review even if they participated personally and substantially in the corresponding underlying original investigation or an earlier review of the same underlying investigation. The Commission's designated agency ethics official has advised that a five-year review is not the same particular matter as the underlying original investigation, and a five-year review is not the same particular matter as an earlier review of the same underlying investigation for purposes of 18 U.S.C. 207, the post-employment statute for Federal employees, and Commission rule 201.15(b) (19 CFR 201.15(b)), 79 FR 3246 (Jan. 17, 2014), 73 FR 24609 (May 5, 2008). Consequently, former employees are not required to seek Commission approval to appear in a review under Commission rule 19 CFR 201.15, even if the corresponding underlying original investigation or an earlier review of the same underlying investigation was pending when they were Commission employees. For further ethics advice on this matter, contact Charles Smith, Office of the General Counsel, at 202–205–3408.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and APO service list.—Pursuant to § 207.7(a) of the Commission's rules, the Secretary will make BPI submitted in this proceeding available to authorized applicants under the APO issued in the proceeding, provided that the application is made no later than 21 days after publication of this notice in the **Federal Register**. Authorized applicants must represent interested parties, as defined in 19 U.S.C. 1677(9), who are parties to the proceeding. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Certification.—Pursuant to § 207.3 of the Commission's rules, any person submitting information to the Commission in connection with this proceeding must certify that the information is accurate and complete to the best of the submitter's knowledge. In making the certification, the submitter will acknowledge that information submitted in response to this request for information and throughout this proceeding or other proceeding may be disclosed to and used: (i) by the Commission, its employees and Offices, and contract personnel (a) for developing or maintaining the records of this or a related proceeding, or (b) in internal investigations, audits, reviews, and evaluations relating to the programs, personnel, and operations of the Commission including under 5 U.S.C. Appendix 3; or (ii) by U.S. government employees and contract personnel, solely for cybersecurity purposes. All contract personnel will sign appropriate nondisclosure agreements.

Written submissions.—Pursuant to § 207.61 of the Commission's rules, each interested party response to this notice must provide the information specified below. The deadline for filing such responses is 5:15 p.m. on July 1, 2026. Pursuant to § 207.62(b) of the Commission's rules, eligible parties (as specified in Commission rule 207.62(b)(1)) may also file comments concerning the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews. The deadline for filing such comments is 5:15 p.m. on August 10, 2026. All written submissions must conform with the provisions of § 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of §§ 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's *Handbook on Filing Procedures,* available on the Commission's website at *https://www.usitc.gov/documents/handbook_on_filing_procedures.pdf,* elaborates upon the Commission's procedures with respect to filings. Also, in accordance with §§ 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the proceeding must be served on all other parties to the proceeding (as identified by either the public or APO service list as appropriate), and a certificate of service must accompany the document (if you are not a party to the proceeding you do not need to serve your response).

Please note the Secretary's Office will accept only electronic filings at this time. Filings must be made through the Commission's Electronic Document Information System (EDIS, *https://edis.usitc.gov*). No in-person paper-based filings or paper copies of any electronic filings will be accepted until further notice.

No response to this request for information is required if a currently valid Office of Management and Budget (''OMB'') number is not displayed; the OMB number is 3117 0016/USITC No. 26–5–696, expiration date June 30, 2026. Public reporting burden for the request is estimated to average 15 hours per response. Please send comments regarding the accuracy of this burden estimate to the Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436.

Inability to provide requested information.—Pursuant to § 207.61(c) of the Commission's rules, any interested party that cannot furnish the information requested by this notice in the requested form and manner shall notify the Commission at the earliest possible time, provide a full explanation of why it cannot provide the requested information, and indicate alternative forms in which it can provide equivalent information. If an interested party does not provide this notification (or the Commission finds the explanation provided in the notification inadequate) and fails to provide a complete response to this notice, the Commission may take an adverse inference against the party pursuant to § 776(b) of the Act (19 U.S.C. 1677e(b)) in making its determinations in these reviews.

Information to be provided in response to this notice of institution: Please provide the requested information separately for each *Domestic Like Product,* as defined by the Commission in its original determinations, and for each of the products identified by Commerce as *Subject Merchandise.* As used below, the term ''firm'' includes any related firms.

Those responding to this notice of institution are encouraged, but not required, to visit the USITC's website at *https://usitc.gov/reports/response_noi_worksheet,* where one can download and complete the ''NOI worksheet'' Excel form for the subject proceeding, to be included as attachment/exhibit 1 of your overall response.

(1) The name and address of your firm or entity (including World Wide Web address) and name, telephone number, fax number, and Email address of the certifying official.

(2) A statement indicating whether your firm/entity is an interested party under 19 U.S.C. 1677(9) and if so, how, including whether your firm/entity is a U.S. producer of the *Domestic Like Product,* a U.S. union or worker group, a U.S. importer of the *Subject Merchandise,* a foreign producer or

exporter of the *Subject Merchandise,* a U.S. or foreign trade or business association (a majority of whose members are interested parties under the statute), or another interested party (including an explanation). If you are a union/worker group or trade/business association, identify the firms in which your workers are employed or which are members of your association.

(3) A statement indicating whether your firm/entity is willing to participate in this proceeding by providing information requested by the Commission.

(4) A statement of the likely effects of the revocation of the antidumping and countervailing duty orders on the *Domestic Industry* in general and/or your firm/entity specifically. In your response, please discuss the various factors specified in section 752(a) of the Act (19 U.S.C. 1675a(a)) including the likely volume of subject imports, likely price effects of subject imports, and likely impact of imports of *Subject Merchandise* on the *Domestic Industry.*

(5) A list of all known and currently operating U.S. producers of each *Domestic Like Product.* Identify any known related parties and the nature of the relationship as defined in section 771(4)(B) of the Act (19 U.S.C. 1677(4)(B)).

(6) A list of all known and currently operating U.S. importers of the *Subject Merchandise* and producers of the *Subject Merchandise* in the *Subject Country* that currently export or have exported *Subject Merchandise* to the United States or other countries after 2019.

(7) A list of 3–5 leading purchasers in the U.S. market for each *Domestic Like Product* and the *Subject Merchandise* (including street address, World Wide Web address, and the name, telephone number, fax number, and Email address of a responsible official at each firm).

(8) A list of known sources of information on national or regional prices for each *Domestic Like Product* or the *Subject Merchandise* in the U.S. or other markets.

(9) If you are a U.S. producer of the *Domestic Like Products,* provide the following information on your firm's operations on that product during calendar year 20245, except as noted (report quantity data in pounds and value data in U.S. dollars, f.o.b. plant). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total U.S. production of each *Domestic Like Product* accounted for by your firm's(s') production;

(b) Capacity (quantity) of your firm to produce each *Domestic Like Product* (that is, the level of production that your establishment(s) could reasonably have expected to attain during the year, assuming normal operating conditions (using equipment and machinery in place and ready to operate), normal operating levels (hours per week/weeks per year), time for downtime, maintenance, repair, and cleanup, and a typical or representative product mix);

(c) the quantity and value of U.S. commercial shipments of each *Domestic Like Product* produced in your U.S. plant(s);

(d) the quantity and value of U.S. internal consumption/company transfers of each *Domestic Like Product* produced in your U.S. plant(s); and

(e) the value of (i) net sales, (ii) cost of goods sold (COGS), (iii) gross profit, (iv) selling, general and administrative (SG&A) expenses, and (v) operating income of each *Domestic Like Product* produced in your U.S. plant(s) (include both U.S. and export commercial sales, internal consumption, and company transfers) for your most recently completed fiscal year (identify the date on which your fiscal year ends).

(10) If you are a U.S. importer or a trade/business association of U.S. importers of the *Subject Merchandise* from the *Subject Country,* provide the following information on your firm's(s') operations on that product during calendar year 2025 (report quantity data in pounds and value data in U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) The quantity and value (landed, duty-paid but not including antidumping and/or countervailing duties) of U.S. imports and, if known, an estimate of the percentage of total U.S. imports of *Subject Merchandise* from the *Subject Country* accounted for by your firm's(s') imports;

(b) the quantity and value (f.o.b. U.S. port, including antidumping and/or countervailing duties) of U.S. commercial shipments of *Subject Merchandise* imported from the *Subject Country;* and

(c) the quantity and value (f.o.b. U.S. port, including antidumping and/or countervailing duties) of U.S. internal consumption/company transfers of *Subject Merchandise* imported from the *Subject Country.*

(11) If you are a producer, an exporter, or a trade/business association of producers or exporters of the *Subject Merchandise* in the *Subject Country,* provide the following information on your firm's(s') operations on that product during calendar year 2025 (report quantity data in pounds and value data in U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping and/or countervailing duties). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total production of *Subject Merchandise* in the *Subject Country* accounted for by your firm's(s') production;

(b) Capacity (quantity) of your firm(s) to produce the *Subject Merchandise* in the *Subject Country* (that is, the level of production that your establishment(s) could reasonably have expected to attain during the year, assuming normal operating conditions (using equipment and machinery in place and ready to operate), normal operating levels (hours per week/weeks per year), time for downtime, maintenance, repair, and cleanup, and a typical or representative product mix); and

(c) the quantity and value of your firm's(s') exports to the United States of *Subject Merchandise* and, if known, an estimate of the percentage of total exports to the United States of *Subject Merchandise* from the *Subject Country* accounted for by your firm's(s') exports.

(12) Identify significant changes, if any, in the supply and demand conditions or business cycle for each *Domestic Like Product* that have occurred in the United States or in the market for the *Subject Merchandise* in the *Subject Country* after 2019, and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology; production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among each *Domestic Like Product* produced in the United States, *Subject Merchandise* produced in the *Subject Country,* and such merchandise from other countries.

(13) (OPTIONAL) A statement of whether you agree with the above definitions of the *Domestic Like Product* and *Domestic Industry;* if you disagree with either or both of these definitions, please explain why and provide alternative definitions.

Authority: This proceeding is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to § 207.61 of the Commission's rules.

By order of the Commission.

Issued: May 26, 2026.

Lisa Barton,

Secretary to the Commission.

[FR Doc. 2026–10911 Filed 5–29–26; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 731–TA–753, 754, and 756 (Fifth Review)]

Cut-to-Length Carbon Steel Plate From China, Russia, and Ukraine; Institution of Five-Year Reviews

AGENCY: United States International Trade Commission.

ACTION: Notice.

SUMMARY: The Commission hereby gives notice that it has instituted reviews pursuant to the Tariff Act of 1930, as amended, to determine whether revocation of the antidumping duty order on cut-to-length carbon steel plate from China and the termination of the suspended investigations on cut-to-length carbon steel plate from Russia and Ukraine would be likely to lead to continuation or recurrence of material injury. Pursuant to the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission.

DATES: Instituted June 1, 2026. To be assured of consideration, the deadline for responses is July 1, 2026. Comments on the adequacy of responses may be filed with the Commission by August 10, 2026.

FOR FURTHER INFORMATION CONTACT: Camille Bryan (202–205–2811), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its internet server (*https://www.usitc.gov*). The public record for this proceeding may be viewed on the Commission's electronic docket (EDIS) at *https://edis.usitc.gov.*

SUPPLEMENTARY INFORMATION:

Background.—On October 24, 1997, the Department of Commerce (''Commerce'') suspended antidumping duty investigations on imports of cut-to-length carbon steel plate from China, Russia, and Ukraine (62 FR 61766, 61773, and 61790). Commerce issued a continuation of the suspended investigations on imports of cut-to-length carbon steel plate from China, Russia, and Ukraine following Commerce's and the Commission's first five-year reviews, effective September 17, 2003 (68 FR 54417). The suspension agreement concerning cut-to-length carbon steel plate from China was subsequently terminated and an antidumping duty order was imposed effective November 3, 2003 (68 FR 60081). Commerce issued a continuation of the antidumping duty order on imports of cut-to-length carbon steel plate from China and of the suspended investigations on imports of cut-to-length carbon steel plate from Russia and Ukraine following Commerce's and the Commission's second five-year reviews, effective November 10, 2009 (74 FR 57994), third five-year reviews, effective December 21, 2015 (80 FR 79306), and fourth five-year reviews, effective July 1, 2021 (86 FR 35062 and 86 FR 35064). The Commission is now conducting fifth reviews pursuant to section 751(c) of the Act, as amended (19 U.S.C. 1675(c)), to determine whether revocation of the order concerning China and termination of the suspended investigations concerning Russia and Ukraine would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. Provisions concerning the conduct of this proceeding may be found in the Commission's Rules of Practice and Procedure at 19 CFR part 201, subparts A and B, and 19 CFR part 207, subparts A and F. The Commission will assess the adequacy of interested party responses to this notice of institution to determine whether to conduct full or expedited reviews. The Commission's determinations in any expedited reviews will be based on the facts available, which may include information provided in response to this notice.

Definitions.—The following definitions apply to these reviews:

(1) *Subject Merchandise* is the class or kind of merchandise that is within the scope of the five-year reviews, as defined by Commerce.

(2) The *Subject Countries* in these reviews are China, Russia, and Ukraine.

(3) The *Domestic Like Product* is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the *Subject Merchandise.* In its original determinations, the Commission defined the *Domestic Like Product* as cut-to-length plate, co-extensive with Commerce's scope, produced by U.S. mills or cut from coiled plate by service centers. In its full first, second, third, and expedited fourth five-year review determinations, the Commission defined the *Domestic Like Product* as cut-to-length plate, including cut-to-length plate made from micro-alloy steel, produced by U.S. mills or cut from coiled plate by service centers. One Commissioner defined the *Domestic Like Product* differently in the first five-year reviews.

(4) The *Domestic Industry* is the U.S. producers as a whole of the *Domestic Like Product,* or those producers whose collective output of the *Domestic Like Product* constitutes a major proportion of the total domestic production of the product. In its original determinations and its full first, second, third, and expedited fourth five-year review determinations, the Commission defined the *Domestic Industry* to include all producers of the *Domestic Like Product,* whether toll producers, integrated producers, or processors. One Commissioner defined the *Domestic Industry* differently in the first five-year reviews.

(5) An *Importer* is any person or firm engaged, either directly or through a parent company or subsidiary, in importing the *Subject Merchandise* into the United States from a foreign manufacturer or through its selling agent.

Participation in the proceeding and public service list.—Persons, including industrial users of the *Subject Merchandise* and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in the proceeding as parties must file an entry of appearance with the Secretary to the Commission, as provided in § 201.11(b)(4) of the Commission's rules, no later than 21 days after publication of this notice in the **Federal Register**. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the proceeding.

Former Commission employees who are seeking to appear in Commission five-year reviews are advised that they may appear in a review even if they participated personally and substantially in the corresponding underlying original investigation or an earlier review of the same underlying investigation. The Commission's designated agency ethics official has advised that a five-year review is not the same particular matter as the underlying original investigation, and a five-year review is not the same particular matter as an earlier review of the same underlying investigation for purposes of 18 U.S.C. 207, the post-employment statute for Federal employees, and Commission rule 201.15(b) (19 CFR 201.15(b)), 79 FR 3246 (Jan. 17, 2014), 73 FR 24609 (May 5, 2008). Consequently, former employees are not required to seek Commission approval to appear in a review under Commission rule 19 CFR 201.15, even if the corresponding underlying original investigation or an earlier review of the same underlying investigation was pending when they were Commission employees. For further ethics advice on this matter, contact Charles Smith, Office of the General Counsel, at 202–205–3408.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and APO service list.—Pursuant to § 207.7(a) of the Commission's rules, the Secretary will make BPI submitted in this proceeding available to authorized applicants under the APO issued in the proceeding, provided that the application is made no later than 21 days after publication of this notice in the **Federal Register**. Authorized applicants must represent interested parties, as defined in 19 U.S.C. 1677(9), who are parties to the proceeding. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Certification.—Pursuant to § 207.3 of the Commission's rules, any person submitting information to the Commission in connection with this proceeding must certify that the information is accurate and complete to the best of the submitter's knowledge. In making the certification, the submitter will acknowledge that information submitted in response to this request for information and throughout this proceeding or other proceeding may be disclosed to and used: (i) by the Commission, its employees and Offices, and contract personnel (a) for developing or maintaining the records of this or a related proceeding, or (b) in internal investigations, audits, reviews, and evaluations relating to the programs, personnel, and operations of the Commission including under 5 U.S.C. Appendix 3; or (ii) by U.S. government employees and contract personnel, solely for cybersecurity purposes. All contract personnel will sign appropriate nondisclosure agreements.

Written submissions.—Pursuant to § 207.61 of the Commission's rules, each interested party response to this notice must provide the information specified below. The deadline for filing such responses is 5:15 p.m. on July 1, 2026. Pursuant to § 207.62(b) of the Commission's rules, eligible parties (as specified in Commission rule 207.62(b)(1)) may also file comments concerning the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews. The deadline for filing such comments is 5:15 p.m. on August 10, 2026. All written submissions must conform with the provisions of § 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of §§ 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's *Handbook on Filing Procedures,* available on the Commission's website at *https://www.usitc.gov/documents/handbook_on_filing_procedures.pdf,* elaborates upon the Commission's procedures with respect to filings. Also, in accordance with §§ 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the proceeding must be served on all other parties to the proceeding (as identified by either the public or APO service list as appropriate), and a certificate of service must accompany the document (if you are not a party to the proceeding you do not need to serve your response).

Please note the Secretary's Office will accept only electronic filings at this time. Filings must be made through the Commission's Electronic Document Information System (EDIS, *https://edis.usitc.gov*). No in-person paper-based filings or paper copies of any electronic filings will be accepted until further notice.

No response to this request for information is required if a currently valid Office of Management and Budget (''OMB'') number is not displayed; the OMB number is 3117 0016/USITC No. 26–5–691, expiration date June 30, 2026. Public reporting burden for the request is estimated to average 15 hours per response. Please send comments regarding the accuracy of this burden estimate to the Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436.

Inability to provide requested information.—Pursuant to § 207.61(c) of the Commission's rules, any interested party that cannot furnish the information requested by this notice in the requested form and manner shall notify the Commission at the earliest possible time, provide a full explanation of why it cannot provide the requested information, and indicate alternative forms in which it can provide equivalent information. If an interested party does not provide this notification (or the Commission finds the explanation provided in the notification inadequate) and fails to provide a complete response to this notice, the Commission may take an adverse inference against the party pursuant to § 776(b) of the Act (19 U.S.C. 1677e(b)) in making its determinations in the reviews.

Information to be provided in response to this notice of institution: If you are a domestic producer, union/worker group, or trade/business association; import/export *Subject Merchandise* from more than one *Subject Country;* or produce *Subject Merchandise* in more than one *Subject Country,* you may file a single response. If you do so, please ensure that your response to each question includes the information requested for each pertinent *Subject Country.* As used below, the term ''firm'' includes any related firms.

Those responding to this notice of institution are encouraged, but not required, to visit the USITC's website at *https://usitc.gov/reports/response_noi_worksheet,* where one can download and complete the ''NOI worksheet'' Excel form for the subject proceeding, to be included as attachment/exhibit 1 of your overall response.

(1) The name and address of your firm or entity (including World Wide Web address) and name, telephone number, fax number, and email address of the certifying official.

(2) A statement indicating whether your firm/entity is an interested party under 19 U.S.C. 1677(9) and if so, how, including whether your firm/entity is a U.S. producer of the *Domestic Like Product,* a U.S. union or worker group, a U.S. importer of the *Subject Merchandise*, a foreign producer or exporter of the *Subject Merchandise*, a U.S. or foreign trade or business association (a majority of whose members are interested parties under the statute), or another interested party (including an explanation). If you are a union/worker group or trade/business association, identify the firms in which

your workers are employed or which are members of your association.

(3) A statement indicating whether your firm/entity is willing to participate in this proceeding by providing information requested by the Commission.

(4) A statement of the likely effects of the revocation of the antidumping duty order concerning China and the termination of the suspended investigations concerning Russia and Ukraine on the *Domestic Industry* in general and/or your firm/entity specifically. In your response, please discuss the various factors specified in section 752(a) of the Act (19 U.S.C. 1675a(a)) including the likely volume of subject imports, likely price effects of subject imports, and likely impact of imports of *Subject Merchandise* on the *Domestic Industry*.

(5) A list of all known and currently operating U.S. producers of the *Domestic Like Product*. Identify any known related parties and the nature of the relationship as defined in § 771(4)(B) of the Act (19 U.S.C. 1677(4)(B)).

(6) A list of all known and currently operating U.S. importers of the *Subject Merchandise* and producers of the *Subject Merchandise* in each *Subject Country* that currently export or have exported *Subject Merchandise* to the United States or other countries after 2019.

(7) A list of 3–5 leading purchasers in the U.S. market for the *Domestic Like Product* and the *Subject Merchandise* (including street address, World Wide Web address, and the name, telephone number, fax number, and Email address of a responsible official at each firm).

(8) A list of known sources of information on national or regional prices for the *Domestic Like Product* or the *Subject Merchandise* in the U.S. or other markets.

(9) If you are a U.S. producer of the *Domestic Like Product,* provide the following information on your firm's operations on that product during calendar year 2025, except as noted (report quantity data in short tons and value data in U.S. dollars, f.o.b. plant). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total U.S. production of the *Domestic Like Product* accounted for by your firm's(s') production;

(b) Capacity (quantity) of your firm to produce the *Domestic Like Product* (that is, the level of production that your establishment(s) could reasonably have expected to attain during the year, assuming normal operating conditions (using equipment and machinery in place and ready to operate), normal operating levels (hours per week/weeks per year), time for downtime, maintenance, repair, and cleanup, and a typical or representative product mix);

(c) the quantity and value of U.S. commercial shipments of the *Domestic Like Product* produced in your U.S. plant(s);

(d) the quantity and value of U.S. internal consumption/company transfers of the *Domestic Like Product* produced in your U.S. plant(s); and

(e) the value of (i) net sales, (ii) cost of goods sold (COGS), (iii) gross profit, (iv) selling, general and administrative (SG&A) expenses, and (v) operating income of the *Domestic Like Product* produced in your U.S. plant(s) (include both U.S. and export commercial sales, internal consumption, and company transfers) for your most recently completed fiscal year (identify the date on which your fiscal year ends).

(10) If you are a U.S. importer or a trade/business association of U.S. importers of the *Subject Merchandise* from any *Subject Country,* provide the following information on your firm's(s') operations on that product during calendar year 2025 (report quantity data in short tons and value data in U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) The quantity and value (landed, duty-paid but not including antidumping duties) of U.S. imports and, if known, an estimate of the percentage of total U.S. imports of *Subject Merchandise* from each *Subject Country* accounted for by your firm's(s') imports;

(b) the quantity and value (f.o.b. U.S. port, including antidumping duties) of U.S. commercial shipments of *Subject Merchandise* imported from each *Subject Country;* and

(c) the quantity and value (f.o.b. U.S. port, including antidumping duties) of U.S. internal consumption/company transfers of *Subject Merchandise* imported from each *Subject Country.*

(11) If you are a producer, an exporter, or a trade/business association of producers or exporters of the *Subject Merchandise* in any *Subject Country*, provide the following information on your firm's(s') operations on that product during calendar year 2025 (report quantity data in short tons and value data in U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping duties). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total production of *Subject Merchandise* in each *Subject Country* accounted for by your firm's(s') production;

(b) Capacity (quantity) of your firm(s) to produce the *Subject Merchandise* in each *Subject Country* (that is, the level of production that your establishment(s) could reasonably have expected to attain during the year, assuming normal operating conditions (using equipment and machinery in place and ready to operate), normal operating levels (hours per week/weeks per year), time for downtime, maintenance, repair, and cleanup, and a typical or representative product mix); and

(c) the quantity and value of your firm's(s') exports to the United States of *Subject Merchandise* and, if known, an estimate of the percentage of total exports to the United States of *Subject Merchandise* from each *Subject Country* accounted for by your firm's(s') exports.

(12) Identify significant changes, if any, in the supply and demand conditions or business cycle for the *Domestic Like Product* that have occurred in the United States or in the market for the *Subject Merchandise* in each *Subject Country* after 2019, and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology; production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the *Domestic Like Product* produced in the United States, *Subject Merchandise* produced in each *Subject Country*, and such merchandise from other countries.

(13) (OPTIONAL) A statement of whether you agree with the above definitions of the *Domestic Like Product* and *Domestic Industry*; if you disagree with either or both of these definitions, please explain why and provide alternative definitions.

Authority: This proceeding is being conducted under authority of title VII of

the Tariff Act of 1930; this notice is published pursuant to § 207.61 of the Commission's rules.

By order of the Commission.

Issued: May 26, 2026.

Lisa Barton,

Secretary to the Commission.

[FR Doc. 2026–10914 Filed 5–29–26; 8:45 am]

BILLING CODE 7020–02–P

DEPARTMENT OF LABOR

Mine Safety and Health Administration

[OMB Control No. 1219–0034]

Proposed Extension of Information Collection: Records of Tests and Examinations of Personnel Hoisting Equipment

AGENCY: Mine Safety and Health Administration, Labor.

ACTION: Request for public comments.

SUMMARY: The Department of Labor (DOL), as part of its continuing effort to reduce paperwork and respondent burden, conducts a pre-clearance consultation program for all information collections, to provide the public and Federal agencies with an opportunity to comment on proposed collections of information, in accordance with the Paperwork Reduction Act of 1995. This program helps to ensure that requested data can be provided in the desired format, reporting burden (time and financial resources) is minimized, collection instruments are clearly understood, and the impact of collection requirements on respondents can be properly assessed. The Mine Safety and Health Administration (MSHA) is soliciting comments on the information collection titled ''Records of Tests and Examinations of Personnel Hoisting Equipment.''

DATES: All comments must be received on or before July 31, 2026.

ADDRESSES: Comments concerning the information collection requirements of this notice may be sent by any of the methods listed below. Please note that comments received after the deadline will not be considered.

- *Federal E-Rulemaking Portal: https://www.regulations.gov.* Follow the instructions for submitting comments for docket number MSHA–2026–0166.
- *Mail/Hand Delivery:* DOL–MSHA, Office of Standards, Regulations, and Variances, 200 Constitution Avenue NW, Room C3522, Washington, DC 20210. Before visiting MSHA in person, call 202–693–9440 to make an appointment.
- MSHA will post all comments as well as any attachments, except for information submitted and marked as confidential, in the docket at *https://www.regulations.gov.*

FOR FURTHER INFORMATION CONTACT: Jessica D. Senk, Acting Director, Office of Standards, Regulations, and Variances, MSHA, at *MSHA.information.collections@dol.gov* (email); (202) 693–9440 (voice); or (202) 693–9441 (facsimile). These are not toll-free numbers.

SUPPLEMENTARY INFORMATION:

I. Background

A. Legal Authority

Section 103(h) of the Federal Mine Safety and Health Act of 1977 (Mine Act), as amended, 30 U.S.C. 813(h), authorizes the Mine Safety and Health Administration (MSHA) to collect information necessary to carry out its duty in protecting the safety and health of miners. Further, section 101(a) of the Mine Act, 30 U.S.C. 811(a), authorizes the Secretary of Labor (Secretary) to develop, promulgate, and revise, as may be appropriate, improved mandatory health or safety standards for the protection of life and prevention of injuries in coal and metal and nonmetal (MNM) mines.

The Paperwork Reduction Act of 1995 (PRA, 44 U.S.C. 3501 *et seq.*) governs paperwork burdens imposed on the public by Federal agencies for using identical questions to collect information from 10 or more persons. The PRA defines paperwork burden in 44 U.S.C. 3502(2) as time, effort, or financial resources expended to generate, maintain, or provide information to or for a Federal agency. Under 44 U.S.C. 3507, the PRA also establishes policies and procedures of information collection for controlling paperwork burdens imposed by Federal agencies on the public, including evaluating public comments.

B. Information Collection

To fulfill its statutory mandate to promote miners' health and safety, MSHA requires information under the information collection request (ICR) titled ''Records of Tests and Examinations of Personnel Hoisting Equipment.'' The information collection is intended to ensure that hoist or shaft equipment and wire ropes are properly inspected, and unsafe conditions are identified early and corrected promptly.

Burden costs associated with this ICR include:

1. Initial measurements of wire ropes
2. Biweekly visual examinations of wire ropes
3. Semiannual tests and measurement of wire ropes
4. Daily examinations of personnel hoists
5. Tests of safety catches at underground coal mines

MSHA's mandatory standards for hoisting or shaft equipment including wire ropes covers all mines: surface MNM mines in 30 CFR part 56, underground MNM mines in part 57, underground coal mines in part 75, and surface coal mines in part 77, respectively.

The associated standards that authorize the collection of information are described below.

1. Initial Measurements of Wire Ropes

Under 30 CFR 56.19022, 57.19022, 75.1432, and 77.1432, after initial rope stretch but before visible wear occurs, the rope diameter of newly installed wire ropes shall be measured at least once in every third interval of active length and the measurements averaged to establish a baseline for subsequent measurements. A record of the measurements and the date shall be made by the person taking the measurements. This record shall be retained until the rope is retired from service.

2. Biweekly Visual Examinations of Wire Ropes

Under 30 CFR 56.19023(a), 57.19023(a), 75.1433(a), and 77.1433(a), at least once every fourteen calendar days, each wire rope in service shall be visually examined along its entire active length for visible structural damage, corrosion, and improper lubrication or dressing. In addition, visual examination for wear and broken wires shall be made at stress points, including the area near attachments, where the rope rests on sheaves, where the rope leaves the drum, at drum crossovers, and at change-of-layer regions. When any visible condition that results in a reduction of rope strength is present, the affected portion of the rope shall be examined on a daily basis.

Under 30 CFR 56.19023(b), 57.19023(b), 75.1433(b), and 77.1433(b), before any person is hoisted with a newly installed wire rope or any wire rope that has not been examined in the previous fourteen calendar days, the wire rope shall be examined in accordance with paragraph (a) of this section.

Under 30 CFR 56.19023(d), 57.19023(d), 75.1433(d), and 77.1433(d), at the completion of each examination required by paragraph (a) of this section, the person making the examination shall certify, by signature and date, that

the examination has been made. If any condition listed in paragraph (a) of this section is present, the person conducting the examination shall make a record of the condition and the date. Certifications and records of examinations shall be retained for one year.

3. Semiannual Tests and Measurements of Wire Ropes

Under 30 CFR 56.19023(c), 57.19023(c), 75.1433(c), and 77.1433(c), at least once every six months, nondestructive tests shall be conducted of the active length of the rope, or rope diameter measurements shall be made—

(a) Wherever wear is evident;

(b) Where the hoist rope rests on sheaves at regular stopping points;

(c) Where the hoist rope leaves the drum at regular stopping points; and

(d) At drum crossover and change-of-layer regions.

Under 30 CFR 56.19023(e), 57.19023(e), 75.1433(e), and 77.1433(e), the person making the measurements or nondestructive tests as required by paragraph (c) of this section shall record the measurements or test results and the date. This record shall be retained until the rope is retired from service.

4. Daily Examinations of Personnel Hoists

At underground coal mines, under 30 CFR 75.1400–3, hoists and elevators shall be examined daily and such examinations shall include, but not be limited to, the following:

(a) Elevators. A visual examination of the rope for wear, broken wires, and corrosion, especially at excessive strain points such as near the attachments and where the rope rests on sheaves; and

(b) Hoists and elevators.

(1) An examination of the rope fastenings for defects;

(2) An examination of safety catches;

(3) An examination of the cages, platforms, elevators, or other devices for loose, missing or defective parts;

(4) An examination of the head sheaves to check for broken flanges, defective bearings, rope alignment, and proper lubrication; and

(5) An observation of the lining and all other equipment and appurtenances installed in the shaft.

At surface coal mines and surface work areas of underground coal mines, under 30 CFR 77.1403, hoists and elevators shall be examined daily and such examinations shall include, but not be limited to, the following:

(a) Elevators.

(1) A visual examination of the ropes for wear, broken wires, and corrosion, especially at excessive strain points such as near the attachments and where the rope rests on the sheaves; and

(2) An examination of the elevator for loose, missing or defective parts.

(b) Hoists and elevators.

(1) An examination of the rope fastenings for defects;

(2) An examination of sheaves for broken flanges, defective bearings, rope alignment, and proper lubrication; and

(3) An examination of the automatic controls and brakes required under 30 CFR 77.1401.

At surface coal mines and surface work areas of underground coal mines, under 30 CFR 77.1906:

(a) Hoists used to transport persons shall be inspected daily. The inspection shall include examination of the headgear (headframe, sheave wheels, etc.), connections, links and chains, and other facilities.

(b) Prior to each working shift, and before a hoist is returned to service after it has been out of normal service for any reason, the hoist shall be run by the hoist operator through one complete cycle of operation before any person is permitted to be transported.

Under 30 CFR 75.1400–4, 77.1404, and 77.1906(c), at the completion of each required daily examination, the person making the examination shall certify, by signature and date, that the examination has been made. If any unsafe condition is found during the examinations, the person conducting the examination shall make a record of the condition and the date. Certifications and records shall be retained for one year.

Under 30 CFR 56.19121 and 57.19121, at the time of completion, the person performing inspections, tests, and maintenance of hoisting equipment required in standard 56.19120 and 57.19120 shall certify, by signature and date, that they have been done. A record of any part that is not functioning properly shall be made and dated. Certifications and records shall be retained for one year.

5. Tests of Safety Catches at Underground Coal Mines

At underground coal mines, under 30 CFR 75.1400(c), cages, platforms, or other devices used to transport persons in shafts and slopes shall be equipped with safety catches or other no less effective devices approved by the Secretary that act quickly and effectively in an emergency. Such catches or devices shall be tested at least once every two months.

Under 30 CFR 75.1400–2, a record shall be made in a book of the tests required by 30 CFR 75.1400, of the safety catches or other devices approved by the Secretary. Each entry shall be signed by the person making the tests and countersigned by a responsible official.

II. Desired Focus of Comments

MSHA is soliciting comments concerning the proposed information collection titled ''Records of Tests and Examinations of Personnel Hoisting Equipment.'' MSHA is particularly interested in comments that:

- Evaluate whether the collection of information is necessary for the proper performance of the functions of the Agency, including whether the information has practical utility;
- Evaluate the accuracy of MSHA's estimate of the burden of the collection of information, including the validity of the methodology and assumptions used;
- Suggest methods to enhance the quality, utility, and clarity of the information to be collected; and
- Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.,* permitting electronic submission of responses.

The ICR is available on *https://www.regulations.gov.* MSHA cautions commenters against providing any information in the submission that should not be publicly disclosed. Full comments, including personal information provided, will be made available on *https://www.regulations.gov* and *https://www.reginfo.gov.*

The public may also examine publicly available documents at DOL–MSHA, Office of Standards, Regulations and Variances, 200 Constitution Avenue NW, Room C3522, Washington, DC 20210. Before visiting MSHA in person, call 202–693–9440 to make an appointment.

Questions about the information collection requirements may be directed to the person listed in the **FOR FURTHER INFORMATION CONTACT** section of this notice.

III. Current Actions

This ICR concerns provisions for Records of Tests and Examinations of Personnel Hoisting Equipment. MSHA has updated the data with respect to the number of respondents, responses, time burden, and burden costs supporting this ICR from the previous ICR.

Type of Review: Extension, without change, of a currently approved collection.

Agency: Mine Safety and Health Administration.
OMB Number: 1219–0034.
Affected Public: Business or other for-profit entity.
Number of Annual Respondents: 393.
Frequency: On occasion.
Number of Annual Responses: 105,563.
Annual Time Burden: 8,916 hours.
Annual Recordkeeping Costs: $348,920.

Comments submitted in response to this notice will be summarized and included in the request for Office of Management and Budget approval of the proposed ICR; they will become a matter of public record and be available at *https://www.reginfo.gov.*

Jessica D. Senk,

Certifying Officer, Mine Safety and Health Administration.

[FR Doc. 2026–10858 Filed 5–29–26; 8:45 am]

BILLING CODE 4520–43–P

DEPARTMENT OF LABOR

Mine Safety and Health Administration

[OMB Control No. 1219–0042]

Proposed Extension of Information Collection: Representative of Miners, Notification of Legal Identity, and Notification of Commencement of Operations and Closing of Mines

AGENCY: Mine Safety and Health Administration, Labor.

ACTION: Request for public comments.

SUMMARY: The Department of Labor (DOL), as part of its continuing effort to reduce paperwork and respondent burden, conducts a pre-clearance consultation program for all information collections, to provide the public and Federal agencies with an opportunity to comment on proposed collections of information, in accordance with the Paperwork Reduction Act of 1995. This program helps to ensure that requested data can be provided in the desired format, reporting burden (time and financial resources) is minimized, collection instruments are clearly understood, and the impact of collection requirements on respondents can be properly assessed. The Mine Safety and Health Administration (MSHA) is soliciting comments on the information collection titled ''Representative of Miners, Notification of Legal Identity, and Notification of Commencement of Operations and Closing of Mines.''

DATES: All comments must be received on or before July 31, 2026.

ADDRESSES: Comments concerning the information collection requirements of this notice may be sent by any of the methods listed below. Please note that comments received after the deadline will not be considered.

- *Federal E-Rulemaking Portal: https://www.regulations.gov.* Follow the instructions for submitting comments for docket number MSHA–2026–0265.
- *Mail/Hand Delivery:* DOL–MSHA, Office of Standards, Regulations, and Variances, 200 Constitution Avenue NW, Room C3522, Washington, DC 20210. Before visiting MSHA in person, call 202–693–9440 to make an appointment.
- MSHA will post all comments as well as any attachments, except for information submitted and marked as confidential, in the docket at *https://www.regulations.gov.*

FOR FURTHER INFORMATION CONTACT: Jessica D. Senk, Acting Director, Office of Standards, Regulations, and Variances, MSHA, at *MSHA.information.collections@dol.gov* (email); (202) 693–9440 (voice); or (202) 693–9441 (facsimile). These are not toll-free numbers.

SUPPLEMENTARY INFORMATION:

I. Background

A. Legal Authority

Section 103(h) of the Federal Mine Safety and Health Act of 1977 (Mine Act), as amended, 30 U.S.C. 813(h), authorizes the Mine Safety and Health Administration (MSHA) to collect information necessary to carry out its duty in protecting the safety and health of miners. Further, section 101(a) of the Mine Act, 30 U.S.C. 811(a), authorizes the Secretary of Labor (Secretary) to develop, promulgate, and revise, as may be appropriate, improved mandatory health or safety standards for the protection of life and prevention of injuries in coal and metal and nonmetal (MNM) mines.

The Paperwork Reduction Act of 1995 (PRA, 44 U.S.C. 3501 *et seq.*) governs paperwork burdens imposed on the public by Federal agencies for using identical questions to collect information from 10 or more persons. The PRA defines paperwork burden in 44 U.S.C. 3502(2) as time, effort, or financial resources expended to generate, maintain, or provide information to or for a Federal agency. Under 44 U.S.C. 3507, the PRA also establishes policies and procedures of information collection for controlling paperwork burdens imposed by Federal agencies on the public, including evaluating public comments.

B. Information Collection

To fulfill its statutory mandate to promote miners' health and safety, MSHA requires information under the information collection request (ICR) titled ''Representative of Miners, Notification of Legal Identity, and Notification of Commencement of Operations and Closing of Mines.'' This information collection is intended to ensure the identification of the representative of miners are shared with both operators and miners; identification of the persons charged with violating mandatory safety and health standards and in the assessment of civil penalties for those violations; assigning a unique mine identification number; and proper notification of commencement of operations and closure of MNM mines.

Burden costs associated with this ICR include:

1. Representative of Miners Designation Forms, MSHA Form 2000–238 (30 CFR 40.2 through 40.5)
2. Legal Identity Reports, MSHA Form 2000–7 (30 CFR 41.10 through 41.20)
3. Mine Operator Identification Requests, MSHA Form 7000–51 (30 CFR 41.10 through 41.20)
4. Notifications of commencing and closing of MNM mines (30 CFR 56.1000 and 57.1000)

The associated standards that authorize the collection of information are described below.

1. *Representative of Miners Designation Forms, MSHA Form 2000–238 (30 CFR 40.2 Through 40.5)*

Section 103(f) and (g) of the Mine Act, 30 U.S.C. 813(f) and (g), establishes miners' rights that may be exercised through a representative. 30 CFR 40 defines what is meant by ''representative of miners'', a term that is not defined in the Mine Act, and describes the filing procedures to identify a person or organization as a representative of miners by the Secretary.

Under 30 CFR 40.2, a representative of miners shall file with the MSHA District Manager for the district in which the mine is located the information required by 30 CFR 40.3. (MSHA collects the information using MSHA Form 2000–238, Representative of Miners Designation Form). Concurrently, a copy of this information shall be provided to the operator of the mine by the representative of miners. Miners or their representative organization may appoint or designate different persons to represent them under various sections of the [Mine] act relating to representatives of miners. All

information filed pursuant to this part shall be maintained by the appropriate MSHA District Office and shall be made available for public inspection.

Under 30 CFR 40.3(a), the information must be filed by the representative of miners with the appropriate MSHA District Manager, with copies to the operators of the affected mines. This information shall be filed and kept current in accordance with 30 CFR 40.3(a)(1) through 40.3(a)(7).

Under 30 CFR 40.3(b), The representative of miners shall be responsible for ensuring that the appropriate District Manager and operator have received all of the information required by this part and informing such District Manager and operator of any subsequent changes in the information.

Under 30 CFR 40.4, a copy of the information provided to the operator pursuant to 30 CFR 40.3 shall be posted upon receipt by the operator on the mine bulletin board and maintained in a current status.

Under 30 CFR 40.5(a), a representative of miners who becomes unable to comply with the requirements of part 40 shall file a statement with the appropriate MSHA District Manager terminating his or her designation.

Under 30 CFR 40.5(b), MSHA shall terminate and remove from its files all designations of representatives of miners which have been terminated pursuant to 30 CFR 40.5(a) or which are not in compliance with the requirements of this part. MSHA shall notify the mine operator of such termination.

2. Legal Identity Reports, MSHA Form (30 CFR 41.1 Through 41.20)

Section 109(d) of the Mine Act, 30 U.S.C. 819(d), requires each operator of a coal or other mine to file with the Secretary, the name and address of such mine, the name and address of the person who controls or operates the mine, and any revisions in such names and addresses.

Section 103(h) of the Mine Act, 30 U.S.C. 813(h), requires the operator of a coal or other mine to establish and maintain records, make reports, and provide information, as the Secretary may reasonably require from time to time to enable him to perform his functions under the [Mine] act. The regulations in 30 CFR 41 Subpart B provide for the notification to MSHA of the legal identity of the operator of a coal or other mine and the reporting of all changes in the legal identity of the operator as they occur. The submission of a properly completed Legal Identity Report Form No. 2000–7 required under 30 CFR 41 Subpart C will constitute adequate notification of legal identity to MSHA.

Under 30 CFR 41.11(a), not later than 30 days after (1) the effective date of this part, and (2) the opening of a new mine thereafter, the operator of a coal or other mine shall, in writing, notify the appropriate district manager of MSHA in the district in which the mine is located of the legal identity of the operator in accordance with the applicable provisions of paragraph (b), (c), (d), or (e) of this section 41.11.

Under 30 CFR 41.12, within 30 days after the occurrence of any change in the information required by section 41.11, the operator of a coal or other mine shall, in writing, notify the appropriate district manager of MSHA in the district in which the mine is located of such change.

Under 30 CFR 41.13, failure of the operator to notify MSHA, in writing, of the legal identity of the operator or any changes thereof within the time required under this part will be considered to be a violation of section 109(d) of the [Mine] Act and shall be subject to penalties as provided in section 110 of the [Mine] Act.

Under 30 CFR 41.20, each operator of a coal or other mine shall file notification of legal identity and every change thereof with the appropriate district manager of MSHA by properly completing, mailing, or otherwise delivering form 2000–7 ''legal identity report'' which shall be provided by MSHA for this purpose. If additional space is required, the operator may use a separate sheet or sheets.

3. *Mine Operator Identification Requests, MSHA Form 7000–51 (30 CFR 41.1 through 41.20)*

Additionally, MSHA Form 7000–51, Mine Operator Identification Request is used to allow mine operators to request an MSHA mine identification number for each mine. Mine operators request mine identification numbers prior to completing and submitting the required Legal Identity Report MSHA Form 2000–7. MSHA requires Form 7000–51 to be submitted electronically, facilitating this legal identity reporting process.

4. *Notification of Commencing and Closing MNM Mines (30 CFR 56.1000 and 57.1000)*

Under 30 CFR 56.1000 (Surface) and 57.1000 (Underground), the owner, operator, or person in charge of any MNM mine shall notify the nearest MSHA district office before starting operations, of the approximate or actual date mine operation will commence. The notification shall include the mine name, location, the company name, mailing address, person in charge, and whether operations will be continuous or intermittent. When any mine is closed, the person in charge shall notify the nearest district office as provided above and indicate whether the closure is temporary or permanent.

II. Desired Focus of Comments

MSHA is soliciting comments concerning the proposed information collection titled ''Representative of Miners, Notification of Legal Identity, and Notification of Commencement of Operations and Closing of Mines.'' MSHA is particularly interested in comments that:

- Evaluate whether the collection of information is necessary for the proper performance of the functions of the Agency, including whether the information has practical utility;
- Evaluate the accuracy of MSHA's estimate of the burden of the collection of information, including the validity of the methodology and assumptions used;
- Suggest methods to enhance the quality, utility, and clarity of the information to be collected; and
- Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, *e.g.,* permitting electronic submission of responses.

The ICR is available on *https://www.regulations.gov.* MSHA cautions commenters against providing any information in the submission that should not be publicly disclosed. Full comments, including personal information provided, will be made available on *https://www.regulations.gov* and *https://www.reginfo.gov.*

The public may also examine publicly available documents at DOL–MSHA, Office of Standards, Regulations and Variances, 200 Constitution Avenue NW, Room C3522, Washington, DC 20210. Before visiting MSHA in person, call 202–693–9440 to make an appointment.

Questions about the information collection requirements may be directed to the person listed in the **FOR FURTHER INFORMATION CONTACT** section of this notice.

III. Current Actions

This ICR concerns provisions for Representative of Miners, Notification of Legal Identity, and Notification of Commencement of Operations and

Closing of Mines. MSHA has updated the data with respect to the number of respondents, responses, time burden, and burden costs supporting this ICR from the previous ICR.

Type of Review: Extension, without change, of a currently approved collection.

Agency: Mine Safety and Health Administration.

OMB Control Number: 1219–0042.

Affected Public: Business or other for-profit entity.

Number of Annual Respondents: 9,522.

Frequency: On occasion.

Number of Annual Responses: 9,522.

Annual Time Burden: 1,717 hours.

Annual Recordkeeping Costs: $790.

MSHA Forms: MSHA Form 2000–238, Representative of Miners Designation Form;

MSHA Form 2000–7, Legal Identity Report;

MSHA Form 7000–51, Mine Operator Identification Request.

Comments submitted in response to this notice will be summarized and included in the request for Office of Management and Budget approval of the proposed ICR; they will become a matter of public record and be available at *https://www.reginfo.gov.*

Jessica D. Senk,

Certifying Officer, Mine Safety and Health Administration.

[FR Doc. 2026–10859 Filed 5–29–26; 8:45 am]

BILLING CODE 4520–43–P

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

[NARA–2026–019]

Agency Information Collection Activities: Proposed Collection; Comment Request

AGENCY: National Archives and Records Administration (NARA).

ACTION: Notice.

SUMMARY: NARA is proposing to request that the Office of Management and Budget (OMB) renew two information collections. The first renewal information collection is prepared by companies and organizations that wish to digitize archival holdings with privately-owned equipment. The second renewal information collection is used when veterans, dependents, and other authorized individuals request information from or copies of documents in military personnel, military medical, and dependent medical records. We invite you to comment on this proposed information collection.

DATES: We must receive written comments on or before July 31, 2026.

ADDRESSES: Send comments to Paperwork Reduction Act Comments (MC); National Archives and Records Administration; 8601 Adelphi Road Room 4100; College Park, MD 20740–6001 or email comments to *forms@nara.gov.*

FOR FURTHER INFORMATION CONTACT: Contact Kristin Phillips by telephone at 616–254–0405 with requests for additional information or copies of the proposed information collection and supporting statement.

SUPPLEMENTARY INFORMATION: Pursuant to the Paperwork Reduction Act of 1995 (Pub. L. 104–13), we invite the public and other Federal agencies to comment on proposed information collections. The comments and suggestions should address one or more of the following points: (a) whether we need the proposed information collection to properly perform our agency functions; (b) our estimate of the burden of the proposed information collection and its accuracy; (c) ways we could enhance the quality, utility, and clarity of the information we collect; (d) ways we could minimize the burden on respondents of collecting the information, including through information technology; and (e) whether this collection affects small businesses. We will summarize any comments you submit and include the summary in our request for OMB approval. All comments will become a matter of public record.

In this notice, we solicit comments concerning the following information collections:

1. *Title:* Request to Digitize Records.

OMB number: 3095–0017.

Agency form number: None.

Type of review: Regular.

Affected public: Companies and organizations that wish to digitize archival holdings in the National Archives of the United States or a Presidential library for micropublication.

Estimated number of respondents: 10.

Estimated time per response: 5 hours.

Frequency of response: On occasion (when respondent wishes to request permission to digitize records).

Estimated total annual burden hours: 50.

Abstract: The information collection is prescribed by 36 CFR 1254.92. The collection is prepared by companies and organizations that wish to digitize archival holdings with privately-owned equipment. NARA uses the information to determine whether the request meets the criteria in 36 CFR 1254.100, to evaluate the records for digitization, and to schedule use of the limited space available for digitizing.

2. *Title:* Forms Relating to Military Service Records.

OMB number: 3095–0039.

Agency form number: NA Forms 13036, 13042, 13055, 13075, and 13177.

Type of review: Regular.

Affected public: Veterans, their authorized representatives, state and local governments, and businesses.

Estimated number of respondents: 79,800.

Estimated time per response: 5 minutes.

Frequency of response: On occasion (when respondent wishes to request information from a military personnel, military medical, and dependent medical record).

Estimated total annual burden hours: 6,650 hours.

Abstract: In accordance with rules issued by the Department of Defense (DOD) and the Department of Homeland Security (DHS, U.S. Coast Guard), the National Personnel Records Center (NPRC) of the National Archives and Records Administration (NARA) administers military personnel and medical records of veterans after discharge, retirement, and death. In addition, NPRC administers the medical records of dependents of service personnel. When veterans, dependents, and other authorized individuals request information from or copies of documents in military personnel, military medical, and dependent medical records, they must provide on forms or in letters certain information about the veteran and the nature of the request. A major fire at the NPRC on July 12, 1973, destroyed numerous military records. If individuals' requests involve records or information from records that may have been lost in the fire, requesters may be asked to complete NA Form 13075, Questionnaire about Military Service, or NA Form 13055, Request for Information Needed to Reconstruct Medical Data, so that NPRC staff can search alternative sources to reconstruct the requested information. Requesters who ask for medical records of dependents of service personnel and hospitalization records of military personnel are asked to complete NA Form 13042, Request for Information Needed to Locate Medical Records, so that NPRC staff can locate the desired records. Certain types of information contained in military personnel and medical records are restricted from disclosure unless the veteran provides a more specific release authorization than is normally required. Veterans are asked

to complete NA Form 13036, Authorization for Release of Military Medical Patient Records, to authorize release to a third party of a restricted type of information found in the desired record. For those who have already made a request, and want to check the status, they can use NA Form 13177, Check the Status of a Clinical & Medical Treatment Records Request.

Gulam Shakir,

Executive for Information Services/CIO.

[FR Doc. 2026–10901 Filed 5–29–26; 8:45 am]

BILLING CODE 7515–01–P

NATIONAL SCIENCE FOUNDATION

Agency Information Collection Activities: Comment Request; Grantee Reporting Requirements for the Industry-University Cooperative Research Centers (IUCRC) Program

AGENCY: National Science Foundation.

ACTION: Submission for OMB review; comment request.

SUMMARY: The National Science Foundation (NSF) has submitted the following request for revision of the approved collection of research and development data in accordance with the Paperwork Reduction Act of 1995. This is the second notice for public comment; the first was published in the **Federal Register** and no comments were received. NSF is forwarding the proposed renewal submission to the Office of Management and Budget (OMB) for clearance simultaneously with the publication of this second notice.

DATES: 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: Suzanne H. Plimpton, Reports Clearance Officer, National Science Foundation, 401 Dulany Street, Alexandria, VA 22314; or send email to *splimpto@nsf.gov.* Individuals who use a telecommunications device for the deaf (TDD) may call the Federal Information Relay Service (FIRS) at 1–800–877–8339, which is accessible 24 hours a day, 7 days a week, 365 days a year (including federal holidays).

SUPPLEMENTARY INFORMATION: NSF may not conduct or sponsor a collection of information unless the collection of information displays a currently valid OMB control number and the agency informs potential persons who are to respond to the collection of information that such persons are not required to respond to the collection of information unless it displays a currently valid OMB control number.

Title of Collection: Grantee Reporting Requirements for the Industry-University Cooperative Research Centers (IUCRC) Program

OMB Number: 3145–0088.

Type of Request: Revision to and extension of approval of an information collection.

Proposed Project

The IUCRC program provides a structure for academic researchers to conduct fundamental, pre-competitive research of shared interest to industry and government organizations. These organizations pay membership fees to a consortium so that they can collectively envision and fund research, with at least 90% of Member funds allocated to the direct costs of these shared research projects.

IUCRCs are formed around research areas of strategic interest to U.S. industry. Industry is defined very broadly to include companies (large and small), startups and non-profit organizations. Principal Investigators form a Center around emerging research topics of current research interest, in a pre-competitive space but with clear pathways to applied research and commercial development. Industry partners join at inception, as an existing Center grows, or they inspire the creation of a new Center by recruiting university partners to leverage NSF support. Government agencies participate in IUCRCs as Members or by partnering directly with NSF at the strategic level.

Universities, academic researchers, and students benefit from IUCRC participation through the research funding, the establishment and growth of industry partnerships, and educational and career placement opportunities for students. Industry Members benefit by accessing knowledge, facilities, equipment, and intellectual property in a highly cost-efficient model; leveraging Center research outcomes in their future proprietary projects; interacting in an informal, collaborative way with other private sector and government entities with shared interests; and identifying and recruiting talent. NSF provides funding to support Center administrative costs and a governance framework to manage membership, operations, and evaluation.

Sites within Centers will be required to provide data to NSF and/or its authorized representatives (contractors and/or grantees) annually—after the award expires for their fiscal year of activity—for the life of the Phase I, and if applicable, Phase II, and Phase III award(s).

Information collected are both quantitative and descriptive; they will provide managing Program Directors a means to monitor the operational and financial states of the Centers and ensure that the award is in good standing. These data will also allow NSF to assess the Centers in terms of intellectual, broader, and commercial impacts that are core to our review criteria. Finally, in compliance with the Evidence Act of 2019, information collected will be used in satisfying congressional requests, and supporting the agency's policymaking and reporting needs.

In addition to the agency's annual report requirement, Principal Investigators (IUCRC Center and Site Directors) of the awards are required to provide the following information:

Center-Related Information:

- Center Data Reporting
  - A comprehensive annual survey collecting information on structure, funding, membership, personnel, and outcomes of the Center during a given reporting period. A Center must submit data for each fiscal year no later than September 30 of each year of operation, as well as after the award expires to describe its final year of activity.

Certification of Membership

- A list of members and membership fees collected by the Center and certified by the respective university's Sponsored Research Office (SRO), Total Program Income collected during the reporting period, In-kind Contributions during the reporting period, Allocation and Expenditures of each Site's research funds by project

Site Research Projects Summary

- A list all projects in which the Site participated, including each project's goals; research tasks; key milestones, metrics/deliverables; developing results or outcomes; project budgets; and personnel.

- Assessment Coordinator Report
  - An independent assessment of the annual Center activities (this report is done by an independent evaluator, and uploaded by the Principal Investigator as part of the NSF annual reporting requirement).

Logistical Information:

- IUCRC Directory
  - IUCRCs must provide accurate and current information for the online IUCRC directory (*https://iucrc.nsf.gov/*

centers/?uni=&sta=&prifoc=&prifoc=1&foc=).. The IUCRC program helps awardees to get their information updated on the website.

Optional:

• IUCRC Impact Stories for Public Distribution

IUCRCs are highly encouraged to submit information on their emerging research highlights and significant breakthrough stories to NSF to showcase their impact to the public and industry (see *https://iucrc.nsf.gov/centers/achievements/*) including new products, technology creation and/or enhancements, intellectual property of significant commercial relevance, and major improvements in cost-savings, efficiency, sustainability, productivity, and job growth.

Not only do these data provide valuable information on program activities, products, outcomes, and impact, they also help to paint a detailed longitudinal view of the program, provide insights for benchmarking individual Center performance, advancing industry-university engagement approaches, strengthening future workforce, and contribute to the Nation's research and technology ecosystem.

Use of the Information: The information collected is for internal use by NSF, sharing with the U.S. public, congressional requests, and for securing future funding for continued IUCRC program maintenance and growth. Survey data is collected and published at *https://iucrcstats.org,* made possible through NSF grant award 1732084.

Estimate Burden on the Public: Estimated at 1.5 hours per award for 250 sites and one hour per 80 Centers for a total of 330 respondents and 455 hours per year.

Respondents: IUCRC Awardees (Academic Institutions).

Estimated Number of Respondents: One from each IUCRC site (estimated: 225 active sites/year).

Comments: Comments are invited on (a) whether the proposed collection of information is necessary for the proper performance of the functions of the Agency, including whether the information shall have practical utility; (b) the accuracy of the Agency's estimate of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information on respondents, including through the use of automated collection techniques or other forms of information technology; and (d) ways 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.

Dated: May 28, 2026.

Suzanne H. Plimpton,

Reports Clearance Officer, National Science Foundation.

[FR Doc. 2026–10860 Filed 5–29–26; 8:45 am]

BILLING CODE 7555–01–P

NUCLEAR REGULATORY COMMISSION

[Docket Nos. 50–321 and 50–366; NRC–2026–1981]

Southern Nuclear Operating Company, Inc.; Edwin I. Hatch Nuclear Plant, Units 1 and 2; Exemption

AGENCY: Nuclear Regulatory Commission.

ACTION: Notice; issuance.

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC) has issued an exemption from the regulation that would have required the application for subsequent renewal of Renewed Facility Operating License Nos. DPR–57 and NPF–5, which authorize Southern Nuclear Operating Company, Inc. to operate Edwin I. Hatch Nuclear Plant (Hatch), Units 1 and 2, respectively, to be referred to the Advisory Committee on Reactor Safeguards for a review and report, with any report being made part of the record of the application and made available to the public, except to the extent that security classification prevents disclosure. Due to this exemption, such referral, review, and report are no longer required.

DATES: The exemption was issued on May 26, 2026.

ADDRESSES: Please refer to Docket ID NRC–2026–1981 when contacting the NRC about the availability of information regarding this document. You may obtain publicly available information related to this document using any of the following methods:

• *Federal Rulemaking Website:* Go to *https://www.regulations.gov* and search for Docket ID NRC–2026–1981. Address questions about Docket IDs in *Regulations.gov* to Bridget Curran; telephone: 301–415–1003; email: *Bridget.Curran@nrc.gov.* For technical questions, contact the individual listed in the **FOR FURTHER INFORMATION CONTACT** section of this document.

• *NRC's Agencywide Documents Access and Management System (ADAMS):* You may obtain publicly available documents online in the ADAMS Public Documents collection at *https://www.nrc.gov/reading-rm/adams.html.* To begin the search, select ''Begin ADAMS Public Search.'' For problems with ADAMS, please contact the NRC's Public Document Room (PDR) reference staff at 1–800–397–4209, at 301–415–4737, or by email to *PDR.Resource@nrc.gov.*

• *NRC's PDR:* The PDR, where you may examine and order copies of publicly available documents, is open by appointment. To make an appointment to visit the PDR, please send an email to *PDR.Resource@nrc.gov* or call 1–800–397–4209 or 301–415–4737, between 8 a.m. and 4 p.m. eastern time (ET), Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Brian Harris, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, Washington, DC 20555–0001; telephone: 301–415–2277; email: *Brian.Harris2@nrc.gov.*

SUPPLEMENTARY INFORMATION: The text of the exemption is attached.

(Authority: 42 U.S.C. 2011 *et seq.*)

Dated: May 28, 2026.

For the Nuclear Regulatory Commission.

Brian Harris,

Project Manager, License Renewal Projects Branch, Division of New and Renewed Licenses, Office of Nuclear Reactor Regulation.

Attachment—Exemption

NUCLEAR REGULATORY COMMISSION

Docket Nos. 50–321 and 50–366

Southern Nuclear Operating Company, Inc.; Edwin I. Hatch Nuclear Plant, Units 1 and 2; Exemption

I. Background

Southern Nuclear Operating Company, Inc. (Southern, the licensee) is the holder of Renewed Facility Operating License Nos. DPR–57 and NPF–5 for Edwin I. Hatch Nuclear Plant (Hatch), Units 1 and 2, respectively. The licenses provide, among other things, that the licensee is subject to all rules, regulations, and orders of the U.S. Nuclear Regulatory Commission (NRC, the Commission) now or hereafter in effect. Hatch consists of two boiling-water reactors with licensed power levels of 2,804 megawatts thermal, and it is located in Appling County, Georgia.

On May 15, 2025, Southern submitted to the NRC an application for subsequent renewal of Renewed Facility Operating License Nos. DPR–57 and NPF–5 for Hatch, Units 1 and 2, respectively, pursuant to title 10 of the *Code of Federal Regulations* (10 CFR) Part 54, ''Requirements for Renewal of Operating Licenses for Nuclear Power

Plants,'' requesting subsequent renewal for a period of 20 years beyond the current renewed facility operating licenses' expiration dates of August 6, 2034, for Unit 1, and June 13, 2038, for Unit 2. A final NRC decision on this application is expected on or before June 13, 2026.

The regulations governing license renewal and that are applicable to the Hatch subsequent license renewal application include 10 CFR 54.25, ''Report of the Advisory Committee on Reactor Safeguards.'' This regulation states that ''[e]ach renewal application will be referred to the Advisory Committee on Reactor Safeguards for a review and report. Any report will be made part of the record of the application and made available to the public, except to the extent that security classification prevents disclosure.'' The December 13, 1991, rulemaking that promulgated 10 CFR 54.25 (Nuclear Power Plant License Renewal (56 FR 64943, 64966)) specifically noted that review by the Advisory Committee on Reactor Safeguards (ACRS) of license renewal applications was desirable but not required by statute.

On May 23, 2025, the President issued Executive Order (E.O.) 14300 (90 FR 22587), ''Ordering the Reform of the Nuclear Regulatory Commission.'' Section 4(b) of E.O. 14300 directs, in part, that ''[r]eview by ACRS of permitting and licensing issues shall focus on issues that are truly novel or noteworthy.''

In May 2026, the NRC issued ''Safety Evaluation Related to the Subsequent License Renewal of Edwin I. Hatch Nuclear Plant, Units 1 and 2'' (ML26131A234) documenting the NRC's safety review of the Hatch subsequent license renewal application. As part of this safety review, the NRC did not identify any issues that are ''truly novel or noteworthy.''

Pursuant to 10 CFR 54.15, ''Specific exemptions,'' exemptions from the requirements of 10 CFR part 54 may be granted by the Commission in accordance with 10 CFR 50.12, ''Specific exemptions.'' Pursuant to 10 CFR 50.12, the Commission may, upon application by any interested person or upon its own initiative, grant exemptions from its requirements when (1) the exemptions are authorized by law, will not present an undue risk to the public health and safety, and are consistent with the common defense and security and (2) special circumstances are present. Under 10 CFR 50.12(a)(2)(vi), special circumstances are present when there is present any material circumstance not considered when the regulation was adopted for which it would be in the public interest to grant an exemption. That regulation also provides that if this condition is relied on exclusively for satisfying the special circumstances requirement, then the exemption may not be granted until the Executive Director for Operations (EDO) has consulted with the Commission.

II. Action

Based on the direction in E.O. 14300, the regulatory history of 10 CFR 54.25, and the fact that the NRC's safety review of the Hatch subsequent license renewal application did not identify any issues that are ''truly novel or noteworthy,'' the NRC has determined that the granting of an exemption upon its own initiative, pursuant to 10 CFR 54.15 and 10 CFR 50.12, from the requirements of 10 CFR 54.25 with respect to the Hatch subsequent license renewal application would be warranted. Moreover, for the reasons explained below, the NRC has determined that the requirements of 10 CFR 54.15 and 10 CFR 50.12 are met. Therefore, an exemption from the requirements of 10 CFR 54.25 with respect to the Hatch subsequent license renewal application may be granted.

III. Discussion

As described in 10 CFR 1.13, ''Advisory Committee on Reactor Safeguards,'' the ACRS was established by the Atomic Energy Act of 1954, as amended (AEA). Among other things, the ACRS reviews and reports on safety studies and applications for construction permits and facility operating licenses and advises the Commission with regard to hazards of proposed or existing reactor facilities and the adequacy of proposed reactor safety standards. The ACRS also reviews any generic issues or other matters referred to it by the Commission for advice.

As previously stated, 10 CFR 54.25 requires that each renewal application be referred to the ACRS for a review and report. The rulemaking that promulgated this regulation (56 FR 64966) explained the regulation as follows:

Section 182.b of the AEA states:

The ACRS shall review each application under section 103 or section 104b. for a construction permit or an operating license for a facility, any application under section 104c. for a construction permit or an operating license for a testing facility, any application under section 104a. or c. specifically referred to it by the Commission, and any application for an amendment to a construction permit or an amendment to an operating license under section 103 or 104a., b., or c. specifically referred to it by the Commission. . . .

Section 182.b does not explicitly refer to applications for renewal of an operating license as requiring ACRS review. However, the Commission believes that review by the ACRS is desirable. Accordingly, [10 CFR] 54.25 of the final rule requires ACRS review of a license renewal application.

The Commission has not changed 10 CFR 54.25 since its promulgation. Further, no subsequent amendments of the AEA have set forth a requirement for the ACRS to review license renewal applications.

The Exemption Is Authorized by Law

The exemption would remove the requirement for the Hatch subsequent license renewal application to be referred to the ACRS for a review and report. As previously stated, 10 CFR 54.15 and 10 CFR 50.12 allow the NRC to grant exemptions from the requirements of 10 CFR part 54, including 10 CFR 54.25, when the exemptions are authorized by law. The requirement of 10 CFR 54.25 is not required by the AEA or any other law. As noted by the Commission (56 FR 64966), the AEA does not explicitly refer to applications for renewal of an operating license as requiring ACRS review. Therefore, the NRC finds that the exemption is authorized by law.

The Exemption Will Not Present an Undue Risk to the Public Health and Safety

The exemption would remove the requirement for the Hatch subsequent license renewal application to be referred to the ACRS for a review and report. As previously stated, 10 CFR 54.15 and 10 CFR 50.12 allow the NRC to grant exemptions from the requirements of 10 CFR part 54, including 10 CFR 54.25, when the exemptions will not present an undue risk to the public health and safety. The standards and criteria that must be met before the Commission issues renewed licenses would not be affected by an exemption from 10 CFR 54.25. That is, regardless of the ACRS review required under 10 CFR 54.25, the regulation at 10 CFR 54.29, ''Standards for issuance of a renewed license,'' would continue to set forth the safety criteria that must be met before renewed licenses may be issued. Moreover, the NRC staff, which has a robust process for reviewing applications for renewed licenses, has completed its detailed review of how the Hatch subsequent license renewal application addresses the standards in 10 CFR 54.29 (and other relevant

regulations). The results of the NRC staff's safety review are documented in its safety evaluation. The safety evaluation confirmed that all of the safety standards required for the issuance of Hatch subsequent renewed licenses have been met. Additionally, the safety evaluation did not identify any ''truly novel or noteworthy'' issues. On this basis, the NRC finds that the exemption presents no undue risk to the public health and safety.

The Exemption Is Consistent With the Common Defense and Security

The exemption would remove the requirement for the Hatch subsequent license renewal application to be referred to the ACRS for a review and report. As previously stated, 10 CFR 54.15 and 10 CFR 50.12 allow the NRC to grant exemptions from the requirements of 10 CFR part 54, including 10 CFR 54.25, when the exemptions are consistent with the common defense and security. The NRC staff has determined that the exemption does not impact the common defense and security because the common defense and security is not within the scope of license renewal reviews, which, instead, focus on the effects of aging on systems, structures, and components. When promulgating revisions to its license renewal rule in 1995 (60 FR 22461, 22463–64), the Commission re-affirmed its philosophy that the existing regulatory process is adequate to ensure that the licensing bases of all currently operating plants provide and maintain an acceptable level of safety so that operation will not be inimical to the public health and safety or common defense and security. Similarly, any ACRS review of a license renewal application would not relate to the issue of the common defense or security. Therefore, the NRC finds that the exemption is consistent with the common defense and security.

Special Circumstances Are Present

The exemption would remove the requirement for the Hatch subsequent license renewal application to be referred to the ACRS for a review and report. As previously stated, 10 CFR 54.15 and 10 CFR 50.12 allow the NRC to grant exemptions from the requirements of 10 CFR part 54, including 10 CFR 54.25, when special circumstances are present. One such special circumstance is that there is present any material circumstance not considered when the regulation was adopted for which it would be in the public interest to grant an exemption. The direction in E.O. 14300 to limit ACRS review to issues that are truly novel or noteworthy is a material circumstance and since it was issued in 2025, it was not considered when the NRC adopted 10 CFR 54.25 in 1991 and decided to broadly require all license renewal applications to be referred to the ACRS, even though such referrals are not required by the AEA. Additionally, following the direction of E.O. 14300 is in the public interest, which is served by not performing requirements, such as the referral of the Hatch subsequent license renewal application to the ACRS, that are unnecessary. The NRC staff has reviewed approximately 100 license renewal and 25 subsequent license renewal applications to date and as part of those reviews discussed and took appropriate action upon identifying any novel or noteworthy issues (*e.g.,* issues related to buried gray cast iron piping). The NRC staff applied this well-established process to its review of the Hatch subsequent license renewal application and did not identify any novel or noteworthy issues. Therefore, the referral of this application to the ACRS is not necessary and it would be in the public interest for the NRC to grant an exemption from the regulation requiring that referral. Finally, because the NRC is exclusively relying on the special circumstance of 10 CFR 50.12(a)(2)(vi) for satisfying 10 CFR 50.12(a)(2), the EDO consulted with the Commission, as required. On this basis, the NRC finds that special circumstances are present.

Environmental Considerations

The exemption would remove the requirement for the Hatch subsequent license renewal application to be referred to the ACRS for a review and report. The NRC staff has determined that this exemption changes procedures for reviewing applications. The NRC staff has also determined that a categorical exclusion applies and that special circumstances under 10 CFR 51.22, ''Categorical exclusions,'' are not present that would preclude reliance on the categorical exclusion. Accordingly, the exemption from 10 CFR 54.25 meets the eligibility criteria for categorical exclusion set forth in 10 CFR 51.22(a)(1) for ''Actions that are administrative, procedural, or solely financial in nature.'' Pursuant to 10 CFR 51.22, no environmental impact statement or environmental assessment need be prepared in connection with the issuance of the exemption.

IV. Conclusions

Accordingly, the Commission has determined that, pursuant to 10 CFR 54.15 and 10 CFR 50.12, the exemption from the requirements of 10 CFR 54.25 with respect to the Hatch subsequent license renewal application is authorized by law, will not present an undue risk to the public health and safety, and is consistent with the common defense and security. Also, special circumstances are present. Therefore, the Commission hereby grants an exemption from the requirements of 10 CFR 54.25 and, accordingly, the Hatch subsequent license renewal application is no longer required to be referred to the ACRS for a review and report.

The exemption is effective upon issuance.

Dated: May 26, 2026.

For the Nuclear Regulatory Commission.

Michele Sampson,

Director, Division of New and Renewed Licenses, Office of Nuclear Reactor Regulation.

[FR Doc. 2026–10864 Filed 5–29–26; 8:45 am]

BILLING CODE 7590–01–P

POSTAL REGULATORY COMMISSION

[Docket Nos. MC2026–256 and K2026–254; MC2026–257 and K2026–255]

New Postal Products

AGENCY: Postal Regulatory Commission.

ACTION: Notice.

SUMMARY: The Commission is noticing a recent Postal Service filing for the Commission's consideration concerning a negotiated service agreement. This notice informs the public of the filing, invites public comment, and takes other administrative steps.

ADDRESSES: Submit comments electronically via the Commission's Filing Online system at *https://www.prc.gov.* Those who cannot submit comments electronically should contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section by telephone for advice on filing alternatives.

FOR FURTHER INFORMATION CONTACT: David A. Trissell, General Counsel, at 202–789–6820.

SUPPLEMENTARY INFORMATION:

Table of Contents

I. Introduction
II. Public Proceeding(s)
III. Summary Proceeding(s)

I. Introduction

Pursuant to 39 CFR 3041.405, the Commission gives notice that the Postal Service filed request(s) for the Commission to consider matters related to Competitive negotiated service

agreement(s). The request(s) may propose the addition of a negotiated service agreement from the Competitive product list or the modification of an existing product currently appearing on the Competitive product list.

The public portions of the Postal Service's request(s) can be accessed via the Commission's website (*http://www.prc.gov*). Non-public portions of the Postal Service's request(s), if any, can be accessed through compliance with the requirements of 39 CFR 3011.301.[1]

Section II identifies the docket number(s) associated with each Postal Service request, if any, that will be reviewed in a public proceeding as defined by 39 CFR 3010.101(p), the title of each such request, the request's acceptance date, and the authority cited by the Postal Service for each request. For each such request, the Commission appoints an officer of the Commission to represent the interests of the general public in the proceeding, pursuant to 39 U.S.C. 505 and 39 CFR 3000.114 (Public Representative). The Public Representative does not represent any individual person, entity or particular point of view, and, when Commission attorneys are appointed, no attorney-client relationship is established. Section II also establishes comment deadline(s) pertaining to each such request.

The Commission invites comments on whether the Postal Service's request(s) identified in Section II, if any, are consistent with the policies of title 39. Applicable statutory and regulatory requirements include 39 U.S.C. 3632, 39 U.S.C. 3633, 39 U.S.C. 3642, 39 CFR part 3035, and 39 CFR part 3041. Comment deadline(s) for each such request, if any, appear in Section II.

Section III identifies the docket number(s) associated with each Postal Service request, if any, to add a standardized distinct product to the Competitive product list or to amend a standardized distinct product, the title of each such request, the request's acceptance date, and the authority cited by the Postal Service for each request. Standardized distinct products are negotiated service agreements that are variations of one or more Competitive products, and for which financial models, minimum rates, and classification criteria have undergone advance Commission review. *See* 39 CFR 3041.110(n); 39 CFR 3041.205(a). Such requests are reviewed in summary proceedings pursuant to 39 CFR 3041.325(c)(2) and 39 CFR 3041.505(f)(1). Pursuant to 39 CFR 3041.405(c)–(d), the Commission does not appoint a Public Representative or request public comment in proceedings to review such requests.

II. Public Proceeding(s)

None. *See* Section III for summary proceedings.

III. Summary Proceeding(s)

1. *Docket No(s).:* MC2026–256 and K2026–254; *Filing Title:* USPS Request to Add Fulfillment Standardized Distinct Product, PM–GA Contract 1000, and Notice of Filing Materials Under Seal; *Filing Acceptance Date:* May 27, 2026; *Filing Authority:* 39 U.S.C. 3642 and 3633, 39 CFR 3035.105, and 39 CFR 3041.325.

2. *Docket No(s).:* MC2026–257 and K2026–255; *Filing Title:* USPS Request to Add Fulfillment Standardized Distinct Product, PM–GA Contract 1001, and Notice of Filing Materials Under Seal; *Filing Acceptance Date:* May 27, 2026; *Filing Authority:* 39 U.S.C. 3642 and 3633, 39 CFR 3035.105, and 39 CFR 3041.325.

This Notice will be published in the **Federal Register**.

Sarah Wessel,

Senior Paralegal Specialist.

[FR Doc. 2026–10862 Filed 5–29–26; 8:45 am]

BILLING CODE 7710–FW–P

[1] *See* Docket No. RM2018–3, Order Adopting Final Rules Relating to Non-Public Information, June 27, 2018, Attachment A at 19–22 (Order No. 4679).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–105557; File No. SR–CboeBZX–2026–048]

Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend its Fee Schedule

May 27, 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 May 20, 2026, Cboe BZX Exchange, Inc. (''Exchange'' or ''BZX'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

Cboe BZX Exchange, Inc. (the ''Exchange'' or ''BZX'') proposes to amend its Fee Schedule by (i) introducing two quoting tiers to its Add/Remove Volume Tiers and revising the criteria of Add Volume Tier 4; and (ii) discontinuing Step-Up Tier 1. The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Commission's website (*https://www.sec.gov/rules/sro.shtml*), the Exchange's website (*https://www.cboe.com/us/equities/regulation/rule_filings/bzx/*), and at the principal office of the Exchange.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend its Fee Schedule applicable to its equities trading platform (''BZX Equities'') by (i) introducing two quoting tiers to its Add/Remove Volume Tiers and revising the criteria of Add Volume Tier 4; and (ii) discontinuing Step-Up Tier 1. The Exchange proposes to implement these changes effective on May 1, 2026.[3]

The Exchange first notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive or incentives to be insufficient. More specifically, the Exchange is only one of 17 registered equities exchanges, as well

[3] The Exchange initially submitted the proposed rule change on May 1, 2026 (SR-CboeBZX–2026–039). On May 11, 2026, the Exchange withdrew that filing and submitted SR-CboeBZX–2026–042. On May 20, 2026, the Exchange withdrew that filing and submitted this proposal.

as a number of alternative trading systems and other off-exchange venues that do not have similar self-regulatory responsibilities under the Securities Exchange Act of 1934 (the ''Act''), to which market participants may direct their order flow. Based on publicly available information,[4] no single registered equities exchange has more than 14% of the market share. Thus, in such a low-concentrated and highly competitive market, no single equities exchange possesses significant pricing power in the execution of order flow. The Exchange in particular operates a ''Maker-Taker'' model whereby it pays rebates to members that add liquidity and assesses fees to those that remove liquidity. The Exchange's Fee Schedule sets forth the standard rebates and rates applied per share for orders that provide and remove liquidity, respectively. Currently, for orders in securities priced at or above $1.00, the Exchange provides a standard rebate of $0.00160 per share for orders that add liquidity and assesses a fee of $0.0030 per share for orders that remove liquidity.[5] For orders in securities priced below $1.00, the Exchange does not provide a rebate for orders that add liquidity and assesses a fee of 0.30% of the total dollar value for orders that remove liquidity.[6] Additionally, in response to the competitive environment, the Exchange also offers tiered pricing which provides Members opportunities to qualify for higher rebates or reduced fees where certain volume criteria and thresholds are met. Tiered pricing provides an incremental incentive for Members to strive for higher tier levels, which provides increasingly higher benefits or discounts for satisfying increasingly more stringent criteria.

Add/Remove Volume Tiers

Under footnote 1 of the Fee Schedule, the Exchange offers various Add/Remove Volume Tiers. In particular, the Exchange offers nine Add/Remove Volume tiers and one Cross Asset Tier that each provide an enhanced rebate for orders yielding fee codes B,[7] V[8] and Y[9] where a Member reaches certain add or remove volume-based criteria. The Exchange now proposes to adopt two quoting tiers under footnote 1. The proposed criteria for the quoting tiers is as follows:

- The Member Quoting Tier provides an enhanced rebate of $0.0027 per share in securities priced at or above $1.00 to qualifying orders (*i.e.,* orders yielding fee codes B, V, or Y) where a Member is enrolled in all securities during the prior month for which it meets the following criteria: (i) Member has an NBBO Time[10] ≥25%, calculated on a daily basis, in an average of at least 750 securities during the prior month; and (ii) Member has a Displayed Ex-Subdollar ADAV[11] as a percentage of Ex-Subdollar TCV[12] <0.03%.
- The MPID Quoting Tier provides an enhanced rebate of $0.0027 per share in securities priced at or above $1.00 to qualifying orders (*i.e.,* orders yielding fee codes B, V, or Y) where an MPID is enrolled in all securities during the prior month for which it meets the following criteria: MPID has an MPID NBBO Time[13] ≥25%, calculated on a daily basis, in an average of at least 750 securities during the prior month.

The Exchange notes that in addition to introducing the Member Quoting Tier and the MPID Quoting Tier it also proposes to introduce language that will specify that for May 2026, the Member Quoting Tier and MPID Quoting Tier will utilize quoting and trading activity from May 2026 for its volume calculations and the tier payment would not begin until June 2026 for those Members that satisfy the criteria during May 2026. The Exchange believes it is necessary to include this language as the General Notes section of the Fee Schedule currently states: ''[I]n compliance with Regulation NMS Rule 610(d), effective February 2, 2026, unless otherwise indicated, all volume figures will be derived from quoting or trading activity in the prior month.'' By introducing the proposed language described above, the Exchange is providing notice that the proposed Member Quoting Tier and MPID Quoting Tier are utilizing quoting and trading activity from May 2026 so that Members may begin to attempt to satisfy the proposed criteria ahead of the first month that the tiers would become payable, which would be June 2026. Given that the Member Quoting Tier and MPID Quoting Tier were not available for enrollment until May 1, 2026, the Exchange believes it is appropriate to provide Members the full month of May 2026 to qualify for the Member Quoting Tier and MPID Quoting Tier before the tiers become payable in June 2026.

The proposed Member Quoting Tier and MPID Quoting Tier, like other Add Volume Tiers are intended to provide an additional opportunity to incentivize Members to earn an enhanced rebate by promoting price discovery and market quality by quoting at the NBBO for a significant portion of each day in securities of the Member or MPID's choice. Increasing order flow to the Exchange may further contribute to a deeper, more liquid market and provide even more execution opportunities for active market participants. Incentivizing an increase in displayed liquidity adding volume through enhanced rebate opportunities encourages liquidity-adding Members on the Exchange to increase transactions and take execution opportunities provided by such increased liquidity, together providing for overall enhanced price discovery and price improvement opportunities on the Exchange. As such, increased overall order flow benefits all Members by contributing towards a robust and well-balanced market ecosystem.

In addition to the proposed introduction of the Quoting Tiers as described *supra,* the Exchange proposes to amend the criteria of Add Volume Tier 4 by removing the NBBO Size[14] requirement. The current criteria of Add Volume Tier 4 is as follows:

- Add Volume Tier 4 provides a rebate of $0.0028 per share in securities priced at or above $1.00 to qualifying orders (*i.e.,* orders yielding fee codes B, V, and Y) where a Member (1) is enrolled in at least 50 BZX-listed LMP Securities[15] for which it meets the

[4] *See* Cboe Global Markets, U.S. Equities Market Volume Summary, Month-to-Date (April 29, 2026), available at *https://www.cboe.com/us/equities/_statistics/.*

[5] *See* BZX Equities Fee Schedule, Standard Rates.

[6] *Id.*

[7] Fee code B is appended to displayed orders that add liquidity to BZX in Tape B securities.

[8] Fee code V is appended to displayed orders that add liquidity to BZX in Tape A securities.

[9] Fee code Y is appended to displayed orders that add liquidity to BZX in Tape C securities.

[10] ''NBBO Time'' means the percentage of time during regular trading hours during which the Member maintains at least 1 round lot at each of the NBB and NBO.

[11] ''Ex-Subdollar ADAV'' means ADAV that excludes executions in securities priced below $1.00. ''Displayed Ex-Subdollar ADAV'' means ADAV in displayed orders that excludes executions in securities priced below $1.00.

[12] ''Ex-Subdollar TCV'' means TCV that excludes executions in securities that have an average daily price below $1.00.

[13] ''MPID NBBO Time'' means the percentage of time during regular trading hours during which the MPID maintains at least 1 round lot at each of the NBB and NBO.

[14] ''NBBO Size'' is not a defined term on the BZX Equity Fee Schedule and is an erroneous reference to a previous definition of ''NBBO Size Time'' that appeared on the Exchange's fee schedule. ''NBBO Size Time'' meant the percentage of time during regular trading hours during which there are size-setting quotes at the NBBO on the Exchange. This definition was removed by the Exchange in SR-CboeBZX–2026–022, which was filed on April 1, 2026.

[15] ''LMP Securities'' means a list of securities included in the Liquidity Management Program, the universe of which will be determined by the Exchange and published in a circular distributed to Members and on the Exchange's website. Such LMP Securities will include all Cboe-listed ETPs and certain non-Cboe-listed ETPs for which the

Continued

following criteria for at least 50% of the trading days in the applicable month: (i) Member has an NBBO Time ≥15% or an NBBO Size ≥25%; and (ii) Member has a Displayed Size Time [16] ≥90%; and (2) Member is enrolled in at least 30 LMM Securities; [17] and (3) Member has an ADAV [18] as a percentage of TCV [19] ≥0.15%.

The proposed criteria for Add Volume Tier 4 is as follows:

• Add Volume Tier 4 provides a rebate of $0.0028 per share in securities priced at or above $1.00 to qualifying orders (*i.e.,* orders yielding fee codes B, V, and Y) where a Member (1) is enrolled in at least 50 BZX-listed LMP Securities for which it meets the following criteria for at least 50% of the trading days in the applicable month: (i) Member has an NBBO Time ≥15%; and (ii) Member has a Displayed Size Time ≥90%; and (2) Member is enrolled in at least 30 LMM Securities; and (3) Member has an ADAV as a percentage of TCV ≥0.15%.

The proposed Add Volume Tier 4 will continue to provide an additional opportunity to incentivize Members to earn an enhanced rebate by promoting price discovery and market quality by quoting at the NBBO for a significant portion of each day in securities of the Member's choice. Increasing order flow to the Exchange may further contribute to a deeper, more liquid market and provide even more execution opportunities for active market participants. Incentivizing an increase in displayed liquidity adding volume through additive rebate opportunities encourages liquidity-adding Members on the Exchange to increase transactions and take execution opportunities provided by such increased liquidity, together providing for overall enhanced price discovery and price improvement opportunities on the Exchange. As such, increased overall order flow benefits all Members by contributing towards a robust and well-balanced market ecosystem.

Step-Up Tiers

Under footnote 2 of the Fee Schedule, the Exchange currently offers various Step-Up Tiers that provide enhanced rebates for orders yielding fee codes B, V and Y where a Member reaches certain add volume-based criteria, including ''growing'' its volume over a certain baseline month. The Exchange now proposes to discontinue Step-Up Tier 1 as the tier's expiration date of March 31, 2026, has occurred. Additionally, the Exchange no longer wishes to, nor is required to, maintain such tier. More specifically, the proposed change removes this tier as the Exchange would rather redirect future resources and funding into other programs and tiers intended to incentivize increased order flow.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.[20] Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5) [21] requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5) [22] requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers as well as Section 6(b)(4) [23] as it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its Members and other persons using its facilities.

As described above, the Exchange operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive or incentives to be insufficient. The Exchange believes that its proposal to introduce the Member Quoting Tier and MPID Quoting Tier and amend the criteria of Add Volume Tier 4 reflects a competitive pricing structure designed to incentivize market participants to direct their order flow to the Exchange, which the Exchange believes would enhance market quality to the benefit of all Members. Specifically, the Exchange's proposed Member Quoting Tier, MPID Quoting Tier, and Add Volume Tier 4 are not a significant departure from existing criteria, are reasonably correlated to the enhanced rebate offered by the Exchange and other competing exchanges,[24] and will continue to incentivize Members to submit order flow to the Exchange. Additionally, the Exchange notes that relative volume-based incentives and discounts have been widely adopted by exchanges,[25] including the Exchange,[26] and are reasonable, equitable and non-discriminatory because they are open to all Members on an equal basis and provide additional benefits or discounts that are reasonably related to (i) the value to an exchange's market quality and (ii) associated higher levels of market activity, such as higher levels of liquidity provision and/or growth patterns. Competing equity exchanges offer similar tiered pricing structures, including schedules or rebates and fees that apply based upon members achieving certain volume and/or growth thresholds, as well as assess similar fees or rebates for similar types of orders, to that of the Exchange.

In particular, the Exchange believes its proposed Member Quoting Tier, MPID Quoting Tier, and Add Volume Tier 4 are reasonable because the proposed tiers will be available to all Members and provide all Members with an opportunity to receive an enhanced rebate. The Exchange further believes its proposed Member Quoting Tier, MPID Quoting Tier, and Add Volume Tier 4 will provide a reasonable means to encourage liquidity adding displayed orders in Members' order flow to the Exchange and to incentivize Members to continue to provide liquidity adding volume to the Exchange by offering them an opportunity to receive an enhanced rebate on qualifying orders. An overall increase in activity would

Exchange wants to incentivize Members to provide enhanced market quality. All Cboe-listed securities will be LMP Securities immediately upon listing on the Exchange. The Exchange will not remove a security from the list of LMP Securities without 30 days prior notice.

[16] ''Displayed Size Time'' means the percentage of time during regular trading hours during which the Member maintains at least 2,500 displayed shares on the bid and separately maintains at least 2,500 displayed shares on the offer that are priced no more than 2% away from the NBB and NBO, respectively.

[17] ''LMM Securities'' means BZX-listed securities for which a Member is an LMM.

[18] ''ADAV'' means average daily added volume calculated as the number of shares added per day. ADAV is calculated on a monthly basis.

[19] ''TCV'' means total consolidated volume calculated as the volume reported by all exchanges and trade reporting facilities to a consolidated transaction reporting plan for the month for which the fees apply.

[20] 15 U.S.C. 78f(b).

[21] 15 U.S.C. 78f(b)(5).

[22] *Id.*

[23] 15 U.S.C. 78f(b)(4)

[24] *See* MEMX Equities Fee Schedule, Additive Rebates, Tape A Quoting and Tape C Quoting, available at *https://info.memxtrading.com/equities-trading-resources/us-equities-fee-schedule/.*

[25] *See e.g.,* EDGX Equities Fee Schedule, Footnote 1, Add/Remove Volume Tiers.

[26] *See e.g.,* BZX Equities Fee Schedule, Footnote 1, Add/Remove Volume Tiers.

deepen the Exchange's liquidity pool, offer additional cost savings, support the quality of price discovery, promote market transparency and improve market quality, for all investors.

The Exchange believes that its proposed Member Quoting Tier, MPID Quoting Tier, and Add Volume Tier 4 are reasonable as the proposed criteria does not represent a significant departure from the criteria currently offered in the Fee Schedule. The Exchange also believes that the proposal represents an equitable allocation of fees and rebates and is not unfairly discriminatory because all Members will be eligible for the proposed Member Quoting Tier, MPID Quoting Tier, and Add Volume Tier 4 and have the opportunity to meet the tiers' criteria and receive the corresponding enhanced rebate if such criteria is met. Without having a view of activity on other markets and off-exchange venues, the Exchange has no way of knowing whether this proposed rule change would definitely result in any Members qualifying for the proposed Member Quoting Tier or MPID Quoting Tier. While the Exchange has no way of predicting with certainty how the proposed changes will impact Member activity, based on the prior month's volume, the Exchange anticipates that at least one Member will be able to satisfy the proposed Member Quoting Tier, at least one Member will be able to satisfy the proposed MPID Quoting Tier, and no Members will be able to satisfy the proposed Add Volume Tier 4. The Exchange also notes that proposed changes will not adversely impact any Member's ability to qualify for enhanced rebates offered under other tiers. Should a Member not meet the proposed new criteria, the Member will merely not receive that corresponding enhanced rebate.

Additionally, the Exchange believes the text accompanying the proposed Member Quoting Tier and MPID Quoting Tier promotes just and equitable principles of trade and is not unfairly discriminatory because it applies to all Members equally, in that any Member seeking to achieve the criteria of the proposed tiers will be utilizing quoting and trading activity from May 2026 and shall not receive payment for the proposed tiers until June 2026. Providing this additional clarity on the Exchange's Fee Schedule ensures that all market participants have information regarding the quoting and trading activity being utilized to determine qualification for the proposed Member Quoting Tier and MPID Quoting Tier.

Lastly, the Exchange believes that its proposal to discontinue Step-Up Tier 1 is reasonable because the tier has expired and Exchange is not required to maintain this tier or provide Members an opportunity to receive enhanced rebates. The Exchange believes the proposal to discontinue this tier is also equitable and not unfairly discriminatory because it applies to all Members (*i.e.,* the tier will not be available for any Member). The Exchange also notes that the proposed rule change to remove this tier merely results in Members not receiving an enhanced rebate, which, as noted above, the Exchange is not required to offer or maintain. Furthermore, the proposed rule change to eliminate Step-Up Tier 1 enables the Exchange to redirect resources and funding into other programs and tiers intended to incentivize increased order flow.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. Rather, as discussed above, the Exchange believes that the proposed change would encourage the submission of additional order flow to a public exchange, thereby promoting market depth, execution incentives and enhanced execution opportunities, as well as price discovery and transparency for all Members. As a result, the Exchange believes that the proposed changes further the Commission's goal in adopting Regulation NMS of fostering competition among orders, which promotes ''more efficient pricing of individual stocks for all types of orders, large and small.''

The Exchange believes the proposed rule changes do not impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. Particularly, the proposed introduction of the Member Quoting Tier and MPID Quoting Tier, and proposed amendment of Add Volume Tier 4 does not impose an unnecessary burden as all Members are eligible to receive the enhanced rebate under the proposed tiers. The Exchange does not believe the proposed changes burden competition, but rather, enhances competition as it is intended to increase the competitiveness of BZX by amending existing pricing incentives in order to attract order flow and incentivize participants to increase their participation on the Exchange, providing for additional execution opportunities for market participants and improved price transparency. Greater overall order flow, trading opportunities, and pricing transparency benefits all market participants on the Exchange by enhancing market quality and continuing to encourage Members to send orders, thereby contributing towards a robust and well-balanced market ecosystem.

The proposed change to discontinue Step-Up Tier 1 will not impose any burden on intramarket competition because the changes apply to all Members uniformly, as in, the tier will not longer be available to any Member.

Next, the Exchange believes the proposed rule changes do not impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange operates in a highly competitive market. Members have numerous alternative venues that they may participate on and direct their order flow, including other equities exchanges, off-exchange venues, and alternative trading systems. Additionally, the Exchange represents a small percentage of the overall market. Based on publicly available information, no single equities exchange has more than 14% of the market share.[27] Therefore, no exchange possesses significant pricing power in the execution of order flow. Indeed, participants can readily choose to send their orders to other exchange and off-exchange venues if they deem fee levels at those other venues to be more favorable. Moreover, the Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. Specifically, in Regulation NMS, 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.'' [28] The fact that this market is competitive has also 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

[27] *Supra* note 4.

[28] *See* Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005).

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'. . . .''.[29] Accordingly, the Exchange does not believe its proposed fee change imposes any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The Exchange neither solicited nor received comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act [30] and paragraph (f) of Rule 19b–4 [31] thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include file number SR–CboeBZX–2026–048 on the subject line.

Paper Comments

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

All submissions should refer to file number SR–CboeBZX–2026–048. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (*https://www.sec.gov/rules/sro.shtml*). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection.

All submissions should refer to file number SR–CboeBZX–2026–048 and should be submitted on or before June 22, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[32]

Sherry R. Haywood,

Assistant Secretary.

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[29] 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)).

[30] 15 U.S.C. 78s(b)(3)(A).

[31] 17 CFR 240.19b–4(f).

[32] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–105561; File No. SR–CMESC–2026–003]

Self-Regulatory Organizations; CME Securities Clearing Inc.; Order Approving Proposed Rule Change to Establish the CME Securities Clearing Inc. Enterprise Risk Management Framework

May 27, 2026.

I. Introduction

On April 1, 2026, CME Securities Clearing Inc. (''CMESC'') filed with the Securities and Exchange Commission (''Commission'') proposed rule change SR–CMESC–2026–003, pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the ''Act'') [1] and Rule 19b–4 thereunder.[2] The proposed rule change would establish a new Enterprise Risk Management Framework (''ERMF'') to identify, assess, mitigate, and monitor enterprise risks. The proposed rule change was published for comment in the **Federal Register** on April 17, 2026.[3] The Commission has received no comments on the changes proposed. For the reasons discussed below, the Commission is approving the proposed rule change.

II. Background

On December 1, 2025, the Commission approved CMESC's application for registration as a clearing agency to provide central counterparty services for U.S. Treasury Securities.[4] As a part of its application, CMESC submitted a Risk Management Framework (''RMF''). CMESC states that the RMF is designed to identify, measure, monitor, and manage the range of risks that arise in or are borne by the covered clearing agency, consistent with Rule 17ad–22(e)(3).[5] The RMF refers to CMESC's Enterprise Risk Management Framework (''ERMF''). However, the ERMF was not included as part of CMESC's application.[6]

III. Description of the Proposed Rule Change

The proposed rule change would establish the ERMF to enhance CMESC's enterprise risk management policies. CMESC states that the ERMF is designed to work cohesively with the RMF to identify, assess, and manage the potential risks that may affect CMESC's operations and services.[7] The ERMF contains a preamble describing its general purpose and applicability to all CMESC personnel.[8] Additionally, as discussed more fully below, the proposed ERMF describes the: (1) ERMF's governance framework; (2) process through which the ERMF determines the universe of risks CMESC may face (''Risk Universe''); and (3) ''ERM Lifecycle,'' which includes components regarding (i) the aggregate amount of residual risk CMESC is willing to accept in a given risk category before taking action to reduce such risk (''Risk Appetite''), (ii) the acceptable boundary of risk CMESC is willing to accept in pursuit of its business objectives (''Risk Tolerance''), (iii) CMESC's risk assessment mechanism, (iv) CMESC's risk response methodology, and (v) the risk monitoring and reporting process to monitor the ERM program's adequacy.[9]

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] Securities Exchange Act Release No. 114433 (Apr. 14, 2026), 91 FR 20179 (Apr. 17, 2026) (File No. SR–CMESC–2026–003) (''Notice of Filing'').

[4] Securities Exchange Act Release No. 104281 (Dec. 1, 2025), 90 FR 55926 (Dec. 4, 2025).

[5] Notice of Filing, *supra* note 3, at 20719; *see also* 17 CFR 240.17ad–22(e)(3).

[6] *See* Notice of Filing, *supra* note 3, at 20719.

[7] *Id.*

[8] *See* Notice of Filing, *supra* note 3, at 20720.

[9] *See* Notice of Filing, *supra* note 3, at 20720–21.

A. Governance

The proposed ERMF includes a section describing its governance framework.[10] Specifically, the ERMF would be maintained by CMESC's Compliance and ERM team, which supports CMESC's Chief Compliance Officer (''CCO'') in implementing the ERMF.[11] On at least an annual basis, the CCO would recommend the ERMF for review to CMESC's Risk Management Committee, which would subsequently recommend the ERMF to CMESC's Board (''Board'') for approval.[12] Any substantive changes outside of the annual review process would similarly require review and approval by CMESC's Risk Management Committee, and changes with a significant impact on CMESC's risk profile would require Board approval.[13]

The proposed ERMF also provides a description of the Board's oversight of overall risk management at CMESC, supported by various committees and individuals with powers delegated by the Board.[14]

B. Risk Universe

The proposed ERMF includes a section describing how CMESC would evaluate and monitor the risks it may face.[15] Specifically, CMESC would identify its ''Risk Universe'' by aligning identified risks with enterprise risk categories and sub-risk categories assigned with risk owners responsible for assessing and monitoring potential threats to CMESC and risk impacts on CMESC's business objectives.[16] The enterprise risk categories (initially consisting of Financial Resources, Operations, Regulatory Compliance, and Service Provider risks) are the highest level of risk aggregation and would be subject to Board oversight.[17] The sub-risk categories would further classify risks into more detailed groups designed to identify the specific processes underlying each enterprise risk category.[18]

C. ERM Lifecycle

The proposed ERMF discusses the components of CMESC's risk management lifecycle.[19] The proposed ERMF defines ''Risk Appetite'' as ''the aggregate amount of residual risk, on a broad level, CMESC is willing to accept in any given category in pursuit of its strategic objectives before additional action is deemed necessary to reduce the risk.'' [20] The proposed ERMF describes the five-point risk rating system CMESC would use to develop guidance or parameters on the level of risk exposure CMESC is willing to accept regarding specific enterprise risk categories and sub-risk categories within the Risk Universe.[21]

The proposed ERMF defines ''Risk Tolerance'' as ''the acceptable boundary of risk that CMESC is willing to accept in pursuit of its business objectives and to ensure that those boundaries are not breached.'' [22] The ERMF describes Risk Tolerance as the quantitative and tactical counterpart to Risk Appetite.[23] CMESC would evaluate whether risks are within its Risk Tolerance levels by monitoring key risk indicators (''KRIs''), which are metrics designed to provide an early signal of potential increasing risk exposure, allowing CMESC to take corrective action to maintain risks within the tolerance levels.[24] KRIs are tied to a tiered escalation protocol for the action required, ranging from ongoing monitoring to reporting and escalation to the Board.[25]

The proposed ERMF describes CMESC's risk assessment mechanism, which would be used to identify, aggregate, and quantify risks, and to determine the appropriate response to mitigate, monitor, and reduce risks.[26] The proposed ERMF differentiates inherent risks (*i.e.,* the level of risk absent any controls) from residual risks (*i.e.,* the level of risk after accounting for compensating controls), and identifies the timing of risk assessments for each type of risk.[27] Specifically, inherent risk assessments would be performed annually, whereas residual risk assessments would be performed on a quarterly basis.[28] CMESC states that residual risk assessments would be more frequent because they are designed to ensure the internal control environment remains responsive to emerging threats and the residual risk profile aligns with CMESC's Risk Appetite.[29] Residual risk assessment requires risk owners and senior CMESC management to identify risks in their areas of responsibility and to implement appropriate qualitative and quantitative measures to evaluate, prioritize, and manage risk.[30] The proposed ERMF also describes the concept of ''risk outlook,'' which CMESC considers within the context of making risk assessments.[31] Risk outlook represents the expected forward-looking trend for the risk over the upcoming 12-month period and is used to show increasing, elevated, stable or decreasing risk to CMESC.[32] The proposed ERMF describes control testing that would be conducted to assess the design and effectiveness of CMESC's internal controls and CMESC's monitoring of service providers to assess third-party risk.[33] Control testing results would be used to determine the effectiveness of a given control and inform the assessment of the overall level of residual risk.[34] An annual control testing schedule would be established using a risk-based approach, where the frequency of testing is determined by the sum of factors essential to a control's significance in reducing residual risk.[35]

The proposed ERMF describes CMESC's risk response methodology for evaluating options and identifying actions to enhance opportunities and reduce risks associated with the pursuit of business objectives.[36] The risk response methodology would be used by risk owners to facilitate determining the appropriate strategy for maintaining risks within the acceptable Risk Appetite.[37] The proposed ERMF discusses various strategies to mitigate, transfer, or accept risk, and establishes that once strategies are identified, a four-point methodology would be used to prioritize the specific response.[38] The proposed ERMF also describes the process for reporting, approving, and remediating a risk that CMESC determines exceeds its Risk Appetite.[39]

Finally, the proposed ERMF describes the risk monitoring and reporting process to monitor the ERM program's adequacy.[40] Risk monitoring includes overall governance and ongoing validation efforts, such as control testing

[10] *See* Notice of Filing, *supra* note 3, at 20720.
[11] *Id.*
[12] *Id.*
[13] *Id.*
[14] *Id.*
[15] *Id.*
[16] *Id.*
[17] *Id.*
[18] *Id.*
[19] *See* Notice of Filing, *supra* note 3, at 20720–21.
[20] *See* Notice of Filing, *supra* note 3, at 20720.
[21] *Id.*
[22] *Id.*
[23] *Id.*
[24] *Id.*
[25] *Id.*
[26] *See* Notice of Filing, *supra* note 3, at 20721.
[27] *Id.*
[28] *Id.*
[29] *Id.*
[30] *Id.*
[31] *Id.*
[32] *Id.*
[33] *Id.*
[34] *Id.*
[35] Such factors would include, for example, the inherent risk rating of the risk category the control is mitigating, the extent that the control is manual or automated, nature, critically and complexity of the control, frequency at which the control is applied, and whether it directly fulfills a CMESC regulatory requirements. *See id.*
[36] *Id.*
[37] *Id.*
[38] *Id.*
[39] *Id.*
[40] *Id.*

and audit assurance designed to ensure that risk taking is aligned with CMESC's strategic objectives and Risk Appetite.[41] Risk reporting includes collating ongoing risk assessments into quarterly reports to senior CMESC management.[42]

IV. Discussion and Commission Findings

Section 19(b)(2)(C) of the Act[43] directs the Commission to approve a proposed rule change of a self-regulatory organization if it finds that such proposed rule change is consistent with the requirements of the Act and rules and regulations thereunder applicable to such organization. After carefully considering the proposed rule change, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to CMESC. In particular, the Commission finds that the proposed rule change is consistent with Sections 17A(b)(3)(F) of the Act,[44] Rule 17ad–22(e)(2),[45] and Rule 17ad–22(e)(3).[46]

A. Consistency With Section 17A(b)(3)(F) of the Act

Section 17A(b)(3)(F) of the Act requires, in part, that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions and assure the safeguarding of securities and funds which are in the custody or control of the clearing agency or for which it is responsible.[47]

As described above in Section III, CMESC proposes to establish the ERMF, which would describe: (1) the ERMF governance framework; (2) CMESC's Risk Universe; and (3) the ERM Lifecycle, which includes components regarding CMESC's Risk Appetite, Risk Tolerance, Risk Assessment, Risk Response, and Risk Monitoring and Reporting. The ERMF would enhance CMESC's risk management by establishing risk management policies enabling CMESC to identify potential events that may affect CMESC, manage and report on the associated risks, and reasonably assure that risks are managed in accordance with CMESC's Risk Appetite.

Adopting a more robust risk management framework should enhance CMESC's ability to better identify, assess, and mitigate potential risks that may impact its operations, reducing the likelihood of disruptions to its clearance and settlement services and thereby promoting the prompt and accurate clearance and settlement of securities transactions, consistent with Section 17A(b)(3)(F) of the Act.[48] Additionally, a more robust risk management framework should provide greater assurance that the securities and funds in CMESC's custody or control are safeguarded against potential losses, consistent with Section 17A(b)(3)(F) of the Act.[49]

Accordingly, for the reasons stated above, the proposed rule change is consistent with Section 17A(b)(3)(F) of the Act.[50]

B. Consistency With Rule 17ad–22(e)(2)

Rule 17ad–22(e)(2) under the Act requires that a covered clearing agency establish, implement, maintain and enforce written policies and procedures reasonably designed to provide for governance arrangements that clearly prioritize the safety and efficiency of the covered clearing agency, and specify clear and direct lines of responsibility.[51]

As described above in Section III.A, the proposed ERMF's governance provisions establish clear reporting lines and accountability for the management of enterprise risk within CMESC's Risk Appetite. Furthermore, the governance structure around the maintenance of the ERMF itself provides for reviews on at least an annual basis.

Additionally, as described above in Section III.C, the proposed ERMF includes a risk monitoring and reporting process to monitor the ERM program's adequacy. Establishing clear reporting lines and accountability should enhance efficiency and increase safety by providing oversight and aligning identified enterprise risks with risk owners responsible for assessing and monitoring potential threats. Annual maintenance reviews of the ERMF and the monitoring process for the ERM program's adequacy should proactively ensure that the protections are current and robust. These provisions therefore should prioritize safety and efficiency and specify direct lines of responsibility.[52]

Accordingly, for the reasons stated above, the proposed rule change is consistent with Rule 17ad-22(e)(2).[53]

C. Consistency With Rule 17ad–22(e)(3)

Rule 17ad–22(e)(3) under the Act requires, in part, that a covered clearing agency establish, implement, maintain and enforce written policies and procedures reasonably designed to maintain a sound risk management framework for comprehensively managing legal, credit, liquidity, operational, general business, investment, custody, and other risks that arise in or are borne by the covered clearing agency, which includes risk management policies, procedures, and systems designed to identify, measure, monitor, and manage the range of risks that arise in or are borne by the covered clearing agency, that are subject to review on a specified periodic basis and approved by the Board annually.[54]

As described above in Section III, CMESC proposes to establish the ERMF, which would describe: (1) the ERMF governance framework; (2) CMESC's Risk Universe; and (3) the ERM Lifecycle, which includes components regarding CMESC's Risk Appetite, Risk Tolerance, Risk Assessment, Risk Response, and Risk Monitoring and Reporting. Specifically, the Risk Universe provisions of the proposed ERMF describe how CMESC would identify the risks it faces by classifying them into categories and sub-categories. Additionally, the ERM Lifecycle provisions of the proposed ERMF describe how CMESC would determine its Risk Appetite, Risk Tolerance, Risk Assessment, and Risk Response methodologies, designed to enable CMESC to develop strategies to mitigate, transfer, or accept risks. These measures constitute policies, procedures, and systems that are designed to identify, measure, monitor, and manage the range of risks that arise in or are borne by CMESC.[55]

The proposed ERMF's governance provisions, described above in Section III.A, and the proposed ERMF's Risk Monitoring and Reporting provisions, described above in Section III.C, provide that the ERMF would be subject to review on a specified periodic basis and approved by the Board on at least an annual basis.[56]

Accordingly, for the reasons stated above, the proposed rule change is consistent with Rule 17ad–22(e)(3).[57]

V. Conclusion

On the basis of the foregoing, the Commission finds that the proposed rule change is consistent with the requirements of the Exchange Act and in particular with the requirements

[41] *Id.*
[42] *Id.*
[43] 15 U.S.C. 78s(b)(2)(C).
[44] 15 U.S.C. 78q–1(b)(3)(F).
[45] 17 CFR 240.17ad–22(e)(2).
[46] 17 CFR 240.17ad–22(e)(3).
[47] 15 U.S.C. 78q–1(b)(3)(F).
[48] *Id.*
[49] *Id.*
[50] *Id.*
[51] 17 CFR 240.17ad–22(e)(2).
[52] *Id.*
[53] *Id.*
[54] 17 CFR 240.17ad–22(e)(3)(i).
[55] *Id.*
[56] *Id.*
[57] *Id.*

of Section 17A of the Exchange Act [58] and the rules and regulations promulgated thereunder.

It is therefore ordered, pursuant to Section 19(b)(2) of the Exchange Act [59] that proposed rule change SR–CMESC–2026–003 be, and hereby is, APPROVED.[60]

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[61]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–10833 Filed 5–29–26; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–105558; File No. SR–CboeEDGX–2026–041]

Self-Regulatory Organizations; Cboe EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Its Fee Schedule To Clarify That Requests for Mid-Month Subscriptions and Ad-Hoc Historical Requests for Open-Close Data Will Be Prorated

May 27, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the ''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on May 19, 2026, Cboe EDGX Exchange, Inc. (the ''Exchange'' or ''EDGX'') filed with the Securities and Exchange Commission (the ''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

Cboe EDGX Exchange, Inc. (the ''Exchange'' or ''EDGX'') proposes to amend its Fee Schedule to clarify that requests for mid-month subscriptions and ad-hoc historical requests for Open-Close Data will be prorated. The text of the proposed rule change is in Exhibit 5.

The text of the proposed rule change is also available on the Commission's website (*https://www.sec.gov/rules/sro.shtml*), the Exchange's website (*https://www.cboe.com/us/equities/regulation/rule_filings/bzx/*), and at the principal office of the Exchange.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend its Fee Schedule to clarify that both (i) mid-month subscriptions and (ii) ad-hoc historical requests for its End-of-Day (''EOD'') Open-Close data, Ten-Minute Interval Intraday Open-Close data, and One-Minute Interval Intraday Open-Close data will be prorated. The Exchange proposes this change with the sole purpose of providing greater clarity in its Fee Schedule and aligning the content of its Fee Schedule with the fee schedule of its affiliate exchange, Cboe Exchange, Inc. (hereinafter ''C1'' or ''Cboe Exchange'').[3]

By way of background, the Exchange currently offers EOD and Intraday Open-Close Data (collectively, ''Open-Close Data''). EOD Open-Close Data is an end-of-day volume summary of trading activity on the Exchange at the option level by origin (customer, professional customer, broker-dealer, and market maker), side of the market (buy or sell), price, and transaction type (opening or closing). The customer and professional customer volume is further broken down into trade size buckets (less than 100 contracts, 100–199 contracts, greater than 199 contracts). The EOD Open-Close Data is proprietary Exchange trade data and does not include trade data from any other exchange. It is a historical data product and not a real-time data feed.

The Exchange also offers Intraday Open-Close Data, which provides similar information to that of EOD Open-Close Data but is produced and updated every 10 minutes (the ''Ten-Minute Intraday Report'') and every 1 minute (the ''One-Minute Intraday Report'') during the trading day. Data is captured in ''snapshots'' taken every 10 minutes or 1 minute (depending on the report) throughout the trading day and is available to subscribers within five minutes of the conclusion of each period.[4] The Intraday Open-Close Data provides a volume summary of trading activity on the Exchange at the option level by origin (customer, professional customer, broker-dealer, and market maker), side of the market (buy or sell), and transaction type (opening or closing). The customer and professional customer volume are further broken down into trade size buckets (less than 100 contracts, 100–199 contracts, greater than 199 contracts). The Intraday Open-Close Data is proprietary Exchange trade data and does not include trade data from any other exchange. All Open-Close Data products are completely voluntary products, in that the Exchange is not required by any rule or regulation to make this data available and that potential customers may purchase it on an ad-hoc basis only if they voluntarily choose to do so.

Currently, the Exchange provides in its Fee Schedule that firms may purchase Ten-Minute Intraday Open-Close Data, One-Minute Open-Close Data, or EOD Data on a subscription basis or as an ad hoc request for a specified month(s) (historical file).[5] The Exchange proposes to add language to its Fee Schedule to clarify that either (i) a mid-month subscription or (ii) an ad-hoc historical request for specific dates of any of the Open-Close Data will be prorated. The Exchange proposes this change with the sole purpose of providing greater clarity to its Fee Schedule and aligning the content of its Fee Schedule with the fee schedule of its affiliate exchange, Cboe Exchange, Inc. (hereinafter ''C1'' or ''Cboe Exchange'').[6]

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the

[58] 15 U.S.C. 78q–1.

[59] 15 U.S.C. 78s(b)(2).

[60] In approving the proposed rule change, the Commission considered the proposals' impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

[61] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] *See* Securities Exchange Act Release No. 104796 (February 10, 2026), 91 FR 6931 (February 13, 2026) (SR–CBOE–2026–011).

[4] For example, subscribers to the Ten-Minute Intraday Report receive the first calculation of intraday data by approximately 9:42 a.m. ET, which represents data captured from 9:30 a.m. to 9:40 a.m. Subscribers receive the next update at 9:52 a.m., representing the data previously provided together with data captured from 9:40 a.m. through 9:50 a.m., and so forth. Each update represents the aggregate data captured from the current ''snapshot'' and all previous ''snapshots.''

[5] *See* EDGX Options Fee Schedule.

[6] *Supra* note 3.

''Act'') and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.[7] Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[8] requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[9] requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the proposed rule change is reasonable and would benefit investors by providing clarity regarding the method of calculation of fees associated with mid-month subscriptions and requests for ad-hoc historical data for specific dates of any of the Open-Close Data. Additionally, the Exchange believes the proposed addition of language clarifying that mid-month subscriptions and requests for ad-hoc historical data will be pro-rated is reasonable because the Exchange's affiliated exchange already has this language in place,[10] and its addition to the Exchange's fee schedule adds consistency between the fee schedules of the Exchange and its affiliate. Additionally, The Exchange believes the proposed change is equitable and not unfairly discriminatory because the proration of the fees would apply equally to all users who choose to purchase such data. The Exchange's proposed proration of fees would not differentiate between subscribers that purchase the data and would allow any interested market participant to purchase such data based on their business needs.

Furthermore, the Exchange notes that all of its Open-Close Data products are entirely optional for market participants to purchase. Indeed, no market participant is required to purchase the Open-Close Data products, and the Exchange is not required to make the Open-Close Data products available to all investors. Rather, the Exchange is voluntarily making the Open-Close Data available. Potential purchasers may request the data at any time if they believe it to be valuable or may decline to purchase such data.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe the proposed fees would cause any unnecessary or inappropriate burden on intermarket competition because the proposed rule change is aimed solely at adding clarification and accuracy to the Exchange's Fee Schedule. Further, the Exchange operates in a highly competitive environment, and its ability to price the reports is constrained by competition among exchanges who choose to adopt similar products. The Exchange must consider this in its pricing discipline in order to compete for subscribers of the Exchange's market data via the reports. Finally, the Exchange does not believe the proposed rule change would cause any unnecessary or inappropriate burden on intramarket competition. Particularly, the proposed fees apply uniformly to any purchaser in that the Exchange does not differentiate between the different market participants that may purchase the report.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The Exchange neither solicited nor received comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act[11] and paragraph (f) of Rule 19b–4[12] thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include file number SR–CboeEDGX–2026–041 on the subject line.

Paper Comments

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

All submissions should refer to file number SR–CboeEDGX–2026–041. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (*https://www.sec.gov/rules/sro.shtml*). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR–CboeEDGX–2026–041 and should be submitted on or before June 22, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[13]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–10830 Filed 5–29–26; 8:45 am]

BILLING CODE 8011–01–P

[7] 15 U.S.C. 78f(b).

[8] 15 U.S.C. 78f(b)(5).

[9] *Id.*

[10] *Supra* note 3.

[11] 15 U.S.C. 78s(b)(3)(A).

[12] 17 CFR 240.19b–4(f).

[13] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–105559; File No. SR–C2–2026–016]

Self-Regulatory Organizations; Cboe C2 Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Its Fee Schedule To Clarify That Requests for Mid-Month Subscriptions and Ad-Hoc Historical Requests for Open-Close Data Will Be Prorated

May 27, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the ''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on May 26, 2026, Cboe C2 Exchange, Inc. (the ''Exchange'' or ''C2'') filed with the Securities and Exchange Commission (the ''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

Cboe C2 Exchange, Inc. (the ''Exchange'' or ''C2'') proposes to amend its Fee Schedule to clarify that requests for mid-month subscriptions and ad-hoc historical requests for Open-Close Data will be prorated. The text of the proposed rule change is in Exhibit 5.

The text of the proposed rule change is also available on the Commission's website (*https://www.sec.gov/rules/sro.shtml*), the Exchange's website (*https://www.cboe.com/us/options/regulation/rule_filings/ctwo/*), and at the principal office of the Exchange.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend its Fee Schedule to clarify that both (i) mid-month subscriptions and (ii) ad-hoc historical requests for its End-of-Day (''EOD'') Open-Close data, Ten-Minute Interval Intraday Open-Close data, and One-Minute Interval Intraday Open-Close data will be prorated.[3] The Exchange proposes this change with the sole purpose of providing greater clarity in its Fee Schedule and aligning the content of its Fee Schedule with the fee schedule of its affiliate exchange, Cboe Exchange, Inc. (hereinafter ''C1'' or ''Cboe Exchange'').[4]

By way of background, the Exchange currently offers EOD and Intraday Open-Close Data (collectively, ''Open-Close Data''). EOD Open-Close Data is an end-of-day volume summary of trading activity on the Exchange at the option level by origin (customer, professional customer, broker-dealer, and market maker), side of the market (buy or sell), price, and transaction type (opening or closing). The customer and professional customer volume is further broken down into trade size buckets (less than 100 contracts, 100–199 contracts, greater than 199 contracts). The EOD Open-Close Data is proprietary Exchange trade data and does not include trade data from any other exchange. It is a historical data product and not a real-time data feed.

The Exchange also offers Intraday Open-Close Data, which provides similar information to that of EOD Open-Close Data but is produced and updated every 10 minutes (the ''Ten-Minute Intraday Report'') and every 1 minute (the ''One-Minute Intraday Report'') during the trading day. Data is captured in ''snapshots'' taken every 10 minutes or 1 minute (depending on the report) throughout the trading day and is available to subscribers within five minutes of the conclusion of each period.[5] The Intraday Open-Close Data provides a volume summary of trading activity on the Exchange at the option level by origin (customer, professional customer, broker-dealer, and market maker), side of the market (buy or sell), and transaction type (opening or closing). The customer and professional customer volume are further broken down into trade size buckets (less than 100 contracts, 100–199 contracts, greater than 199 contracts). The Intraday Open-Close Data is proprietary Exchange trade data and does not include trade data from any other exchange. All Open-Close Data products are completely voluntary products, in that the Exchange is not required by any rule or regulation to make this data available and that potential customers may purchase it on an ad-hoc basis only if they voluntarily choose to do so.

Currently, the Exchange provides in its Fee Schedule that firms may purchase Ten-Minute Intraday Open-Close Data, One-Minute Open-Close Data, or EOD Data on a subscription basis or as an ad hoc request for a specified month(s) (historical file).[6] The Exchange proposes to add language to its Fee Schedule to clarify that either (i) a mid-month subscription or (ii) an ad-hoc historical request for specific dates of any of the Open-Close Data will be prorated. The Exchange proposes this change with the sole purpose of providing greater clarity to its Fee Schedule and aligning the content of its Fee Schedule with the fee schedule of its affiliate exchange, Cboe Exchange, Inc. (hereinafter ''C1'' or ''Cboe Exchange'').[7]

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the ''Act'') and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.[8] Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[9] requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to

[3] The Exchange initially submitted the proposed change on May 19, 2026 (SR–C2–2026–015). On May 26, 2026, the Exchange withdrew that filing and submitted this filing.

[4] *See* Securities Exchange Act Release No. 104796 (February 10, 2026), 91 FR 6931 (February 13, 2026) (SR–CBOE–2026–011).

[5] For example, subscribers to the Ten-Minute Intraday Report receive the first calculation of intraday data by approximately 9:42 a.m. ET, which represents data captured from 9:30 a.m. to 9:40 a.m. Subscribers receive the next update at 9:52 a.m., representing the data previously provided together with data captured from 9:40 a.m. through 9:50 a.m., and so forth. Each update represents the aggregate data captured from the current ''snapshot'' and all previous ''snapshots.''

[6] *See* C2 Options Fee Schedule.

[7] *Supra* note 4.

[8] 15 U.S.C. 78f(b).

[9] 15 U.S.C. 78f(b)(5).

and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5) [10] requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the proposed rule change is reasonable and would benefit investors by providing clarity regarding the method of calculation of fees associated with mid-month subscriptions and requests for ad-hoc historical data for specific dates of any of the Open-Close Data. Additionally, the Exchange believes the proposed addition of language clarifying that mid-month subscriptions and requests for ad-hoc historical data will be pro-rated is reasonable because the Exchange's affiliated exchange already has this language in place,[11] and its addition to the Exchange's fee schedule adds consistency between the fee schedules of the Exchange and its affiliate. Additionally, The Exchange believes the proposed change is equitable and not unfairly discriminatory because the proration of the fees would apply equally to all users who choose to purchase such data. The Exchange's proposed proration of fees would not differentiate between subscribers that purchase the data and would allow any interested market participant to purchase such data based on their business needs.

Furthermore, the Exchange notes that all of its Open-Close Data products are entirely optional for market participants to purchase. Indeed, no market participant is required to purchase the Open-Close Data products, and the Exchange is not required to make the Open-Close Data products available to all investors. Rather, the Exchange is voluntarily making the Open-Close Data available. Potential purchasers may request the data at any time if they believe it to be valuable or may decline to purchase such data.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe the proposed fees would cause any unnecessary or inappropriate burden on intermarket competition because the proposed rule change is aimed solely at adding clarification and accuracy to the Exchange's Fee Schedule. Further, the Exchange operates in a highly competitive environment, and its ability to price the reports is constrained by competition among exchanges who choose to adopt similar products. The Exchange must consider this in its pricing discipline in order to compete for subscribers of the Exchange's market data via the reports. Finally, the Exchange does not believe the proposed rule change would cause any unnecessary or inappropriate burden on intramarket competition. Particularly, the proposed fees apply uniformly to any purchaser in that the Exchange does not differentiate between the different market participants that may purchase the report.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The Exchange neither solicited nor received comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act [12] and paragraph (f) of Rule 19b–4 [13] thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include file number SR–C2–2026–016 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–C2–2026–016. 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–C2–2026–016 and should be submitted on or before June 22, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[14]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–10831 Filed 5–29–26; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[OMB Control No. 3235–0548]

Agency Information Collection Activities; Proposed Collection; Comment Request; Extension: Rule 35d–1 Under the Investment Company Act of 1940

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549–2736

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. § 3501 *et seq.*), the Securities and Exchange Commission (''SEC'' or ''Commission'') is soliciting comments on the proposed collection of information.

Section 35(d) of the Investment Company Act of 1940 (''Investment Company Act'') [1] prohibits a registered

[10] *Id.*

[11] *Supra* note 4.

[12] 15 U.S.C. 78s(b)(3)(A).

[13] 17 CFR 240.19b–4(f).

[14] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 80a–1 *et seq.*

investment company from adopting as part of the name or title of such company, or of any securities of which it is the issuer, any word or words that the Commission finds are materially deceptive or misleading and authorizes the Commission, by rule, regulation, or order, to define such names or titles as are materially deceptive or misleading.[2]

Rule 35d–1 under the Investment Company Act defines as ''materially deceptive and misleading'' for purposes of section 35(d), among other things, a name suggesting that a registered investment company or a business development company (''BDC''), including any series thereof (a ''fund'') focuses its investments in a particular type of investment or investments, a particular industry or group of industries, particular countries or geographic regions, or investments that have, or whose issuers have, particular characteristics, unless, among other things, the fund adopts a policy to invest at least 80% of the value of its assets in the type of investment suggested by its name.[3] The rule imposes a similar 80% investment policy requirement for funds that have names suggesting that a fund's distributions are exempt from federal income tax or from both federal and state income tax (''tax-exempt funds'').

Rule 35d–1 requires either that (1) the 80% investment policy be fundamental or, (2) generally in the case of funds other than tax-exempt funds, registered closed-end funds, and BDCs, that the fund has adopted a policy to provide its shareholders with at least 60 days prior notice of any change in the investment policy, or a change to the fund's name that accompanies the investment policy change (''notice to shareholders'').[4] The rule further requires funds that adopt an 80% investment policy to maintain written records documenting their compliance with rule 35d–1, including records of any notice sent to the fund's shareholders pursuant to the rule.[5] These records must be retained for no less than six years following the creation of each required record (or, in the case of notices, following the date the notice was sent), the first two years in an easily accessible place.

Rule 35d–1 is designed to address certain broad categories of fund names that, in the Commission's view, are likely to mislead an investor about a fund's investments and risks. The rule's provisions are intended to further that goal. For example, the rule's notice to shareholders provision is designed to ensure that when shareholders purchase shares in a fund based, at least in part, on its name, and with the expectation that it will follow the investment policy suggested by that name, they will have sufficient time to decide whether to redeem their shares in the event that the fund decides to pursue a different investment policy. The rule's recordkeeping requirements are designed to help ensure compliance with the rule's requirements and aid in oversight.

Rule 35d–1's collection of information requirements include, as detailed in Table 1 below, the notice requirement and recordkeeping requirements for funds that are required to adopt an 80% investment policy. Compliance with these requirements is mandatory. Responses to these requirements will not be kept confidential.

TABLE 1—SUMMARY OF REVISED ANNUAL RESPONSES, BURDEN HOURS, AND MONETIZED ANNUAL TIME BURDEN

	Annual number of responses			Annual time burden (hours)			Monetized annual time burden (dollars)		
	Currently approved (funds)	Revised estimate (funds)	Change (funds)	Currently approved	Revised estimate	Change	Currently approved	Revised estimate	Change
Rule 35d–1 Notice Requirement.	34	[1] 37	3	680	20 hours per notice [2] × 37 funds = 740 hours.	60	[3] $289,000	$750 [4] × 20 hours = $15,000 per fund. $15,000 × 37 funds = $555,000.	$266,000
Rule 35d–1 Recordkeeping Requirement.	10,291	[5] 10,855	564	771,825	75 hours per fund [6] × 10,855 funds = 814,125 hours.	42,300	[7] 313,360,950	$600 [8] × 75 hours per fund = $45,000 per fund. $45,000 × 10,855 funds = $488,475,000.	175,114,050
Total Time Burden (hours) and Monetized Annual Time Burden (dollars).	.....	.....	.....	772,505	814,865 hours	42,360	313,649,950	$489,030,000	175,380,050

[1] The Commission estimates, across approximately 14,282 open-end and closed-end funds registered with the Commission (12,710 open-end management investment companies (Form N–1A filers), 707 closed-end management investment companies (Form N–2 filers not classified as BDCs), 693 UITs (Form N–4, N–6, N–8B–2, and S–6 filers), and 172 BDCs (based on Form 10–K filings and related amendments), as of December 31, 2025) that approximately 76% of these funds, or approximately 10,855 funds, have names that would require an 80% investment policy. The Commission further estimates that 1% of these 10,855 funds, or approximately 109 funds, would within the next three years provide a notice to shareholders pursuant to rule 35d-1. Therefore, over the course of 3 years, the Commission estimates that on average approximately 37 funds per year would provide a notice to shareholders under rule 35d–1.

[2] The Commission continues to estimate, as under the currently-approved burden, a burden of 20 hours per notice.

[3] The currently-approved cost burden was estimated as follows: 20 hours per notice × $425 (blended rate for attorneys) × 34 funds = $289,000.

[2] 15 U.S.C. 80a–34(d); *see also* Investment Company Names, Investment Company Act Release No. 35000 (Sept. 20, 2023) [88 FR 70436 (Oct. 27, 2023)] (adopting amendments to rule 35d–1).

[3] 17 CFR 270.35d–1. A policy that a fund must adopt under rule 35d–1 is referred to as an ''80% investment policy.''

[4] 17 CFR 270.35d–1(a)(2)(ii), (a)(3)(i), (d), (f).

[5] 17 CFR 270.35d–1(b)(3).

[4] We estimate $750 as follows: $744 rate for an attorney, rounded up for simplicity = $750. To calculate the occupational hourly rate used in the Commission's current estimates, the Commission uses occupational mean hourly wage data from the Occupational Employment and Wage Statistics (OEWS) program of the Bureau of Labor Statistics (BLS) for ''Securities, Commodity Contracts, and Other Financial Investments and Related Activities'' (NAICS 523). *See* Occupational Employment and Wage Statistics, U.S. BUREAU OF LABOR STATISTICS, *https://www.bls.gov/oes/; see also* Standard Occupational Classification, U.S. BUREAU OF LABOR STATISTICS, *https://www.bls.gov/soc/* (describing occupational classification system used by BLS); EXEC. OFF. OF THE PRESIDENT, OFF. OF MGMT. & BUDGET, NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM (2022), *available at https://www.census.gov/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, *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 NAICS 523 to total annual wages across all occupations for NAICS 523 in the OEWS data. *See* Gross Output by Industry, U.S. BUREAU OF ECONOMIC ANALYSIS, *https://www.bea.gov/data/industries/gross-output-by-industry;* Occupational Employment and Wage Statistics, U.S. BUREAU OF LABOR STATISTICS, *https://www.bls.gov/oes/.* The final product is the occupational hourly rate. *See generally* UPDATED METHODOLOGY FOR CALCULATING OCCUPATIONAL HOURLY RATES (Dec. 19, 2025), *available at https://www.sec.gov/files/method-occupational-hourly-rates.pdf.*

[5] We estimate that 10,855 funds have names that would require an 80% investment policy. *See supra* footnote 1 to Table 1.

[6] The Commission continues to estimate, as under the currently-approved burden, an average annual burden of 75 hours associated with recordkeeping under rule 35d–1. This burden would be higher for new funds that would have to establish recordkeeping procedures, and lower for funds whose records (or a significant subset of records) would be able to be automated.

[7] The currently-approved cost burden was estimated as follows: 75 annual burden hours associated with recordkeeping × $406 (blended rate for compliance attorney and senior programmer) × 10,291 funds = $313,649,950.

[8] We estimate $600 as follows: blended rate for an attorney ($744) and a computer programmer ($416) = $580, rounded up for simplicity = $600. *See supra* footnote 4 to Table 1 (discussing calculation of occupational hourly rates used in the Commission's current estimates).

Cost burden is the external cost of services purchased to comply with rule 35d–1, such as for the services of computer programmers, outside counsel, financial printers, and advertising agencies. The cost burden does not include the cost of the internal hour burden discussed in Table 1 above. We estimate a total annual external cost burden to all respondents of $5,446,000 ($18,500 (notice requirement) + $5,427,500 (recordkeeping requirement)), as detailed in Table 2 below.

TABLE 2—SUMMARY OF REVISED ANNUAL EXTERNAL COST BURDEN

[Purchase of services]

	Annual number of responses			Annual external cost burden (dollars)		
	Currently approved (funds)	Revised estimate (funds)	Change (funds)	Currently approved	Revised estimate	Change
Rule 35d–1 Notice Requirement	34	[1] 37	3	[2] $19,210	$750 [3] × 37 funds = $27,750	$8,540
Rule 35d–1 Recordkeeping Requirement.	10,291	[4] 10,855	564	[5] 5,814,415	$750 [6] × 10,855 funds = $8,141,250	2,326,835
Total External Cost Burden (dollars).	.....	.....	.....	5,833,625	$8,169,000	2,335,375

[1] *See supra* footnote 1 to Table 1.

[2] The currently-approved annual external cost burden was estimated as follows: $565 for 1 hour of external legal services x 34 funds = $19,210.

[3] We estimate $750 as follows: $744 rate for an attorney, rounded up for simplicity = $750. *See supra* footnote 4 to Table 1 (discussing calculation of occupational hourly rates used in the Commission's current estimates).

[4] *See supra* footnote 5 to Table 1.

[5] The currently-approved annual external cost burden was estimated as follows: $565 for 1 hour of external legal services × 10,291 funds = $5,814,415.

[6] *See supra* footnote 3 to Table 2.

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.

Written comments are invited on: (a) whether this proposed collection of information is necessary for the proper performance of the functions of the SEC, including whether the information will have practical utility; (b) the accuracy of the SEC's estimate of the burden imposed by the proposed collection of information, including the validity of the methodology and the assumptions 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 respondents, including through the use of automated, electronic collection techniques or other forms of information technology.

Please direct your written comments on this 60-Day Collection Notice to Austin Gerig, Director/Chief Data Officer, Securities and Exchange Commission, c/o Tanya Ruttenberg via email to *PaperworkReductionAct@sec.gov* by July 28, 2026. There will be a second opportunity to comment on this SEC request following the **Federal Register** publishing a 30-Day Submission Notice.

Dated: May 27, 2026.

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–10820 Filed 5–29–26; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–105563; File No. SR–NYSEAMER–2026–43]

Self-Regulatory Organizations; NYSE American LLC; Notice of Filing and Immediate Effectiveness of Proposed Change of Amendments to the Rule 8000 and Rule 9000 Series

May 27, 2026.

Pursuant to Section 19(b)(1) [1] of the Securities Exchange Act of 1934 (''Act'') [2] and Rule 19b–4 thereunder,[3] notice is hereby given that, on May 19, 2026, NYSE American LLC (''NYSE American'' or the ''Exchange'') filed

[1] 15 U.S.C. 78s(b)(1).

[2] 15 U.S.C. 78a.

[3] 17 CFR 240.19b–4.

with the Securities and Exchange Commission (the ''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. 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 amendments to the Rule 8000 and Rule 9000 Series to harmonize the Exchange's disciplinary rules with recent changes to the disciplinary rules of the Financial Industry Regulatory Authority (''FINRA'') on which the Exchange disciplinary rules are modeled. The proposed rule change is available on the Exchange's website at *www.nyse.com* 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 self-regulatory organization 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 those 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 parts of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes amendments to the Rule 8000 (Investigations and Sanctions) and Rule 9000 Series (Code of Procedure) contained in Section 10 (Disciplinary Rules) of the Exchange's Office Rules to (i) automatically stay effectiveness of specified expulsions of member organizations, membership cancellations, and denials of applications for continued membership of disqualified member organizations to allow for Securities and Exchange Commission (''Commission'' or ''SEC'') review under Section 19 of the Act,[4] and (ii) provide authority for Exchange staff and adjudicators to grant respondents and applicants the opportunity to seek a stay or take other appropriate action before certain sanctions or regulatory measures (other than the above-mentioned expulsions, membership cancellations, or denials of continued membership applications) take effect.

The proposed rule change would harmonize the Exchange's disciplinary rules with those of FINRA, and would apply to decisions issued in expedited proceedings under the Rule 9550 Series (Expedited Proceedings), disciplinary proceedings under the Rule 9300 Series (Review of Disciplinary Proceeding by Exchange Board of Directors), eligibility proceedings under the Rule 9520 Series (Eligibility Proceedings), and cease and desist orders under the Rule 9800 series (Temporary and Permanent Cease and Desist Orders), as well as expulsions of member organizations under Rule 8320 (Payment of Fines, Other Monetary Sanctions, or Costs; Summary Action for Failure to Pay).

The proposed rule change would not apply to any other sanction or Exchange action against a member organization, associated person, or other person subject to the Exchange's jurisdiction.

Background and Proposed Rule Change

In 2016, the Exchange adopted rules relating to investigation, discipline, and sanctions, and other procedural rules based on the rules of its affiliate New York Stock Exchange LLC and FINRA.[5] Rules 8320, 9269, 9310, 9524, 9527, 9557, 9558, 9559, 9840, 9850 and 9870 are based on, and are substantively similar to, each respective FINRA rule.

Recently, FINRA amended its disciplinary rules to provide that specified expulsions of member firms, cancellations of membership, and denials of applications for continued membership of disqualified member firms would not become effective until the time for filing an application for review with the SEC has expired and no such application is filed or, if such an application is timely filed, until the SEC completes its review under Section 19 of the Act.[6] FINRA's changes applied to decisions issued in expedited proceedings under the FINRA Rule 9550 Series, disciplinary proceedings under the FINRA Rule 9300 Series, and eligibility proceedings under the FINRA Rule 9520 Series and Funding Portal Rule 900(b), as well as expulsions of member firms under FINRA Rule 8320 (for failure to pay fines, monetary sanctions, and costs), cancellations of membership, and denials of applications for continued membership.[7] In addition, FINRA also amended provisions of the FINRA Rule 9000 Series (Code of Procedure) that require or allow for a sanction (*e.g.,* a suspension or bar) or other regulatory measure (such as a denial of a statutory disqualification application, imposition of a cease and desist order, or imposition of conditions, requirements or restrictions) to take effect immediately. The amendments provided FINRA staff and adjudicators authority to grant respondents and applicants, where appropriate, the opportunity to seek a stay from the SEC or take other appropriate action before the sanction or other regulatory measure takes effect, and in certain instances,

[4] *See, e.g.,* 15 U.S.C. 78s(e) & (f). FINRA sought to align its disciplinary rules relating to the effectiveness of expulsions in expedited proceedings with the ruling of the United States Court of Appeals for the D.C. Circuit in *Alpine Securities Corp.* v. *FINRA,* 121 F.4th 1314 (D.C. Cir. 2024), *cert. denied* (June 2, 2025) (No. 24–904) (remanding to the district court with instructions to enter a limited preliminary injunction enjoining FINRA from expelling Alpine Securities until the Commission has reviewed any expulsion that FINRA may order in the pending expedited proceeding against Alpine Securities or the time for Alpine Securities to seek SEC review of an expulsion has passed). *See* Securities Exchange Act Release No. 103228 (June 11, 2025), 90 FR 25689 (June 17, 2025) (SR–FINRA–2025–004) (''Release 103228''). In its filing, FINRA noted that this litigation is ongoing and that FINRA does not waive any rights or arguments it may have in connection with this or any other pending or future matter. *See id.,* 90 FR at 25690, n.7. The Exchange similarly notes that by harmonizing its rules with FINRA, it similarly does not waive any rights or arguments it may make in connection with matters relating to these rules or to the issues presented in the *Alpine* litigation in any pending or future matter. *See also* note 7, *infra.*

[5] *See* Securities Exchange Act Release No. 77241 (February 26, 2016), 81 FR 11311 (March 3, 2016) (SR–NYSEMKT–2016–30).

[6] *See* Release 103228, 90 FR at 25689 and 15 U.S.C. 78s(e) & (f). Pursuant to the Act, an application for review of a determination by FINRA or the Exchange, such as the imposition of a final disciplinary sanction or denial of membership, must be filed with the SEC within 30 days after notice is filed with the SEC and received by the aggrieved person applying for review. *See* 15 U.S.C. 78s(d). *See also* SEC Rule of Practice 420(b), 17 CFR 201.420(b) (providing that the SEC will not extend this 30-day period absent a showing of extraordinary circumstances).

[7] FINRA proposed to stay the effectiveness of actions against member firms that could result in a sanction or action that shares the relevant characteristics of the sanction at issue in the *Alpine* matter, specifically expulsions imposed in full disciplinary proceedings and under FINRA Rule 8320 (for failure to pay fines, monetary sanctions, and costs), cancellations of membership, and denials of applications for continued membership. *See* Release 103228, 90 FR at 25690. Like expulsions in expedited proceedings, these latter FINRA actions are not currently stayed under FINRA rules by the filing of an application for SEC review, and once the FINRA action becomes final and effective, the firm is no longer a FINRA member. However, unlike an expulsion, if a member firm's membership has been cancelled, the firm can reapply for FINRA membership by submitting a new Form BD and Form NMA as part of the new member application process. *See id.,* at n.8.

would expressly prescribe such amount of time by rule.[8]

The Exchange proposes to harmonize its disciplinary rules with the recent changes by FINRA. To effectuate these changes, the Exchange would make the following changes to Rules 8320, 9269, 9310, 9524, 9527, 9557, 9558, 9559, 9840, 9850 and 9870, as follows.

• Rule 8320(b) provides for a summary suspension until a fine or monetary sanction is paid to the Exchange consistent with subsection (a). A subsection (2) would be added to Rule 8320(b) that would provide that an expulsion under paragraph (b)(1) of the Rule would not become effective until the time for filing an application for review with the SEC has expired and no such application is filed or, if such an application is timely filed, until the SEC either completes its review under Exchange Act Section 19 or otherwise orders. The existing text of Rule 8320(b) would become Rule 8320(b)(1) and existing subsections (1) and (2) would become subsections 8320(b)(1)(A) and (B), respectively. The text of the current rule would remain unchanged. The proposed rule change is substantively the same as rule text added to FINRA Rule 8320(b)(2) with one difference. The Exchange proposes to add the phrase ''or otherwise orders'' to the proposed language to reflect the fact that the Commission retains authority over its own proceedings, including the authority to determine, either on its own motion or by motion of a party to the respective proceeding, when an expulsion should become effective.

• Rule 9269(d) provides that in the case of default decisions issued by a Hearing Officer, unless otherwise provided in the default decision, the sanctions shall become effective on a date to be determined by the Exchange's regulatory staff, except that a bar or expulsion becomes effective immediately upon the default decision becoming the final disciplinary action of the Exchange. The Exchange would restructure Rule 9269(d) into three subparagraphs. New subparagraphs (d)(1) and (3) would contain existing rule text. New subparagraph (d)(2)(A) would be amended to provide that unless otherwise provided in the default decision, ''a sanction (other than a bar or expulsion) specified in a decision constituting final disciplinary action of Exchange for purposes of SEA Rule 19d–1(c)(1) shall become effective on a date to be determined by Regulatory Staff'' and new subparagraph (d)(2)(B) amended to provide that ''a bar or expulsion specified in a decision shall become effective immediately upon the default decision becoming the final disciplinary action of the Exchange for purposes of SEA Rule 19d–1(c)(1).'' As FINRA noted, this proposed amendment would achieve consistency with the structure of Rule 9268(f), which governs the effectiveness of sanctions in other disciplinary decisions.[9]

• The following new subsection (e) would be added to Rule 9310, which governs review of disciplinary proceedings by the Exchange's Board of Directors (the ''Board''): ''Unless the Exchange Board of Directors otherwise specifically directs, a sanction (other than a bar, an expulsion, or a permanent cease and desist order) specified in a decision constituting final disciplinary action of the Exchange for purposes of SEA Rule 19d–1(c)(1) shall become effective on a date to be determined by the Exchange. A bar or a permanent cease and desist order shall become effective upon service of the decision constituting final disciplinary action of the Exchange, unless otherwise specified therein. An expulsion shall not become effective until the time for filing an application for review with the SEC has expired and no such application is filed or, if such an application is timely filed, until the SEC either completes its review under Exchange Act Section 19 or otherwise orders.'' The proposed text is substantively the same as FINRA Rule 9360 (Effectiveness of Sanctions), including the text FINRA added, except for the phrase ''or otherwise orders'' that the Exchange proposes to include for the reasons discussed above.[10]

• Rule 9524(a), governing requests for Board review, would be amended by adding the following clause in the first sentence of the Rule: ''an application for relief from eligibility requirements pursuant to Rule 9522(e)(2) or.'' The proposed language has no analogue in the FINRA rule. The Exchange would add the proposed language to provide clarity and internal consistency to its rule since an application for relief pursuant to Rule 9522(e)(2) would also be eligible for Board review pursuant to Rule 9524.

In addition, the Exchange would add the following new sentence to the end of Rule 9524(b), which governs reviews of eligibility proceedings by the Board: ''A decision to deny an application for a disqualified member organization's continued membership shall not become effective until the time for filing an application for review with the SEC has expired and no such application is filed or, if such an application is timely filed, until the SEC either completes its review under Exchange Act Section 19 or otherwise orders.'' The proposed language is substantively similar to the rule language FINRA added to its Rule 9524 with the exception of the phrase ''or otherwise orders,'' which the Exchange proposes to include for the reasons described above.[11]

• Rule 9527 governs applications to the SEC for review of eligibility proceedings and would be amended by adding the following third sentence to the Rule: ''Pursuant to Rule 9524(b), a decision to deny an application for a disqualified member's continued membership shall not become effective until the time for filing an application for review with the SEC has expired and no such application is filed or, if such an application is timely filed, until the SEC either completes its review under Exchange Act Section 19 or otherwise orders.'' The proposed rule change is substantively the same as rule text FINRA added to its Rule 9527 with the exception of the phrase ''or otherwise orders,'' which the Exchange proposes to include for the reasons described above.

• The Rule 9550 Series provides for the initiation and prosecution of expedited proceedings, including, among others, proceedings under Rule 9557 for member organizations experiencing operational or financial difficulties that may have led to noncompliance with provisions of Rules 470, 471, 4110—Equities, 4120—Equities and 4130—Equities.

Pursuant to Rule 9557(a) and (c), the Exchange will issue a notice setting

[8] *See* Securities Exchange Act Release No. 103285 (June 17, 2025), 90 FR 26667 (June 23, 2025) (SR–FINRA–2025–006) (''Release 103285'').

[9] *See* Release 103285, 90 FR at 26669.

[10] The Exchange notes that pursuant to Rule 9310(a), any party may require a review by the Exchange Board of Directors of any determination or penalty imposed by a Hearing Panel or Extended Hearing Panel under the Rule 9200 Series. Pursuant to Rule 9268(e), if a request for review is not timely filed pursuant to Rule 9310, a Hearing Panel decision shall constitute final disciplinary action of the Exchange for purposes of Exchange Act Rule 19d–1(c)(1), at which time all bars or expulsions shall become immediately effective pursuant to Rule 9268(f). Further, Rule 8310(b) provides that each party to a proceeding resulting in a sanction (sanctions are defined in Rule 8310(a)(4) and include expulsions) shall be deemed to have assented to the imposition of the sanction unless such party files a written application for review or relief pursuant to the Rule 9000 Series. Accordingly, consistent with amended FINRA Rule 9370, the proposed rule changes do not provide a stay where a member firm has defaulted or has failed to exhaust its administrative remedies through the Exchange's appellate process. *See* Release 103228, 90 FR at 25691 n.17.

[11] Rule 9524 is similar to FINRA Rule 9524 except for, among other things, the fact that the Exchange's Board reviews disciplinary appeals and the Exchange does not utilize FINRA's National Adjudicatory Council (''NAC'') for this purpose.

forth the specific grounds and factual basis for the action and the requirements or restrictions being imposed. Under current Rule 9557(d), such requirements or restrictions are immediately effective. Pursuant to Rule 9557(f), the failure to comply with these requirements or restrictions shall be deemed to ''result in automatic and immediate suspension'' without further notice, unless Exchange staff issues a letter of withdrawal of the requirements or restrictions. A member organization served with a Rule 9557 notice may file a written request for a hearing with the Office of Hearing Officers, and under Rule 9557(d), a timely request for a hearing stays the effectiveness of the notice, unless the Exchange's Chief Executive Officer (''CEO'') (or such other senior officer as the CEO may designate) determines otherwise. Under current Rule 9559(n)(3), if a Hearing Panel approves the requirements or restrictions imposed in the Rule 9557 notice and finds that the respondent has not complied with them, the Hearing Panel must impose an immediate suspension. Under current Rule 9559(o)(4)(A), the Hearing Panel's written order is effective when issued.

Rule 9557(d) would be amended to provide that the requirements and restrictions imposed by a notice under Rule 9557(a) are immediately effective ''[u]nless otherwise specified therein.'' Consistent with FINRA's filing, the proposed rule change would give Exchange staff authority to afford the member an opportunity to take action before a requirement or restriction takes effect.[12] Like FINRA, the Exchange also proposes a conforming change to Rule 9557(c)(3), which addresses the contents of a notice issued under Rule 9557, to reflect amended paragraph (d).

Rule 9557(f) would be amended to provide that Exchange staff will issue a notice of suspension in the event the member fails to comply with the requirements or restrictions imposed under the Rule. Following FINRA, the Exchange proposes that such suspension would be effective five business days after service of the notice pursuant to paragraph (b).[13] Rule 9557(f) also would be amended to include certain procedural requirements for issuance and service of a notice of suspension and would, like the FINRA rule, comprise five new subparagraphs, as follows:

- Rule 9557(f)(1) would be titled ''Notice of Suspension'' and the phrases ''without further notice from FINRA staff'' and ''and immediately'' would be removed and the phrase ''effective five business days after service of a notice of suspension issued by FINRA staff'' would be added.
- Rule 9557(f)(2) would be titled ''Service of Notice of Suspension.'' The proposed rule text provides that Exchange staff shall serve the member subject to a notice of suspension issued under new paragraph (f) in accordance with the service provisions in Rule 9557(b).
- Rule 9557(f)(3) would be titled ''Contents of Notice of Suspension'' and would provide that ''[a] notice of suspension issued and served under this paragraph (f) shall identify the requirements and restrictions with which the member is alleged to have not complied and shall contain a statement of facts specifying the alleged failure. The notice of suspension shall state when Exchange action will take effect and explain what the respondent must do to avoid such action.'' According to FINRA, the proposed provision is substantially similar to the requirements relating to the contents of notices relating to disciplinary proceedings and other expedited proceedings under existing rules.[14]
- Rule 9557(f)(4) would be titled ''Effective Date'' and would state that the effective date for a notice of suspension issued and served under new Rule 9557(f) shall become effective five business days after service of such notice.
- Rule 9557(f)(5) would be titled ''Application to SEC for Review'' and would provide that ''[a] notice of suspension issued and served under this paragraph (f) constitutes final action by the Exchange. The right to have any action under this paragraph reviewed by the SEC is governed by Section 19 of the Exchange Act.''

The Exchange would make conforming changes to Rule 9557(c)(5) relating to contents of a notice to reflect amended paragraph (f) to remove ''without further notice from FINRA staff'' and add ''effective five business days after service of a notice of suspension.''

Finally, following FINRA, the Exchange proposes several additional conforming and clarifying changes to Rule 9557.[15] First, the Exchange would add ''of requirements or restrictions'' to the title and introductory text and ''paragraph a'' to the introductory text of Rule 9557(c) in order to clarify that this paragraph addresses the initial notice issued under Rule 9557 prescribing the requirements or restrictions imposed under the Rule. Second, the Exchange would remove ''immediate'' from Rule 9557(c)(9) to reflect proposed amendments to Rule 9559(n) discussed below. Third, in Rule 9557(e), the Exchange would add ''other than a notice of suspension under paragraph (f)'' to clarify that paragraph (e) does not apply to notices of suspension. Fourth, Rule 9557(g)(2)(B) would be amended to remove ''by a notice'' and ''immediately'' and to add ''in accordance with this Rule'' to account for the two types of notices that can be issued under proposed Rule 9557(f) and the revisions throughout Rule 9557 that will provide a brief period of time for respondents to seek a stay before a suspension takes effect.

The proposed changes to Rule 9557 are substantively the same as rule text added to FINRA Rule 9557.

- Rule 9558 authorizes the Exchange's CEO or such other senior officer as the CEO may designate to provide written authorization to Exchange staff to issue on a case-by-case basis written notices that ''summarily'' suspends a member organization or covered person who has been and is expelled or suspended from any self-regulatory organization or barred or suspended from being associated with a member organization of any self-regulatory organization; suspends a member organization that is in such financial or operating difficulty that Exchange staff determines and so notifies the Commission that the member organization cannot be permitted to continue to do business as a member organization with safety to investors, creditors, other member organizations, or the Exchange; or limits or prohibits any person with respect to access to services offered by the Exchange if paragraphs (a)(1) or (2) of the Rule or the provisions of Section 6(d)(3) of the Act applies to such person or, in the case of a person who is not a member organization or covered person, if the Exchange's CRO or such other senior officer as the CRO may designate determines that such person does not meet the qualification requirements or other prerequisites for such access and such person cannot be permitted to continue to have such access with safety to investors, creditors, member organizations, or the Exchange, and so notifies the SEC. Under current Rule 9558(d), a

[12] *See* Release 103285, 90 FR at 26670.

[13] According to FINRA, five business days is a reasonable and sufficient amount of time for a firm to take action (such as comply with the original notice of requirements or restrictions, or file a notice of appeal and request a stay with the SEC) without undermining the purpose of Rule 9557, which is designed to ensure that FINRA can respond to emergency circumstances, such as when a firm is experiencing financial or operational difficulty. *See* Release 103285, 90 FR at 26670.

[14] *See id.*

[15] *See* Release 103285, 90 FR at 26669–70.

prohibition or suspension set forth in the notice is immediately effective. Under Rule 9558(e), a member or person served with a notice may file a written request for a hearing with the Office of Hearing Officers. A timely request for a hearing shall not stay the effectiveness of a Rule 9558 notice, unless the Chief Hearing Officer or the Hearing Officer assigned to the matter otherwise orders for good cause shown, and the member or person must separately request a stay. The Exchange proposes to amend Rule 9558(d) to add ''unless otherwise specified therein'' to provide the Exchange with the authority to afford respondents an opportunity to take appropriate action before the requirements or restrictions imposed in the notice take effect. The proposed change to Rule 9558(d) is substantively the same as rule text added to FINRA Rule 9558(d).

• The Exchange would make the following changes to Rules 9559(n)(3), (o)(4)(a), (p)(6) and 9559(r).

Rule 9559 sets forth uniform hearing procedures for expedited proceedings under the Rule 9550 Series. In conformity with the proposed amendments to Rule 9557, the Exchange would remove ''immediate'' from Rule 9559(n)(3) and add ''unless otherwise specified therein'' to Rule 9559(o)(4)(A) to provide adjudicators authority to grant respondents a brief amount of time to seek a stay from the SEC before a suspension becomes effective.

Subsection (p) governs the contents of the written decision under 9559(o)(4)(B) issued under the Rule, and subsection (p)(6) provides that it must include a ''statement describing any sanction, requirement, restriction or limitation imposed, the reasons therefore, and the date upon which such sanction, requirement, restriction or limitation [16] shall become effective.'' The Exchange would add the following clause after ''effective'': '', except that an expulsion or cancellation of membership shall not become effective until the time for filing an application for review with the SEC has expired and no such application is filed or, if such an application is timely filed, until the SEC either completes its review under Exchange Act Section 19 or otherwise orders.''

Rule 9559(r) governs applications to the SEC for review and provides that the ''right to have any action pursuant to this Rule reviewed by the SEC is governed by Section 19 of the Exchange Act. The filing of an application for review by the SEC shall not stay the effectiveness of final Exchange action, unless the SEC otherwise orders.'' The Exchange would add the following sentence at the end of subsection (r): ''Pursuant to paragraph (p)(6) of this Rule, an expulsion or cancellation of membership shall not become effective until the time for filing an application for review with the SEC has expired and no such application is filed or, if such an application is timely filed, until the SEC either completes its review under Exchange Act Section 19 or otherwise orders.''

The proposed changes to Rule 9559(p)(6) and (r) are substantively the same as rule text added to FINRA Rule 9559(p)(6) and (r) with the exception of the phrase ''or otherwise orders,'' which the Exchange proposes to include for the reasons described above.

• The Rule 9800 Series sets forth procedures for issuing temporary and permanent cease and desist orders. Pursuant to Rule 9870, temporary and permanent cease and desist orders issued pursuant to the Rule 9800 Series constitute final and immediately effective disciplinary sanctions imposed by the Exchange. Under current Rule 9840(d),[17] temporary and permanent cease and desist orders are effective when service of the Hearing Panel's written decision is complete. At any time after the Office of Hearing Officers serves the order, a party may apply under Rule 9850 to have the order modified, set aside, limited or suspended. Under Rule 9850, the filing of an application for review of a temporary or permanent cease and desist order with a Hearing Panel shall not stay the effectiveness of the order. Under Rule 9870, the filing of an application for review of a temporary or permanent cease and desist order with the SEC shall not stay the effectiveness of the order unless the SEC otherwise orders.

The Exchange proposes to add ''unless otherwise specified therein'' to Rules 9840(d) and 9870 to provide adjudicators under the rules the authority to grant applicants an opportunity to seek a stay from the SEC or take other appropriate action before the temporary or permanent cease and desist order takes effect. In addition, the Exchange would add ''unless the Chief Hearing Officer or the Deputy Hearing Officer assigned to the matter otherwise orders for good cause shown'' to Rule 9850 to provide authority to stay the effectiveness of a temporary or permanent cease and desist order upon the filing of an application for review by the Hearing Panel, where appropriate. The proposed changes to Rule 9840(d), 9850 and 9870 are substantively the same as rule text added to FINRA Rule 9840(f),[18] 9850 and 9870.

No other changes to the NYSE American disciplinary rules are proposed.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,[19] in general, and furthers the objectives of Section 6(b)(5) of the Act,[20] in that it is 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 facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest by strengthening the Exchange's ability to oversee and police its marketplace. In addition, the Exchange believes that the proposed rule change is designed to provide a fair procedure for prohibiting or limiting any person with respect to access to services offered by the Exchange or a member thereof consistent with the objectives of Section 6(b)(7).[21]

The Exchange believes that the proposed rule change furthers the objectives of the Act by harmonizing Exchange rules modeled on FINRA rules with respect to the effectiveness of expulsions in expedited proceedings, and other Exchange actions against member organizations that may result in a sanction or action that shares the relevant characteristics of such expulsions, to allow for Commission review under Section 19 of the Act.[22] As previously noted, the proposed changes are substantively the same as those recently made to the FINRA disciplinary rules. As such, the proposed rule change would facilitate rule harmonization among self-regulatory organizations with respect to the effectiveness of expulsions in certain types of Exchange actions, thereby fostering cooperation and coordination with persons engaged in facilitating transactions in securities and will remove impediments to and perfect the mechanism of a free and

[16] As adopted, Rule 9559(p)(6) does not also contain a reference to ''obligation'' like the FINRA rule. The Exchange does not propose to add the term at this time.

[17] The FINRA analogue to NYSE American Rule 9840(d) is FINRA Rule 9840(f).

[18] *See* note 17, *supra.*

[19] 15 U.S.C. 78f(b).

[20] 15 U.S.C. 78f(b)(5).

[21] 15 U.S.C. 78f(b)(7).

[22] *See, e.g.,* 15 U.S.C. 78s(e) & (f).

open market and a national market system.

Like FINRA, the Exchange believes that any potential risk to investor protection posed by aligning the Exchange's rules with FINRA could be mitigated by several factors. In cases where an expulsion, cancellation of membership, or denial of an application for continued membership has been appealed to the SEC, the Exchange will seek expeditious resolution and, where appropriate, may take additional steps to prevent customer harm during the pendency of an appeal of a disciplinary decision imposing an expulsion or cancellation of membership. The Exchange also notes that information about disciplinary proceedings and sanctions against member organizations is available on the Exchange's website and through FINRA's BrokerCheck, which would enable investors to obtain information regarding whether a member organization is subject to any adverse regulatory action that is the subject of a pending application for SEC review.[23]

Further, the Exchange believes that the proposed rule change will provide member organizations and interested parties notice and clarity regarding the effectiveness of expulsions, membership cancellations, and denials of applications for continued membership under Exchange rules. The Exchange accordingly believes that the proposed rule change will enable the Exchange to continue to administer a fair procedure for disciplining member organizations consistent with the goals of investor protection.

Finally, the Exchange believes that the proposed rule changes to the Rule 9000 Series, *i.e.,* the proposed changes to Rules 9269(d), 9557(c), (d) & (f), 9559(n)(3), (o)(4)(a), 9558, 9840(a) and 9870, would further the goal of providing a fair process for member organizations and associated persons because it would provide Exchange staff and adjudicators authority to grant respondents and applicants an opportunity to seek a stay from the Commission or take other appropriate action before a sanction (*e.g.,* a suspension or a bar) or other regulatory measure (such as a statutory disqualification denial, imposition of a cease and desist order or imposition of conditions, requirements or restrictions) takes effect. In addition, the proposed changes to Rule 9557(f) and conforming changes to Rule 9559 provide a fair process for issuing a notice of suspension to members experiencing financial or operational difficulties in the event that they fail to comply with restrictions or requirements imposed by Exchange staff. Like FINRA, the Exchange believes the proposed amendments will not impede the prompt resolution of cases and the remediation of issues the rules are designed to address because the proposed rule change provides Exchange staff and adjudicators authority to briefly delay the effectiveness of sanctions and other regulatory measures and does not mandate a delay in every case. Hence, where appropriate, the Exchange, like FINRA, would have authority under the amended rules to allow the sanctions or other regulatory measures to take effect immediately in accordance with Exchange protocol and precedent. Further, the Exchange believes that the proposed changes to Rule 9557 and conforming changes to Rule 9559 provide a streamlined process for suspending members, if necessary, to address the potential risks posed by members experiencing financial or operational difficulties.[24]

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is not intended to address competitive issues but rather is intended solely to stay the effectiveness of specified Exchange actions to permit Commission review, thereby providing greater harmonization with FINRA rules. In so doing, the Exchange is not imposing new or additional costs or impacts on member organizations or investors while allowing the Exchange to administer a fair procedure for disciplining member organizations consistent with the goals of investor protection.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were solicited or received with respect to the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act[25] and Rule 19b–4(f)(6) thereunder.[26] Because the 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 prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b–4(f)(6)(iii) thereunder.

A proposed rule change filed under Rule 19b–4(f)(6)[27] normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b4(f)(6)(iii),[28] the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest.

At any time within 60 days of the filing of such proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B)[29] of the Act to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include file number SR–NYSEAMER–2026–43 on the subject line.

[23] Rule 8313(d) provides that the Exchange shall provide notice to the public if a disciplinary decision of the Exchange is appealed to the SEC and the notice shall state whether the effectiveness of the decision has been stayed pending the outcome of proceedings before the SEC.

[24] *See* Release 103285, 90 FR at 26672–73.

[25] 15 U.S.C. 78s(b)(3)(A)(iii).

[26] 17 CFR 240.19b–4(f)(6).

[27] 17 CFR 240.19b–4(f)(6).

[28] 17 CFR 240.19b–4(f)(6)(iii).

[29] 15 U.S.C. 78s(b)(2)(B).

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–NYSEAMER–2026–43. 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–NYSEAMER–2026–43 and should be submitted on or before June 22, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[30]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–10834 Filed 5–29–26; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–105564; File No. SR–NYSEARCA–2026–55]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change of Amendments to Rule 10.8000 and Rule 10.9000 Series

May 27, 2026.

Pursuant to Section 19(b)(1)[1] of the Securities Exchange Act of 1934 (''Act'')[2] and Rule 19b–4 thereunder,[3] notice is hereby given that, on May 19, 2026, NYSE Arca, Inc. (''NYSE Arca'' or the ''Exchange'') filed with the Securities and Exchange Commission (the ''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. 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 amendments to the Rule 10.8000 and Rule 10.9000 Series to harmonize the Exchange's disciplinary rules with recent changes to the disciplinary rules of the Financial Industry Regulatory Authority (''FINRA'') on which the Exchange disciplinary rules are modeled. The proposed rule change is available on the Exchange's website at *www.nyse.com* 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 self-regulatory organization 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 those 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 parts of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes amendments to the Rule 10.8000 (Investigations and Sanctions) and Rule 10.9000 Series (Code of Procedure) to (i) automatically stay effectiveness of specified expulsions of permit holders, membership cancellations, and denials of applications for continued membership of disqualified permit holders to allow for Securities and Exchange Commission (''Commission'' or ''SEC'') review under Section 19 of the Act,[4] and (ii) provide authority for Exchange staff and adjudicators to grant respondents and applicants the opportunity to seek a stay or take other appropriate action before certain sanctions or regulatory measures (other than the above-mentioned expulsions, membership cancellations, or denials of continued membership applications) take effect.

The proposed rule change would harmonize the Exchange's disciplinary rules with those of FINRA, and would apply to decisions issued in expedited proceedings under the Rule 10.9550 Series (Expedited Proceedings), disciplinary proceedings under the Rule 10.9300 Series (Review of Disciplinary Proceeding by Exchange Board of Directors), eligibility proceedings under the Rule 10.9520 Series (Eligibility Proceedings), and cease and desist orders under the Rule 10.9800 series (Temporary and Permanent Cease and Desist Orders), as well as expulsions of permit holders under Rule 10.8320 (Payment of Fines, Other Monetary Sanctions, or Costs; Summary Action for Failure to Pay).

The proposed rule change would not apply to any other sanction or Exchange action against an ETP Holder, OTP Holder or OTP Firm, associated person, or other person subject to the Exchange's jurisdiction.

Background and Proposed Rule Change

In 2019, the Exchange adopted rules relating to investigation, discipline, and sanctions, and other procedural rules based on the rules of its affiliate NYSE American LLC and FINRA.[5] Rules 10.8320, 10.9269, 10.9310, 10.9524, 10.9527, 10.9557, 10.9558, 10.9559, 10.9840, 10.9850 and 10.9870 are based on, and are substantively similar to, each respective FINRA rule.

Recently, FINRA amended its disciplinary rules to provide that specified expulsions of member firms, cancellations of membership, and denials of applications for continued membership of disqualified member firms would not become effective until the time for filing an application for review with the SEC has expired and no such application is filed or, if such an

[30] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

[2] 15 U.S.C. 78a.

[3] 17 CFR 240.19b–4.

[4] *See, e.g.,* 15 U.S.C. 78s(e) & (f). FINRA sought to align its disciplinary rules relating to the effectiveness of expulsions in expedited proceedings with the ruling of the United States Court of Appeals for the D.C. Circuit in *Alpine Securities Corp.* v. *FINRA,* 121 F.4th 1314 (D.C. Cir. 2024), *cert. denied* (June 2, 2025) (No. 24–904) (remanding to the district court with instructions to enter a limited preliminary injunction enjoining FINRA from expelling Alpine Securities until the Commission has reviewed any expulsion that FINRA may order in the pending expedited proceeding against Alpine Securities or the time for Alpine Securities to seek SEC review of an expulsion has passed). *See* Securities Exchange Act Release No. 103228 (June 11, 2025), 90 FR 25689 (June 17, 2025) (SR–FINRA–2025–004) (''Release 103228''). In its filing, FINRA noted that this litigation is ongoing and that FINRA does not waive any rights or arguments it may have in connection with this or any other pending or future matter. *See id.,* 90 FR at 25690, n.7. The Exchange similarly notes that by harmonizing its rules with FINRA, it similarly does not waive any rights or arguments it may make in connection with matters relating to these rules or to the issues presented in the *Alpine* litigation in any pending or future matter. *See also* note 7, *infra.*

[5] *See* Securities Exchange Act Release No. 85639 (April 12, 2019), 84 FR 16346 (April 18, 2019) (SR–NYSEArca–2019–15).

application is timely filed, until the SEC completes its review under Section 19 of the Act.[6] FINRA's changes applied to decisions issued in expedited proceedings under the FINRA Rule 9550 Series, disciplinary proceedings under the FINRA Rule 9300 Series, and eligibility proceedings under the FINRA Rule 9520 Series and Funding Portal Rule 900(b), as well as expulsions of member firms under FINRA Rule 8320 (for failure to pay fines, monetary sanctions, and costs), cancellations of membership, and denials of applications for continued membership.[7] In addition, FINRA also amended provisions of the FINRA Rule 9000 Series (Code of Procedure) that require or allow for a sanction (*e.g.,* a suspension or bar) or other regulatory measure (such as a denial of a statutory disqualification application, imposition of a cease and desist order, or imposition of conditions, requirements or restrictions) to take effect immediately. The amendments provided FINRA staff and adjudicators authority to grant respondents and applicants, where appropriate, the opportunity to seek a stay from the SEC or take other appropriate action before the sanction or other regulatory measure takes effect, and in certain instances, would expressly prescribe such amount of time by rule.[8]

The Exchange proposes to harmonize its disciplinary rules with the recent changes by FINRA. To effectuate these changes, the Exchange would make the following changes to Rules 10.8320, 10.9269, 10.9310, 10.9524, 10.9527, 10.9557, 10.9558, 10.9559, 10.9840, 10.9850, and 10.9870, as follows.

- Rule 10.8320(b) provides for a summary suspension until a fine or monetary sanction is paid to the Exchange consistent with subsection (a). A subsection (2) would be added to Rule 10.8320(b) that would provide that an expulsion under paragraph (b)(1) of the Rule would not become effective until the time for filing an application for review with the SEC has expired and no such application is filed or, if such an application is timely filed, until the SEC either completes its review under Exchange Act Section 19 or otherwise orders. The existing text of Rule 10.8320(b) would become Rule 10.8320(b)(1) and existing subsections (1) and (2) would become subsections 10.8320(b)(1)(A) and (B), respectively. The text of the current rule would remain unchanged. The proposed rule change is substantively the same as rule text added to FINRA Rule 8320(b)(2) with one difference. The Exchange proposes to add the phrase ''or otherwise orders'' to the proposed language to reflect the fact that the Commission retains authority over its own proceedings, including the authority to determine, either on its own motion or by motion of a party to the respective proceeding, when an expulsion should become effective.
- Rule 10.9269(d) provides that in the case of default decisions issued by a Hearing Officer, unless otherwise provided in the default decision, the sanctions shall become effective on a date to be determined by the Exchange's regulatory staff, except that a bar or expulsion becomes effective immediately upon the default decision becoming the final disciplinary action of the Exchange. The Exchange would restructure Rule 10.9269(d) into three subparagraphs. New subparagraphs (d)(1) and (3) would contain existing rule text. New subparagraph (d)(2)(A) would be amended to provide that unless otherwise provided in the default decision, ''a sanction (other than a bar or expulsion) specified in a decision constituting final disciplinary action of Exchange for purposes of SEA Rule 19d–1(c)(1) shall become effective on a date to be determined by Regulatory Staff'' and new subparagraph (d)(2)(B) amended to provide that ''a bar or expulsion specified in a decision shall become effective immediately upon the default decision becoming the final disciplinary action of the Exchange for purposes of SEA Rule 19d–1(c)(1).'' As FINRA noted, this proposed amendment would achieve consistency with the structure of Rule 9268(f), which governs the effectiveness of sanctions in other disciplinary decisions.[9]
- The following new subsection (e) would be added to Rule 10.9310, which governs review of disciplinary proceedings by the Exchange's Board of Directors (the ''Board''): ''Unless the Exchange Board of Directors otherwise specifically directs, a sanction (other than a bar, an expulsion, or a permanent cease and desist order) specified in a decision constituting final disciplinary action of the Exchange for purposes of SEA Rule 19d–1(c)(1) shall become effective on a date to be determined by the Exchange. A bar or a permanent cease and desist order shall become effective upon service of the decision constituting final disciplinary action of the Exchange, unless otherwise specified therein. An expulsion shall not become effective until the time for filing an application for review with the SEC has expired and no such application is filed or, if such an application is timely filed, until the SEC either completes its review under Exchange Act Section 19 or otherwise orders.'' The proposed text is substantively the same as FINRA Rule 9360 (Effectiveness of Sanctions), including the text FINRA added, except for the phrase ''or otherwise orders'' that the Exchange proposes to include for the reasons discussed above.[10]
- Rule 10.9524(a), governing requests for Board review, would be amended by adding the following clause in the first sentence of the Rule: ''an application for relief from eligibility requirements pursuant to Rule 10.9522(e)(2) or.'' The proposed language has no analogue in the FINRA rule. The Exchange would add the proposed language to provide clarity and internal consistency to its rule since an application for relief

[6] *See* Release 103228, 90 FR at 25689 and 15 U.S.C. 78s(e) & (f). Pursuant to the Act, an application for review of a determination by FINRA or the Exchange, such as the imposition of a final disciplinary sanction or denial of membership, must be filed with the SEC within 30 days after notice is filed with the SEC and received by the aggrieved person applying for review. *See* 15 U.S.C. 78s(d). *See also* SEC Rule of Practice 420(b), 17 CFR 201.420(b) (providing that the SEC will not extend this 30-day period absent a showing of extraordinary circumstances).

[7] FINRA proposed to stay the effectiveness of actions against member firms that could result in a sanction or action that shares the relevant characteristics of the sanction at issue in the *Alpine* matter, specifically expulsions imposed in full disciplinary proceedings and under FINRA Rule 8320 (for failure to pay fines, monetary sanctions, and costs), cancellations of membership, and denials of applications for continued membership. *See* Release 103228, 90 FR at 25690. Like expulsions in expedited proceedings, these latter FINRA actions are not currently stayed under FINRA rules by the filing of an application for SEC review, and once the FINRA action becomes final and effective, the firm is no longer a FINRA member. However, unlike an expulsion, if a member firm's membership has been cancelled, the firm can reapply for FINRA membership by submitting a new Form BD and Form NMA as part of the new member application process. *See id.,* at n.8.

[8] *See* Securities Exchange Act Release No. 103285 (June 17, 2025), 90 FR 26667 (June 23, 2025) (SR–FINRA–2025–006) (''Release 103285'').

[9] *See* Release 103285, 90 FR at 26669.

[10] The Exchange notes that pursuant to Rule 10.9310(a), any party may require a review by the Exchange Board of Directors of any determination or penalty imposed by a Hearing Panel or Extended Hearing Panel under the Rule 10.9200 Series. Pursuant to Rule 10.9268(e), if a request for review is not timely filed pursuant to Rule 10.9310, a Hearing Panel decision shall constitute final disciplinary action of the Exchange for purposes of Exchange Act Rule 19d–1(c)(1), at which time all bars or expulsions shall become immediately effective pursuant to Rule 10.9268(f). Further, Rule 10.8310(b) provides that each party to a proceeding resulting in a sanction (sanctions are defined in Rule 10.8310(a)(4) and include expulsions) shall be deemed to have assented to the imposition of the sanction unless such party files a written application for review or relief pursuant to the Rule 10.9000 Series. Accordingly, consistent with amended FINRA Rule 9370, the proposed rule changes do not provide a stay where a member firm has defaulted or has failed to exhaust its administrative remedies through the Exchange's appellate process. *See* Release 103228, 90 FR at 25691 n.17.

pursuant to Rule 10.9522(e)(2) would also be eligible for Board review pursuant to Rule 10.9524.

In addition, the Exchange would add the following new sentence to the end of Rule 10.9524(b), which governs reviews of eligibility proceedings by the Board: ''A decision to deny an application for a disqualified ETP Holder's, OTP Holder's or OTP Firm's continued membership shall not become effective until the time for filing an application for review with the SEC has expired and no such application is filed or, if such an application is timely filed, until the SEC either completes its review under Exchange Act Section 19 or otherwise orders.'' The proposed language is substantively similar to the rule language FINRA added to its Rule 9524 with the exception of the phrase ''or otherwise orders,'' which the Exchange proposes to include for the reasons described above.[11]

• Rule 10.9527 governs applications to the SEC for review of eligibility proceedings and would be amended by adding the following third sentence to the Rule: ''Pursuant to Rule 10.9524(b), a decision to deny an application for a disqualified member's continued membership shall not become effective until the time for filing an application for review with the SEC has expired and no such application is filed or, if such an application is timely filed, until the SEC either completes its review under Exchange Act Section 19 or otherwise orders.'' The proposed rule change is substantively the same as rule text FINRA added to its Rule 9527 with the exception of the phrase ''or otherwise orders,'' which the Exchange proposes to include for the reasons described above.

• The Rule 10.9550 Series provides for the initiation and prosecution of expedited proceedings, including, among others, proceedings under Rule 10.9557 for ETP Holders, OTP Holders or OTP Firms experiencing operational or financial difficulties that may have led to noncompliance with provisions of Rules 4.1–E, 4.4–E, 4.1–O and 4.3–O.

Pursuant to Rule 10.9557(a) and (c), the Exchange will issue a notice setting forth the specific grounds and factual basis for the action and the requirements or restrictions being imposed. Under current Rule 10.9557(d), such requirements or restrictions are immediately effective. Pursuant to Rule 10.9557(f), the failure to comply with these requirements or restrictions shall be deemed to ''result in automatic and immediate suspension'' without further notice, unless Exchange staff issues a letter of withdrawal of the requirements or restrictions. A ETP Holder, OTP Holder or OTP Firm served with a Rule 10.9557 notice may file a written request for a hearing with the Office of Hearing Officers, and under Rule 10.9557(d), a timely request for a hearing stays the effectiveness of the notice, unless the Exchange's Chief Executive Officer (''CEO'') (or such other senior officer as the CEO may designate) determines otherwise. Under current Rule 10.9559(n)(3), if a Hearing Panel approves the requirements or restrictions imposed in the Rule 10.9557 notice and finds that the respondent has not complied with them, the Hearing Panel must impose an immediate suspension. Under current Rule 10.9559(o)(4)(A), the Hearing Panel's written order is effective when issued.

Rule 10.9557(d) would be amended to provide that the requirements and restrictions imposed by a notice under Rule 10.9557(a) are immediately effective ''[u]nless otherwise specified therein.'' Consistent with FINRA's filing, the proposed rule change would give Exchange staff authority to afford the member an opportunity to take action before a requirement or restriction takes effect.[12] Like FINRA, the Exchange also proposes a conforming change to Rule 10.9557(c)(3), which addresses the contents of a notice issued under Rule 10.9557, to reflect amended paragraph (d).

Rule 10.9557(f) would be amended to provide that Exchange staff will issue a notice of suspension in the event the member fails to comply with the requirements or restrictions imposed under the Rule. Following FINRA, the Exchange proposes that such suspension would be effective five business days after service of the notice pursuant to paragraph (b).[13] Rule 10.9557(f) also would be amended to include certain procedural requirements for issuance and service of a notice of suspension and would, like the FINRA rule, comprise five new subparagraphs, as follows:

• Rule 10.9557(f)(1) would be titled ''Notice of Suspension'' and the phrases ''without further notice from FINRA staff'' and ''and immediately'' would be removed and the phrase ''effective five business days after service of a notice of suspension issued by FINRA staff'' would be added.

• Rule 10.9557(f)(2) would be titled ''Service of Notice of Suspension.'' The proposed rule text provides that Exchange staff shall serve the member subject to a notice of suspension issued under new paragraph (f) in accordance with the service provisions in Rule 10.9557(b).

• Rule 10.9557(f)(3) would be titled ''Contents of Notice of Suspension'' and would provide that ''[a] notice of suspension issued and served under this paragraph (f) shall identify the requirements and restrictions with which the member is alleged to have not complied and shall contain a statement of facts specifying the alleged failure. The notice of suspension shall state when Exchange action will take effect and explain what the respondent must do to avoid such action.'' According to FINRA, the proposed provision is substantially similar to the requirements relating to the contents of notices relating to disciplinary proceedings and other expedited proceedings under existing rules.[14]

• Rule 10.9557(f)(4) would be titled ''Effective Date'' and would state that the effective date for a notice of suspension issued and served under new Rule 10.9557(f) shall become effective five business days after service of such notice.

• Rule 10.9557(f)(5) would be titled ''Application to SEC for Review'' and would provide that ''[a] notice of suspension issued and served under this paragraph (f) constitutes final action by the Exchange. The right to have any action under this paragraph reviewed by the SEC is governed by Section 19 of the Exchange Act.''

The Exchange would make conforming changes to Rule 10.9557(c)(5) relating to contents of a notice to reflect amended paragraph (f) to remove ''without further notice from FINRA staff'' and add ''effective five business days after service of a notice of suspension.''

Finally, following FINRA, the Exchange proposes several additional conforming and clarifying changes to Rule 10.9557.[15] First, the Exchange would add ''of requirements or restrictions'' to the title and introductory text and ''paragraph a'' to

[11] Rule 10.9524 is similar to FINRA Rule 9524 except for, among other things, the fact that the Exchange's Board reviews disciplinary appeals and the Exchange does not utilize FINRA's National Adjudicatory Council (''NAC'') for this purpose.

[12] *See* Release 103285, 90 FR at 26670.

[13] According to FINRA, five business days is a reasonable and sufficient amount of time for a firm to take action (such as comply with the original notice of requirements or restrictions, or file a notice of appeal and request a stay with the SEC) without undermining the purpose of Rule 10.9557, which is designed to ensure that FINRA can respond to emergency circumstances, such as when a firm is experiencing financial or operational difficulty. *See* Release 103285, 90 FR at 26670.

[14] *See id.*

[15] *See* Release 103285, 90 FR at 26669–70.

the introductory text of Rule 10.9557(c) in order to clarify that this paragraph addresses the initial notice issued under Rule 10.9557 prescribing the requirements or restrictions imposed under the Rule. Second, the Exchange would remove ''immediate'' from Rule 10.9557(c)(9) to reflect proposed amendments to Rule 10.9559(n) discussed below. Third, in Rule 10.9557(e), the Exchange would add ''other than a notice of suspension under paragraph (f)'' to clarify that paragraph (e) does not apply to notices of suspension. Fourth, Rule 10.9557(g)(2)(B) would be amended to remove ''by a notice'' and ''immediately'' and to add ''in accordance with this Rule'' to account for the two types of notices that can be issued under proposed Rule 10.9557(f) and the revisions throughout Rule 10.9557 that will provide a brief period of time for respondents to seek a stay before a suspension takes effect.

The proposed changes to Rule 10.9557 are substantively the same as rule text added to FINRA Rule 9557.

• Rule 10.9558 authorizes the Exchange's CEO or such other senior officer as the CEO may designate to provide written authorization to Exchange staff to issue on a case-by-case basis written notices that ''summarily'' suspends a ETP Holder, OTP Holder or OTP Firm or covered person who has been and is expelled or suspended from any self-regulatory organization or barred or suspended from being associated with a ETP Holder, OTP Holder or OTP Firm of any self-regulatory organization; suspends a ETP Holder, OTP Holder or OTP Firm that is in such financial or operating difficulty that Exchange staff determines and so notifies the Commission that the ETP Holder, OTP Holder or OTP Firm cannot be permitted to continue to do business with safety to investors, creditors, other ETP Holders, OTP Holders or OTP Firms, or the Exchange; or limits or prohibits any person with respect to access to services offered by the Exchange if paragraphs (a)(1) or (2) of the Rule or the provisions of Section 6(d)(3) of the Act applies to such person or, in the case of a person who is not a ETP Holder, OTP Holder or OTP Firm or covered person, if the Exchange's CRO or such other senior officer as the CRO may designate determines that such person does not meet the qualification requirements or other prerequisites for such access and such person cannot be permitted to continue to have such access with safety to investors, creditors, ETP Holders, OTP Holders or OTP Firms, or the Exchange, and so notifies the SEC. Under current Rule 10.9558(d), a prohibition or suspension set forth in the notice is immediately effective. Under Rule 10.9558(e), a ETP Holder, OTP Holder or OTP Firm or person served with a notice may file a written request for a hearing with the Office of Hearing Officers. A timely request for a hearing shall not stay the effectiveness of a Rule 10.9558 notice, unless the Chief Hearing Officer or the Hearing Officer assigned to the matter otherwise orders for good cause shown, and the ETP Holder, OTP Holder or OTP Firm or person must separately request a stay. The Exchange proposes to amend Rule 10.9558(d) to add ''unless otherwise specified therein'' to provide the Exchange with the authority to afford respondents an opportunity to take appropriate action before the requirements or restrictions imposed in the notice take effect. The proposed change to Rule 10.9558(d) is substantively the same as rule text added to FINRA Rule 10.9558(d).

• The Exchange would make the following changes to Rules 10.9559(n)(3), (o)(4)(a), (p)(6) and 10.9559(r).

Rule 10.9559 sets forth uniform hearing procedures for expedited proceedings under the Rule 10.9550 Series. In conformity with the proposed amendments to Rule 10.9557, the Exchange would remove ''immediate'' from Rule 10.9559(n)(3) and add ''unless otherwise specified therein'' to Rule 10.9559(o)(4)(A) to provide adjudicators authority to grant respondents a brief amount of time to seek a stay from the SEC before a suspension becomes effective.

Subsection (p) governs the contents of the written decision under 10.9559(o)(4)(B) issued under the Rule, and subsection (p)(6) provides that it must include a ''statement describing any sanction, requirement, restriction or limitation imposed, the reasons therefore, and the date upon which such sanction, requirement, restriction or limitation [16] shall become effective.'' The Exchange would add the following clause after ''effective'': '', except that an expulsion or cancellation of membership shall not become effective until the time for filing an application for review with the SEC has expired and no such application is filed or, if such an application is timely filed, until the SEC either completes its review under Exchange Act Section 19 or otherwise orders.''

Rule 10.9559(r) governs applications to the SEC for review and provides that the ''right to have any action pursuant to this Rule reviewed by the SEC is governed by Section 19 of the Exchange Act. The filing of an application for review by the SEC shall not stay the effectiveness of final Exchange action, unless the SEC otherwise orders.'' The Exchange would add the following sentence at the end of subsection (r): ''Pursuant to paragraph (p)(6) of this Rule, an expulsion or cancellation of membership shall not become effective until the time for filing an application for review with the SEC has expired and no such application is filed or, if such an application is timely filed, until the SEC either completes its review under Exchange Act Section 19 or otherwise orders.''

The proposed changes to Rule 10.9559(p)(6) and (r) are substantively the same as rule text added to FINRA Rule 10.9559(p)(6) and (r) with the exception of the phrase ''or otherwise orders,'' which the Exchange proposes to include for the reasons described above.

• The Rule 10.9800 Series sets forth procedures for issuing temporary and permanent cease and desist orders. Pursuant to Rule 10.9870, temporary and permanent cease and desist orders issued pursuant to the Rule 10.9800 Series constitute final and immediately effective disciplinary sanctions imposed by the Exchange. Under current Rule 10.9840(d),[17] temporary and permanent cease and desist orders are effective when service of the Hearing Panel's written decision is complete. At any time after the Office of Hearing Officers serves the order, a party may apply under Rule 10.9850 to have the order modified, set aside, limited or suspended. Under Rule 10.9850, the filing of an application for review of a temporary or permanent cease and desist order with a Hearing Panel shall not stay the effectiveness of the order. Under Rule 10.9870, the filing of an application for review of a temporary or permanent cease and desist order with the SEC shall not stay the effectiveness of the order unless the SEC otherwise orders.

The Exchange proposes to add ''unless otherwise specified therein'' to Rules 10.9840(d) and 10.9870 to provide adjudicators under the rules the authority to grant applicants an opportunity to seek a stay from the SEC or take other appropriate action before the temporary or permanent cease and desist order takes effect. In addition, the

[16] As adopted, Rule 10.9559(p)(6) does not also contain a reference to ''obligation'' like the FINRA rule. The Exchange does not propose to add the term at this time.

[17] The FINRA analogue to NYSE Arca Rule 10.9840(d) is FINRA Rule 9840(f).

Exchange would add ''unless the Chief Hearing Officer or the Deputy Hearing Officer assigned to the matter otherwise orders for good cause shown'' to Rule 10.9850 to provide authority to stay the effectiveness of a temporary or permanent cease and desist order upon the filing of an application for review by the Hearing Panel, where appropriate. The proposed changes to Rule 10.9840(d), 10.9850 and 10.9870 are substantively the same as rule text added to FINRA Rule 9840(f),[18] 9850 and 9870.

No other changes to the NYSE Arca disciplinary rules are proposed.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,[19] in general, and furthers the objectives of Section 6(b)(5) of the Act,[20] in that it is 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 facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest by strengthening the Exchange's ability to oversee and police its marketplace. In addition, the Exchange believes that the proposed rule change is designed to provide a fair procedure for prohibiting or limiting any person with respect to access to services offered by the Exchange or a member thereof consistent with the objectives of Section 6(b)(7).[21]

The Exchange believes that the proposed rule change furthers the objectives of the Act by harmonizing Exchange rules modeled on FINRA rules with respect to the effectiveness of expulsions in expedited proceedings, and other Exchange actions against permit holders that may result in a sanction or action that shares the relevant characteristics of such expulsions, to allow for Commission review under Section 19 of the Act.[22] As previously noted, the proposed changes are substantively the same as those recently made to the FINRA disciplinary rules. As such, the proposed rule change would facilitate rule harmonization among self-regulatory organizations with respect to the effectiveness of expulsions in certain types of Exchange actions, thereby fostering cooperation and coordination with persons engaged in facilitating transactions in securities and will remove impediments to and perfect the mechanism of a free and open market and a national market system.

Like FINRA, the Exchange believes that any potential risk to investor protection posed by aligning the Exchange's rules with FINRA could be mitigated by several factors. In cases where an expulsion, cancellation of membership, or denial of an application for continued membership has been appealed to the SEC, the Exchange will seek expeditious resolution and, where appropriate, may take additional steps to prevent customer harm during the pendency of an appeal of a disciplinary decision imposing an expulsion or cancellation of membership. The Exchange also notes that information about disciplinary proceedings and sanctions against permit holders is available on the Exchange's website and through FINRA's BrokerCheck, which would enable investors to obtain information regarding whether an ETP Holder, OTP Holder or OTP Firm is subject to any adverse regulatory action that is the subject of a pending application for SEC review.[23]

Further, the Exchange believes that the proposed rule change will provide ETP Holders, OTP Holders or OTP Firms and interested parties notice and clarity regarding the effectiveness of expulsions, membership cancellations, and denials of applications for continued membership under Exchange rules. The Exchange accordingly believes that the proposed rule change will enable the Exchange to continue to administer a fair procedure for disciplining ETP Holders, OTP Holders and OTP Firms consistent with the goals of investor protection.

Finally, the Exchange believes that the proposed rule changes to the Rule 10.9000 Series, *i.e.,* the proposed changes to Rules 10.9269(d), 10.9557(c), (d) & (f), 10.9559(n)(3), (o)(4)(a), 10.9558, 10.9840(a) and 10.9870, would further the goal of providing a fair process for ETP Holders, OTP Holders and OTP Firms and associated persons because it would provide Exchange staff and adjudicators authority to grant respondents and applicants an opportunity to seek a stay from the Commission or take other appropriate action before a sanction (*e.g.,* a suspension or a bar) or other regulatory measure (such as a statutory disqualification denial, imposition of a cease and desist order or imposition of conditions, requirements or restrictions) takes effect. In addition, the proposed changes to Rule 10.9557(f) and conforming changes to Rule 10.9559 provide a fair process for issuing a notice of suspension to members experiencing financial or operational difficulties in the event that they fail to comply with restrictions or requirements imposed by Exchange staff. Like FINRA, the Exchange believes the proposed amendments will not impede the prompt resolution of cases and the remediation of issues the rules are designed to address because the proposed rule change provides Exchange staff and adjudicators authority to briefly delay the effectiveness of sanctions and other regulatory measures and does not mandate a delay in every case. Hence, where appropriate, the Exchange, like FINRA, would have authority under the amended rules to allow the sanctions or other regulatory measures to take effect immediately in accordance with Exchange protocol and precedent. Further, the Exchange believes that the proposed changes to Rule 10.9557 and conforming changes to Rule 10.9559 provide a streamlined process for suspending members, if necessary, to address the potential risks posed by members experiencing financial or operational difficulties.[24]

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is not intended to address competitive issues but rather is intended solely to stay the effectiveness of specified Exchange actions to permit Commission review, thereby providing greater harmonization with FINRA rules. In so doing, the Exchange is not imposing new or additional costs or impacts on permit holders or investors while allowing the Exchange to administer a fair procedure for disciplining permit holders consistent with the goals of investor protection.

[18] *See* note 16, *supra*.

[19] 15 U.S.C. 78f(b).

[20] 15 U.S.C. 78f(b)(5).

[21] 15 U.S.C. 78f(b)(7).

[22] *See, e.g.,* 15 U.S.C. 78s(e) & (f).

[23] Rule 10.8313(d) provides that the Exchange shall provide notice to the public if a disciplinary decision of the Exchange is appealed to the SEC and the notice shall state whether the effectiveness of the decision has been stayed pending the outcome of proceedings before the SEC.

[24] *See* Release 103285, 90 FR at 26672–73.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were solicited or received with respect to the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act [25] and Rule 19b–4(f)(6) thereunder.[26] Because the 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 prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b–4(f)(6)(iii) thereunder.

A proposed rule change filed under Rule 19b–4(f)(6) [27] normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b4(f)(6)(iii),[28] the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest.

At any time within 60 days of the filing of such proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B) [29] of the Act to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include file number SR–NYSEARCA–2026–55 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–NYSEARCA–2026–55. 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–NYSEARCA–2026–55 and should be submitted on or before June 22, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[30]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–10835 Filed 5–29–26; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[OMB Control No. 3235–0467]

Agency Information Collection Activities; Submission for OMB Review; Comment Request; Extension: Rule 102

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549–2736

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (''SEC'' or ''Commission'') is submitting to the Office of Management and Budget (''OMB'') a request for extension of the proposed collection of information provided for in Rule 102 of Regulation M (17 CFR 242.102), under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*).

Rule 102 prohibits distribution participants, issuers, and selling security holders from purchasing activities at specified times during a distribution of securities. Persons otherwise covered by this rule may seek to use several applicable exceptions such as an exclusion for actively traded reference securities and the maintenance of policies regarding information barriers between their affiliates.

There are approximately 1,194 respondents per year that require an aggregate total of 2,094 hours to comply with this rule. Each respondent makes an estimated 1 annual response. Each response takes on average approximately 1.754 hours to complete. Thus, the total hour burden per year is approximately 2,094 hours. The total aggregate internal compliance cost for all respondents is approximately $343,416.00, resulting in an aggregate internal compliance cost per respondent of approximately $287.62 ($343,416.00/1,194 respondents).

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information under the PRA unless it displays a currently valid OMB control number.

The public may view and comment on this information collection request at: *https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202603-3235-018* or email comment to *MBX.OMB.OIRA.SEC_desk_officer@omb.eop.gov* within 30 days of the day after publication of this notice, by June 29, 2026.

Dated: May 27, 2026.

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–10818 Filed 5–29–26; 8:45 am]

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[25] 15 U.S.C. 78s(b)(3)(A)(iii).
[26] 17 CFR 240.19b–4(f)(6).
[27] 17 CFR 240.19b–4(f)(6).
[28] 17 CFR 240.19b–4(f)(6)(iii).
[29] 15 U.S.C. 78s(b)(2)(B).
[30] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–105560; File No. SR-CboeBZX–2026–047]

Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend its Fee Schedule to Clarify That Requests for Mid-Month Subscriptions and Ad-Hoc Historical Requests for Open-Close Data Will be Prorated

May 27, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the ''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on May 19, 2026, Cboe BZX Exchange, Inc. (the ''Exchange'' or ''BZX'') filed with the Securities and Exchange Commission (the ''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

Cboe BZX Exchange, Inc. (the ''Exchange'' or ''BZX'') proposes to amend its Fee Schedule to clarify that requests for mid-month subscriptions and ad-hoc historical requests for Open-Close Data will be prorated. The text of the proposed rule change is in Exhibit 5.

The text of the proposed rule change is also available on the Commission's website (*https://www.sec.gov/rules/sro.shtml*), the Exchange's website (*https://www.cboe.com/us/equities/regulation/rule_filings/bzx/*), and at the principal office of the Exchange.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend its Fee Schedule to clarify that both (i) mid-month subscriptions and (ii) ad-hoc historical requests for its End-of-Day (''EOD'') Open-Close data, Ten-Minute Interval Intraday Open-Close data, and One-Minute Interval Intraday Open-Close data will be prorated. The Exchange proposes this change with the sole purpose of providing greater clarity in its Fee Schedule and aligning the content of its Fee Schedule with the fee schedule of its affiliate exchange, Cboe Exchange, Inc. (hereinafter ''C1'' or ''Cboe Exchange'').[3]

By way of background, the Exchange currently offers EOD and Intraday Open-Close Data (collectively, ''Open-Close Data''). EOD Open-Close Data is an end-of-day volume summary of trading activity on the Exchange at the option level by origin (customer, professional customer, broker-dealer, and market maker), side of the market (buy or sell), price, and transaction type (opening or closing). The customer and professional customer volume is further broken down into trade size buckets (less than 100 contracts, 100–199 contracts, greater than 199 contracts). The EOD Open-Close Data is proprietary Exchange trade data and does not include trade data from any other exchange. It is a historical data product and not a real-time data feed.

The Exchange also offers Intraday Open-Close Data, which provides similar information to that of EOD Open-Close Data but is produced and updated every 10 minutes (the ''Ten-Minute Intraday Report'') and every 1 minute (the ''One-Minute Intraday Report'') during the trading day. Data is captured in ''snapshots'' taken every 10 minutes or 1 minute (depending on the report) throughout the trading day and is available to subscribers within five minutes of the conclusion of each period.[4] The Intraday Open-Close Data provides a volume summary of trading activity on the Exchange at the option level by origin (customer, professional customer, broker-dealer, and market maker), side of the market (buy or sell), and transaction type (opening or closing). The customer and professional customer volume are further broken down into trade size buckets (less than 100 contracts, 100–199 contracts, greater than 199 contracts). The Intraday Open-Close Data is proprietary Exchange trade data and does not include trade data from any other exchange. All Open-Close Data products are completely voluntary products, in that the Exchange is not required by any rule or regulation to make this data available and that potential customers may purchase it on an ad-hoc basis only if they voluntarily choose to do so.

Currently, the Exchange provides in its Fee Schedule that firms may purchase Ten-Minute Intraday Open-Close Data, One-Minute Open-Close Data, or EOD Data on a subscription basis or as an ad hoc request for a specified month(s) (historical file).[5] The Exchange proposes to add language to its Fee Schedule to clarify that either (i) a mid-month subscription or (ii) an ad-hoc historical request for specific dates of any of the Open-Close Data will be prorated. The Exchange proposes this change with the sole purpose of providing greater clarity to its Fee Schedule and aligning the content of its Fee Schedule with the fee schedule of its affiliate exchange, Cboe Exchange, Inc. (hereinafter ''C1'' or ''Cboe Exchange'').[6]

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the ''Act'') and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.[7] Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[8] requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.

[3] *See* Securities Exchange Act Release No. 104796 (February 10, 2026), 91 FR 6931 (February 13, 2026) (SR-CBOE–2026–011).

[4] For example, subscribers to the Ten-Minute Intraday Report receive the first calculation of intraday data by approximately 9:42 a.m. ET, which represents data captured from 9:30 a.m. to 9:40 a.m. Subscribers receive the next update at 9:52 a.m., representing the data previously provided together with data captured from 9:40 a.m. through 9:50 a.m., and so forth. Each update represents the aggregate data captured from the current ''snapshot'' and all previous ''snapshots.''

[5] *See* BZX Options Fee Schedule.

[6] *Supra* note 3.

[7] 15 U.S.C. 78f(b).

[8] 15 U.S.C. 78f(b)(5).

Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5) [9] requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the proposed rule change is reasonable and would benefit investors by providing clarity regarding the method of calculation of fees associated with mid-month subscriptions and requests for ad-hoc historical data for specific dates of any of the Open-Close Data. Additionally, the Exchange believes the proposed addition of language clarifying that mid-month subscriptions and requests for ad-hoc historical data will be pro-rated is reasonable because the Exchange's affiliated exchange already has this language in place [10], and its addition to the Exchange's fee schedule adds consistency between the fee schedules of the Exchange and its affiliate. Additionally, The Exchange believes the proposed change is equitable and not unfairly discriminatory because the proration of the fees would apply equally to all users who choose to purchase such data. The Exchange's proposed proration of fees would not differentiate between subscribers that purchase the data and would allow any interested market participant to purchase such data based on their business needs.

Furthermore, the Exchange notes that all of its Open-Close Data products are entirely optional for market participants to purchase. Indeed, no market participant is required to purchase the Open-Close Data products, and the Exchange is not required to make the Open-Close Data products available to all investors. Rather, the Exchange is voluntarily making the Open-Close Data available. Potential purchasers may request the data at any time if they believe it to be valuable or may decline to purchase such data.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe the proposed fees would cause any unnecessary or inappropriate burden on intermarket competition because the proposed rule change is aimed solely at adding clarification and accuracy to the Exchange's Fee Schedule. Further, the Exchange operates in a highly competitive environment, and its ability to price the reports is constrained by competition among exchanges who choose to adopt similar products. The Exchange must consider this in its pricing discipline in order to compete for subscribers of the Exchange's market data via the reports. Finally, the Exchange does not believe the proposed rule change would cause any unnecessary or inappropriate burden on intramarket competition. Particularly, the proposed fees apply uniformly to any purchaser in that the Exchange does not differentiate between the different market participants that may purchase the report.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The Exchange neither solicited nor received comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act [11] and paragraph (f) of Rule 19b–4 [12] thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include file number SR-CboeBZX–2026–047 on the subject line.

Paper Comments

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

All submissions should refer to file number SR-CboeBZX–2026–047. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (*https://www.sec.gov/rules/sro.shtml*). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection.

All submissions should refer to file number SR-CboeBZX–2026–047 and should be submitted on or before June 22, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[13]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–10832 Filed 5–29–26; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–105567; File No. SR–NYSETEX–2026–17]

Self-Regulatory Organizations; NYSE Texas, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change of Amendments to the Rule 10.8000 and Rule 10.9000 Series

May 27, 2026.

Pursuant to Section 19(b)(1) [1] of the Securities Exchange Act of 1934 (''Act'') [2] and Rule 19b–4 thereunder,[3] notice is hereby given that, on May 19, 2026, the NYSE Texas, Inc. (''NYSE Texas'' or the ''Exchange'') filed with the Securities and Exchange Commission (the ''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to

[9] *Id.*

[10] *Supra* note 3.

[11] 15 U.S.C. 78s(b)(3)(A).

[12] 17 CFR 240.19b–4(f).

[13] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

[2] 15 U.S.C. 78a.

[3] 17 CFR 240.19b–4.

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 amendments to the Rule 10.8000 and Rule 10.9000 Series to harmonize the Exchange's disciplinary rules with recent changes to the disciplinary rules of the Financial Industry Regulatory Authority (''FINRA'') on which the Exchange disciplinary rules are modeled. The proposed rule change is available on the Exchange's website at *www.nyse.com* 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 self-regulatory organization 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 those 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 parts of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes amendments to the Rule 10.8000 (Investigations and Sanctions) and Rule 10.9000 Series (Code of Procedure) to automatically stay effectiveness of specified expulsions of Participants and Participant Firms, membership cancellations, and denials of applications for continued membership of disqualified Participants or Participant Firms to allow for Securities and Exchange Commission (''Commission'' or ''SEC'') review under Section 19 of the Act,[4] and (ii) provide authority for Exchange staff and adjudicators to grant respondents and applicants the opportunity to seek a stay or take other appropriate action before certain sanctions or regulatory measures (other than the above-mentioned expulsions, membership cancellations, or denials of continued membership applications) take effect.

The proposed rule change would harmonize the Exchange's disciplinary rules with those of FINRA, and would apply to decisions issued in expedited proceedings under the Rule 10.9550 Series (Expedited Proceedings), disciplinary proceedings under the Rule 10.9300 Series (Review of Disciplinary Proceeding by Exchange Board of Directors), eligibility proceedings under the Rule 10.9520 Series (Eligibility Proceedings), and cease and desist orders under the Rule 10.9800 series (Temporary and Permanent Cease and Desist Orders), as well as expulsions of Participants and Participant Firms under Rule 10.8320 (Payment of Fines, Other Monetary Sanctions, or Costs; Summary Action for Failure to Pay).

The proposed rule change would not apply to any other sanction or Exchange action against a Participant or Participant Firm, associated person, or other person subject to the Exchange's jurisdiction.

Background and Proposed Rule Change

In 2022, the Exchange adopted rules relating to investigation, discipline, and sanctions, and other procedural rules based on the rules of its affiliate NYSE Arca, Inc., and FINRA.[5] Rules 10.8320, 10.9269, 10.9310, 10.9524, 10.9527, 10.9557, 10.9558, 10.9559, 10.9840, 10.9850 and 10.9870 are based on, and substantively similar to, each respective FINRA rule.

Recently, FINRA amended its disciplinary rules to provide that specified expulsions of member firms, cancellations of membership, and denials of applications for continued membership of disqualified member firms would not become effective until the time for filing an application for review with the SEC has expired and no such application is filed or, if such an application is timely filed, until the SEC completes its review under Section 19 of the Act.[6] FINRA's changes applied to decisions issued in expedited proceedings under the FINRA Rule 9550 Series, disciplinary proceedings under the FINRA Rule 9300 Series, and eligibility proceedings under the FINRA Rule 9520 Series and Funding Portal Rule 900(b), as well as expulsions of member firms under FINRA Rule 8320 (for failure to pay fines, monetary sanctions, and costs), cancellations of membership, and denials of applications for continued membership.[7] In addition, FINRA also amended provisions of the FINRA Rule 9000 Series (Code of Procedure) that require or allow for a sanction (*e.g.,* a suspension or bar) or other regulatory measure (such as a denial of a statutory disqualification application, imposition of a cease and desist order, or imposition of conditions, requirements or restrictions) to take effect immediately. The amendments provided FINRA staff and adjudicators authority to grant respondents and applicants, where appropriate, the opportunity to seek a stay from the SEC or take other appropriate action before the sanction or other regulatory measure takes effect, and in certain instances, would expressly prescribe such amount of time by rule.[8]

The Exchange proposes to harmonize its disciplinary rules with the recent changes by FINRA. To effectuate these

[4] *See, e.g.,* 15 U.S.C. 78s(e) & (f). FINRA sought to align its disciplinary rules relating to the effectiveness of expulsions in expedited proceedings with the ruling of the United States Court of Appeals for the D.C. Circuit in *Alpine Securities Corp.* v. *FINRA,* 121 F.4th 1314 (D.C. Cir. 2024), *cert. denied* (June 2, 2025) (No. 24–904) (remanding to the district court with instructions to enter a limited preliminary injunction enjoining FINRA from expelling Alpine Securities until the Commission has reviewed any expulsion that FINRA may order in the pending expedited proceeding against Alpine Securities or the time for Alpine Securities to seek SEC review of an expulsion has passed). *See* Securities Exchange Act Release No. 103228 (June 11, 2025), 90 FR 25689 (June 17, 2025) (SR–FINRA–2025–004) (''Release 103228''). In its filing, FINRA noted that this litigation is ongoing and that FINRA does not waive any rights or arguments it may have in connection with this or any other pending or future matter. *See id.,* 90 FR at 25690, n.7. The Exchange similarly notes that by harmonizing its rules with FINRA, it similarly does not waive any rights or arguments it may make in connection with matters relating to these rules or to the issues presented in the *Alpine* litigation in any pending or future matter. *See also* note 7, *infra.*

[5] *See* Securities Exchange Act Release No. 95020 (June 1, 2022), 87 FR 35034, (June 8, 2022) (SR–NYSECHX–2022–10).

[6] *See* Release 103228, 90 FR at 25689 and 15 U.S.C. 78s(e) & (f). Pursuant to the Act, an application for review of a determination by FINRA or the Exchange, such as the imposition of a final disciplinary sanction or denial of membership, must be filed with the SEC within 30 days after notice is filed with the SEC and received by the aggrieved person applying for review. *See* 15 U.S.C. 78s(d). *See also* SEC Rule of Practice 420(b), 17 CFR 201.420(b) (providing that the SEC will not extend this 30-day period absent a showing of extraordinary circumstances).

[7] FINRA proposed to stay the effectiveness of actions against member firms that could result in a sanction or action that shares the relevant characteristics of the sanction at issue in the *Alpine* matter, specifically expulsions imposed in full disciplinary proceedings and under FINRA Rule 8320 (for failure to pay fines, monetary sanctions, and costs), cancellations of membership, and denials of applications for continued membership. *See* Release 103228, 90 FR at 25690. Like expulsions in expedited proceedings, these latter FINRA actions are not currently stayed under FINRA rules by the filing of an application for SEC review, and once the FINRA action becomes final and effective, the firm is no longer a FINRA member. However, unlike an expulsion, if a member firm's membership has been cancelled, the firm can reapply for FINRA membership by submitting a new Form BD and Form NMA as part of the new member application process. *See id.,* at n.8.

[8] *See* Securities Exchange Act Release No. 103285 (June 17, 2025), 90 FR 26667 (June 23, 2025) (SR–FINRA–2025–006) (''Release 103285'').

changes, the Exchange would make the following changes to Rules 10.8320, 10.9269, 10.9310, 10.9524, 10.9527, 10.9557, 10.9558, 10.9559, 10.9840, 10.9850, and 10.9870, as follows.

• Rule 10.8320(b) provides for a summary suspension until a fine or monetary sanction is paid to the Exchange consistent with subsection (a). A subsection (2) would be added to Rule 10.8320(b) that would provide that an expulsion under paragraph (b)(1) of the Rule would not become effective until the time for filing an application for review with the SEC has expired and no such application is filed or, if such an application is timely filed, until the SEC either completes its review under Exchange Act Section 19 or otherwise orders. The existing text of Rule 10.8320(b) would become Rule 10.8320(b)(1) and existing subsections (1) and (2) would become subsections 10.8320(b)(1)(A) and (B), respectively. The text of the current rule would remain unchanged. The proposed rule change is substantively the same as rule text added to FINRA Rule 8320(b)(2) with one difference. The Exchange proposes to add the phrase ''or otherwise orders'' to the proposed language to reflect the fact that the Commission retains authority over its own proceedings, including the authority to determine, either on its own motion or by motion of a party to the respective proceeding, when an expulsion should become effective.

• Rule 10.9269(d) provides that in the case of default decisions issued by a Hearing Officer, unless otherwise provided in the default decision, the sanctions shall become effective on a date to be determined by the Exchange's regulatory staff, except that a bar or expulsion becomes effective immediately upon the default decision becoming the final disciplinary action of the Exchange. The Exchange would restructure Rule 10.9269(d) into three subparagraphs. New subparagraphs (d)(1) and (3) would contain existing rule text. New subparagraph (d)(2)(A) would be amended to provide that unless otherwise provided in the default decision, ''a sanction (other than a bar or expulsion) specified in a decision constituting final disciplinary action of Exchange for purposes of SEA Rule 19d–1(c)(1) shall become effective on a date to be determined by Regulatory Staff'' and new subparagraph (d)(2)(B) amended to provide that ''a bar or expulsion specified in a decision shall become effective immediately upon the default decision becoming the final disciplinary action of the Exchange for purposes of SEA Rule 19d–1(c)(1).'' As FINRA noted, this proposed amendment would achieve consistency with the structure of Rule 9268(f), which governs the effectiveness of sanctions in other disciplinary decisions.[9]

• The following new subsection (e) would be added to Rule 10.9310, which governs review of disciplinary proceedings by the Exchange's Board of Directors (the ''Board''): ''Unless the Exchange Board of Directors otherwise specifically directs, a sanction (other than a bar, an expulsion, or a permanent cease and desist order) specified in a decision constituting final disciplinary action of the Exchange for purposes of SEA Rule 19d–1(c)(1) shall become effective on a date to be determined by the Exchange. A bar or a permanent cease and desist order shall become effective upon service of the decision constituting final disciplinary action of the Exchange, unless otherwise specified therein. An expulsion shall not become effective until the time for filing an application for review with the SEC has expired and no such application is filed or, if such an application is timely filed, until the SEC either completes its review under Exchange Act Section 19 or otherwise orders.'' The proposed text is substantively the same as FINRA Rule 9360 (Effectiveness of Sanctions), including the text FINRA added, except for the phrase ''or otherwise orders'' that the Exchange proposes to include for the reasons discussed above.[10]

• Rule 10.9524(a), governing requests for Board review, would be amended by adding the following clause in the first sentence of the Rule: ''an application for relief from eligibility requirements pursuant to Rule 10.9522(e)(2) or.'' The proposed language has no analogue in the FINRA rule. The Exchange would add the proposed language to provide clarity and internal consistency to its rule since an application for relief pursuant to Rule 10.9522(e)(2) would also be eligible for Board review pursuant to Rule 10.9524.

In addition, the Exchange would add the following new sentence to the end of Rule 10.9524(b), which governs reviews of eligibility proceedings by the Board: ''A decision to deny an application for a disqualified Participant's or Participant Firm's continued membership shall not become effective until the time for filing an application for review with the SEC has expired and no such application is filed or, if such an application is timely filed, until the SEC either completes its review under Exchange Act Section 19 or otherwise orders.'' The proposed language is substantively similar to the rule language FINRA added to its Rule 9524 with the exception of the phrase ''or otherwise orders,'' which the Exchange proposes to include for the reasons described above.[11]

• Rule 10.9527 governs applications to the SEC for review of eligibility proceedings and would be amended by adding the following third sentence to the Rule: ''Pursuant to Rule 10.9524(b), a decision to deny an application for a disqualified member's continued membership shall not become effective until the time for filing an application for review with the SEC has expired and no such application is filed or, if such an application is timely filed, until the SEC either completes its review under Exchange Act Section 19 or otherwise orders.'' The proposed rule change is substantively the same as rule text FINRA added to its Rule 9527 with the exception of the phrase ''or otherwise orders,'' which the Exchange proposes to include for the reasons described above.

• The Rule 10.9550 Series provides for the initiation and prosecution of expedited proceedings, including, among others, proceedings under Rule 10.9557 for regulating activities under Article 7, Rules 3 or 8 regarding a Participant or Participant Firm experiencing financial or operational difficulties.

Pursuant to Rule 10.9557(a) and (c), the Exchange will issue a notice setting forth the specific grounds and factual basis for the action and the requirements or restrictions being imposed. Under current Rule 10.9557(d), such requirements or restrictions are immediately effective. Pursuant to Rule 10.9557(f), the failure

[9] *See* Release 103285, 90 FR at 26669.

[10] The Exchange notes that pursuant to Rule 10.9310(a), any party may require a review by the Exchange Board of Directors of any determination or penalty imposed by a Hearing Panel or Extended Hearing Panel under the Rule 10.9200 Series. Pursuant to Rule 10.9268(e), if a request for review is not timely filed pursuant to Rule 10.9310, a Hearing Panel decision shall constitute final disciplinary action of the Exchange for purposes of Exchange Act Rule 19d–1(c)(1), at which time all bars or expulsions shall become immediately effective pursuant to Rule 10.9268(f). Further, Rule 10.8310(b) provides that each party to a proceeding resulting in a sanction (sanctions are defined in Rule 10.8310(a)(4) and include expulsions) shall be deemed to have assented to the imposition of the sanction unless such party files a written application for review or relief pursuant to the Rule 10.9000 Series. Accordingly, consistent with amended FINRA Rule 9370, the proposed rule changes do not provide a stay where a member firm has defaulted or has failed to exhaust its administrative remedies through the Exchange's appellate process. *See* Release 103228, 90 FR at 25691 n.17.

[11] Rule 10.9524 is similar to FINRA Rule 9524 except for, among other things, the fact that the Exchange's Board reviews disciplinary appeals and the Exchange does not utilize FINRA's National Adjudicatory Council (''NAC'') for this purpose.

to comply with these requirements or restrictions shall be deemed to ''result in automatic and immediate suspension'' without further notice, unless Exchange staff issues a letter of withdrawal of the requirements or restrictions. A Participant or Participant Firm served with a Rule 10.9557 notice may file a written request for a hearing with the Office of Hearing Officers, and under Rule 10.9557(d), a timely request for a hearing stays the effectiveness of the notice, unless the Exchange's Chief Executive Officer (''CEO'') (or such other senior officer as the CEO may designate) determines otherwise. Under current Rule 10.9559(n)(3), if a Hearing Panel approves the requirements or restrictions imposed in the Rule 10.9557 notice and finds that the respondent has not complied with them, the Hearing Panel must impose an immediate suspension. Under current Rule 10.9559(o)(4)(A), the Hearing Panel's written order is effective when issued.

Rule 10.9557(d) would be amended to provide that the requirements and restrictions imposed by a notice under Rule 10.9557(a) are immediately effective ''[u]nless otherwise specified therein.'' Consistent with FINRA's filing, the proposed rule change would give Exchange staff authority to afford the Participant or Participant Firm an opportunity to take action before a requirement or restriction takes effect.[12] Like FINRA, the Exchange also proposes a conforming change to Rule 10.9557(c)(3), which addresses the contents of a notice issued under Rule 10.9557, to reflect amended paragraph (d).

Rule 10.9557(f) would be amended to provide that Exchange staff will issue a notice of suspension in the event the Participant or Participant Firm fails to comply with the requirements or restrictions imposed under the Rule. Following FINRA, the Exchange proposes that such suspension would be effective five business days after service of the notice pursuant to paragraph (b).[13] Rule 10.9557(f) also would be amended to include certain procedural requirements for issuance and service of a notice of suspension and would, like the FINRA rule, comprise five new subparagraphs, as follows:

Rule 10.9557(f)(1) would be titled ''Notice of Suspension'' and the phrases ''without further notice from FINRA staff'' and ''and immediately'' would be removed and the phrase ''effective five business days after service of a notice of suspension issued by FINRA staff'' would be added.

Rule 10.9557(f)(2) would be titled ''Service of Notice of Suspension.'' The proposed rule text provides that Exchange staff shall serve the Participant or Participant Firm subject to a notice of suspension issued under new paragraph (f) in accordance with the service provisions in Rule 10.9557(b).

Rule 10.9557(f)(3) would be titled ''Contents of Notice of Suspension'' and would provide that ''[a] notice of suspension issued and served under this paragraph (f) shall identify the requirements and restrictions with which the member is alleged to have not complied and shall contain a statement of facts specifying the alleged failure. The notice of suspension shall state when Exchange action will take effect and explain what the respondent must do to avoid such action.'' According to FINRA, the proposed provision is substantially similar to the requirements relating to the contents of notices relating to disciplinary proceedings and other expedited proceedings under existing rules.[14]

Rule 10.9557(f)(4) would be titled ''Effective Date'' and would state that the effective date for a notice of suspension issued and served under new Rule 10.9557(f) shall become effective five business days after service of such notice.

Rule 10.9557(f)(5) would be titled ''Application to SEC for Review'' and would provide that ''[a] notice of suspension issued and served under this paragraph (f) constitutes final action by the Exchange. The right to have any action under this paragraph reviewed by the SEC is governed by Section 19 of the Exchange Act.''

The Exchange would make conforming changes to Rule 10.9557(c)(5) relating to contents of a notice to reflect amended paragraph (f) to remove ''without further notice from FINRA staff'' and add ''effective five business days after service of a notice of suspension.''

• Finally, following FINRA, the Exchange proposes several additional conforming and clarifying changes to Rule 10.9557.[15] First, the Exchange would add ''of requirements or restrictions'' to the title and introductory text and ''paragraph a'' to the introductory text of Rule 10.9557(c) in order to clarify that this paragraph addresses the initial notice issued under Rule 10.9557 prescribing the requirements or restrictions imposed under the Rule. Second, the Exchange would remove ''immediate'' from Rule 10.9557(c)(9) to reflect proposed amendments to Rule 10.9559(n) discussed below. Third, in Rule 10.9557(e), the Exchange would add ''other than a notice of suspension under paragraph (f)'' to clarify that paragraph (e) does not apply to notices of suspension. Fourth, Rule 10.9557(g)(2)(B) would be amended to remove ''by a notice'' and ''immediately'' and to add ''in accordance with this Rule'' to account for the two types of notices that can be issued under proposed Rule 10.9557(f) and the revisions throughout Rule 10.9557 that will provide a brief period of time for respondents to seek a stay before a suspension takes effect.

The proposed changes to Rule 10.9557 are substantively the same as rule text added to FINRA Rule 9557.

• Rule 10.9558 authorizes the Exchange's CEO or such other senior officer as the CEO may designate to provide written authorization to Exchange staff to issue on a case-by-case basis written notices that ''summarily'' suspends a Participant, Participant Firm or covered person who has been and is expelled or suspended from any self-regulatory organization or barred or suspended from being associated with Participant or Participant Firm of any self-regulatory organization; suspends a Participant or Participant Firm that is in such financial or operating difficulty that Exchange staff determines and so notifies the Commission that the E Participant or Participant Firm cannot be permitted to continue to do business as a Participant or Participant Firm with safety to investors, creditors, other Participants and Participant Firms, or the Exchange; or limits or prohibits any person with respect to access to services offered by the Exchange if paragraphs (a)(1) or (2) of the Rule or the provisions of Section 6(d)(3) of the Act applies to such person or, in the case of a person who is not a Participant, Participant Firm or covered person, if the Exchange's CRO or such other senior officer as the CRO may designate determines that such person does not meet the qualification requirements or other prerequisites for such access and such person cannot be permitted to continue to have such access with safety to investors, creditors, Participants, Participant Firms, or the Exchange, and so notifies the SEC. Under current Rule

[12] *See* Release 103285, 90 FR at 26670.

[13] According to FINRA, five business days is a reasonable and sufficient amount of time for a firm to take action (such as comply with the original notice of requirements or restrictions, or file a notice of appeal and request a stay with the SEC) without undermining the purpose of Rule 10.9557, which is designed to ensure that FINRA can respond to emergency circumstances, such as when a firm is experiencing financial or operational difficulty. *See* Release 103285, 90 FR at 26670.

[14] *See id.*

[15] *See* Release 103285, 90 FR at 26669–70.

10.9558(d), a prohibition or suspension set forth in the notice is immediately effective. Under Rule 10.9558(e), Participant, Participant Firm or covered person or person served with a notice may file a written request for a hearing with the Office of Hearing Officers. A timely request for a hearing shall not stay the effectiveness of a Rule 10.9558 notice, unless the Chief Hearing Officer or the Hearing Officer assigned to the matter otherwise orders for good cause shown, and the member or person must separately request a stay. The Exchange proposes to amend Rule 10.9558(d) to add ''unless otherwise specified therein'' to provide the Exchange with the authority to afford respondents an opportunity to take appropriate action before the requirements or restrictions imposed in the notice take effect. The proposed change to Rule 10.9558(d) is substantively the same as rule text added to FINRA Rule 10.9558(d).

• The Exchange would make the following changes to Rules 10.9559(n)(3), (o)(4)(a), (p)(6) and 10.9559(r).

Rule 10.9559 sets forth uniform hearing procedures for expedited proceedings under the Rule 10.9550 Series. In conformity with the proposed amendments to Rule 10.9557, the Exchange would remove ''immediate'' from Rule 10.9559(n)(3) and add ''unless otherwise specified therein'' to Rule 10.9559(o)(4)(A) to provide adjudicators authority to grant respondents a brief amount of time to seek a stay from the SEC before a suspension becomes effective.

Subsection (p) governs the contents of the written decision under 10.9559(o)(4)(B) issued under the Rule, and subsection (p)(6) provides that it must include a ''statement describing any sanction, requirement, restriction or limitation imposed, the reasons therefore, and the date upon which such sanction, requirement, restriction or limitation [16] shall become effective.'' The Exchange would add the following clause after ''effective'': '', except that an expulsion or cancellation of membership shall not become effective until the time for filing an application for review with the SEC has expired and no such application is filed or, if such an application is timely filed, until the SEC either completes its review under Exchange Act Section 19 or otherwise orders.''

Rule 10.9559(r) governs applications to the SEC for review and provides that the ''right to have any action pursuant to this Rule reviewed by the SEC is governed by Section 19 of the Exchange Act. The filing of an application for review by the SEC shall not stay the effectiveness of final Exchange action, unless the SEC otherwise orders.'' The Exchange would add the following sentence at the end of subsection (r): ''Pursuant to paragraph (p)(6) of this Rule, an expulsion or cancellation of membership shall not become effective until the time for filing an application for review with the SEC has expired and no such application is filed or, if such an application is timely filed, until the SEC either completes its review under Exchange Act Section 19 or otherwise orders.''

The proposed changes to Rule 10.9559(p)(6) and (r) are substantively the same as rule text added to FINRA Rule 10.9559(p)(6) and (r) with the exception of the phrase ''or otherwise orders,'' which the Exchange proposes to include for the reasons described above.

• The Rule 10.9800 Series sets forth procedures for issuing temporary and permanent cease and desist orders. Pursuant to Rule 10.9870, temporary and permanent cease and desist orders issued pursuant to the Rule 10.9800 Series constitute final and immediately effective disciplinary sanctions imposed by the Exchange. Under current Rule 10.9840(d),[17] temporary and permanent cease and desist orders are effective when service of the Hearing Panel's written decision is complete. At any time after the Office of Hearing Officers serves the order, a party may apply under Rule 10.9850 to have the order modified, set aside, limited or suspended. Under Rule 10.9850, the filing of an application for review of a temporary or permanent cease and desist order with a Hearing Panel shall not stay the effectiveness of the order. Under Rule 10.9870, the filing of an application for review of a temporary or permanent cease and desist order with the SEC shall not stay the effectiveness of the order unless the SEC otherwise orders.

The Exchange proposes to add ''unless otherwise specified therein'' to Rules 10.9840(d) and 10.9870 to provide adjudicators under the rules the authority to grant applicants an opportunity to seek a stay from the SEC or take other appropriate action before the temporary or permanent cease and desist order takes effect. In addition, the Exchange would add ''unless the Chief Hearing Officer or the Deputy Hearing Officer assigned to the matter otherwise orders for good cause shown'' to Rule 10.9850 to provide authority to stay the effectiveness of a temporary or permanent cease and desist order upon the filing of an application for review by the Hearing Panel, where appropriate. The proposed changes to Rule 10.9840(d), 10.9850 and 10.9870 are substantively the same as rule text added to FINRA Rule 9840(f),[18] 9850 and 9870.

No other changes to the NYSE Texas disciplinary rules are proposed.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,[19] in general, and furthers the objectives of Section 6(b)(5) of the Act,[20] in that it is 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 facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest by strengthening the Exchange's ability to oversee and police its marketplace. In addition, the Exchange believes that the proposed rule change is designed to provide a fair procedure for prohibiting or limiting any person with respect to access to services offered by the Exchange or a member thereof consistent with the objectives of Section 6(b)(7).[21]

The Exchange believes that the proposed rule change furthers the objectives of the Act by harmonizing Exchange rules modeled on FINRA rules with respect to the effectiveness of expulsions in expedited proceedings, and other Exchange actions against permit holders that may result in a sanction or action that shares the relevant characteristics of such expulsions, to allow for Commission review under Section 19 of the Act.[22] As previously noted, the proposed changes are substantively the same as those recently made to the FINRA disciplinary rules. As such, the proposed rule change would facilitate rule harmonization among self-regulatory organizations with respect to the effectiveness of expulsions in certain types of Exchange actions, thereby fostering cooperation and coordination with persons engaged

[16] As adopted, Rule 10.9559(p)(6) does not also contain a reference to ''obligation'' like the FINRA rule. The Exchange does not propose to add the term at this time.

[17] The FINRA analogue to NYSE Texas Rule 10.9840(d) is FINRA Rule 9840(f).

[18] *See* note 17, *supra.*

[19] 15 U.S.C. 78f(b).

[20] 15 U.S.C. 78f(b)(5).

[21] 15 U.S.C. 78f(b)(7).

[22] *See, e.g.,* 15 U.S.C. 78s(e) & (f).

in facilitating transactions in securities and will remove impediments to and perfect the mechanism of a free and open market and a national market system.

Like FINRA, the Exchange believes that any potential risk to investor protection posed by aligning the Exchange's rules with FINRA could be mitigated by several factors. In cases where an expulsion, cancellation of membership, or denial of an application for continued membership has been appealed to the SEC, the Exchange will seek expeditious resolution and, where appropriate, may take additional steps to prevent customer harm during the pendency of an appeal of a disciplinary decision imposing an expulsion or cancellation of membership. The Exchange also notes that information about disciplinary proceedings and sanctions against permit holders is available on the Exchange's website and through FINRA's BrokerCheck, which would enable investors to obtain information regarding whether an Participant or Participant Firm is subject to any adverse regulatory action that is the subject of a pending application for SEC review.[23]

Further, the Exchange believes that the proposed rule change will provide Participants and Participant Firms and interested parties notice and clarity regarding the effectiveness of expulsions, membership cancellations, and denials of applications for continued membership under Exchange rules. The Exchange accordingly believes that the proposed rule change will enable the Exchange to continue to administer a fair procedure for disciplining Participants and Participant Firms consistent with the goals of investor protection.

Finally, the Exchange believes that the proposed rule changes to the Rule 10.9000 Series, *i.e.,* the proposed changes to Rules 10.9269(d), 10.9557(c), (d) & (f), 10.9559(n)(3), (o)(4)(a), 10.9558, 10.9840(a) and 10.9870, would further the goal of providing a fair process for Participants, Participant Firms and covered persons because it would provide Exchange staff and adjudicators authority to grant respondents and applicants an opportunity to seek a stay from the Commission or take other appropriate action before a sanction (*e.g.,* a suspension or a bar) or other regulatory measure (such as a statutory disqualification denial, imposition of a cease and desist order or imposition of conditions, requirements or restrictions) takes effect. In addition, the proposed changes to Rule 10.9557(f) and conforming changes to Rule 10.9559 provide a fair process for issuing a notice of suspension to members experiencing financial or operational difficulties in the event that they fail to comply with restrictions or requirements imposed by Exchange staff. Like FINRA, the Exchange believes the proposed amendments will not impede the prompt resolution of cases and the remediation of issues the rules are designed to address because the proposed rule change provides Exchange staff and adjudicators authority to briefly delay the effectiveness of sanctions and other regulatory measures and does not mandate a delay in every case. Hence, where appropriate, the Exchange, like FINRA, would have authority under the amended rules to allow the sanctions or other regulatory measures to take effect immediately in accordance with Exchange protocol and precedent. Further, the Exchange believes that the proposed changes to Rule 10.9557 and conforming changes to Rule 10.9559 provide a streamlined process for suspending members, if necessary, to address the potential risks posed by members experiencing financial or operational difficulties.[24]

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is not intended to address competitive issues but rather is intended solely to stay the effectiveness of specified Exchange actions to permit Commission review, thereby providing greater harmonization with FINRA rules. In so doing, the Exchange is not imposing new or additional costs or impacts on permit holders or investors while allowing the Exchange to administer a fair procedure for disciplining permit holders consistent with the goals of investor protection.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were solicited or received with respect to the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act[25] and Rule 19b–4(f)(6) thereunder.[26] Because the 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 prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b–4(f)(6)(iii) thereunder.

A proposed rule change filed under Rule 19b–4(f)(6)[27] normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b–4(f)(6)(iii),[28] the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest.

At any time within 60 days of the filing of such proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B)[29] of the Act to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov*. Please include file number SR–NYSETEX–2026–17 on the subject line.

[23] Rule 10.8313(d) provides that the Exchange shall provide notice to the public if a disciplinary decision of the Exchange is appealed to the SEC and the notice shall state whether the effectiveness of the decision has been stayed pending the outcome of proceedings before the SEC.

[24] *See* Release 103285, 90 FR at 26672–73.

[25] 15 U.S.C. 78s(b)(3)(A)(iii).

[26] 17 CFR 240.19b–4(f)(6).

[27] 17 CFR 240.19b–4(f)(6).

[28] 17 CFR 240.19b–4(f)(6)(iii).

[29] 15 U.S.C. 78s(b)(2)(B).

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–NYSETEX–2026–17. 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–NYSETEX–2026–17 and should be submitted on or before June 22, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[30]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–10838 Filed 5–29–26; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–105565; File No. SR–NSCC–2026–006]

Self-Regulatory Organizations; National Securities Clearing Corporation; Order Approving Proposed Rule Change Concerning NSCC's Ability To Support Industry Efforts To Extend Trading Hours for the U.S. Equity Markets

May 27, 2026.

I. Introduction

On April 2, 2026, National Securities Clearing Corporation (''NSCC'') filed with the Securities and Exchange Commission (''Commission'') proposed rule change NSCC–2026–006, pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'')[1] and Rule 19b–4 thereunder.[2] The proposed rule change would amend NSCC's Rules[3] to describe NSCC's ability to support extended trading hours for the U.S. equity markets and to provide improved clarity around relevant processing times for its equity clearing services. The proposed rule change was published for comment in the **Federal Register** on April 16, 2026.[4] The Commission has received no comments on the changes proposed.

For the reasons discussed below, the Commission is approving the proposed rule change.

II. Background

NSCC Trade Capture and Recording Services

NSCC is a central counterparty (''CCP'') and provider of clearance and settlement services for transactions in broker-to-broker equity, corporate and municipal bond, and unit investment trust transactions in the U.S. markets. As a CCP, NSCC novates transactions between counterparties, effectively becoming the buyer to every seller and the seller to every buyer, and guarantees settlement of the novated transactions. NSCC's CCP services are available to entities that are approved under the NSCC Rules to be direct NSCC Members and to other market participants through NSCC's indirect access models.

The Universal Trade Capture system (''UTC'') is NSCC's system for validating and reporting equity transactions submitted to NSCC by self-regulatory organizations (''SROs''), including registered securities exchanges (''Exchanges''), and Qualified Special Representatives (''QSRs'')[5] submitting trades on behalf of an automated execution system or Alternative Trading System (''ATS''). UTC currently operates from 1:30 a.m. to 11:30 p.m. Eastern Time each business day.[6]

NSCC states that it begins accepting locked-in trades from certain QSRs for ATS activity between 1:30 and 4:00 a.m. each business day,[7] and that it accepts locked-in trades from both Exchanges and QSRs from 4:00 a.m. to 8:00 p.m. each business day.[8] This window is aligned with current Exchange trading sessions supported by the Securities Information Processors (''SIPs''),[9] which generally include an early hours or pre-market session from 4:00 to 9:30 a.m., regular hours or core market session from 9:30 a.m. to 4:00 p.m., and late hours or post-market session from 4:00 to 8:00 p.m.[10] NSCC states that it accepts other non-Exchange/non-QSR activity through UTC between the hours of 8:00 and 11:30 p.m., such as primary market exchange-traded fund activity, prime broker activity, and options exercise and assignment activity from The Options Clearing Corporation.[11]

Industry Initiatives To Extend Trading Hours for U.S. Equities

NSCC describes how the industry is currently working on several initiatives to expand trading hours for the U.S. equity markets due to growing interest in 24-hour trading, particularly from retail investors, which includes initiatives by Exchanges, QSRs and ATS operators, and the SIPs, as well as industry coordination through task forces and working groups. For example:

• On November 27, 2024, the Commission issued an order approving

[30] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] Capitalized terms not defined herein shall have the meaning assigned to such terms in the NSCC Rules, *available at www.dtcc.com/legal/rules-and-procedures.*

[4] *See* Securities Exchange Act Release No. 105210 (Apr. 13, 2026), 91 FR 20507 (Apr. 16, 2026) (File No. SR–NSCC–2026–006) (''Notice of Filing'').

[5] A ''Special Representative'' is a Member or a Registered Clearing Agency which applies to NSCC for such status and designates those Members for which it will act. Special Representatives may submit to NSCC for trade recording trade data on any transaction calling for delivery of Cleared Securities between it and another person. *See* NSCC Rule 7, Sections 1 and 2(a), *supra* note 3. A ''Qualified Special Representative'' (or QSR) is a Special Representative who (i) operates an automated execution system where it is always the contra side to each transaction; (ii) has a parent corporation or affiliated corporation that operates an automated execution system where the Special Representative is always the contra side to each transaction; or (iii) clears for a broker/dealer who operates an automated execution system where the broker/dealer is always the contra side to each transaction, and the subscribers to the automated execution system enter into an agreement with the broker/dealer and the Special Representative acknowledging the Special Representative's role in the clearance of trades executed on the automated execution system. *See* NSCC Rule 7, Section 3, *supra* note 3.

[6] *See* Notice of Filing, *supra* note 4, at 20508. All times discussed herein are Eastern Time unless otherwise indicated.

[7] NSCC states that this activity currently represents approximately one percent of the overall trade volume cleared by NSCC. *Id.*

[8] *Id.*

[9] SIPs process and consolidate all protected equities bid/ask quotes and trades from every registered exchange and the Financial Industry Regulatory Authority, Inc.'s Alternative Display Facility into a single, easily consumable data feed. There are currently two SIPs: (i) the combined Consolidated Tape Association (''CTA'') SIP, and (ii) the Unlisted Trading Privileges (''UTP'') SIP. The CTA SIP oversees the dissemination of real-time trade and quote information in New York Stock Exchange LLC (Network A) and Bats, Cboe, NYSE Arca, NYSE American and other regional exchanges (Network B) listed securities. *See* CTA Plan website, *available at www.ctaplan.com/index.* The UTP SIP oversees the dissemination of Nasdaq-listed securities (sometimes called ''Network C'' or ''Tape C'' securities). *See* UTP Plan website, *available at www.utpplan.com.* Each SIP is governed by a plan and run by an Operating Committee comprised of its plan participants, which are counseled by an advisory committee made up of individuals representing firms from across the industry.

[10] *See* Notice of Filing, *supra* note 4, at 20508.

[11] *See* Notice of Filing, *supra* note 4, at 20508.

an application by 24X National Exchange LLC (''24X'') for registration as a national securities exchange.[12] As part of its application, 24X proposed to operate an overnight trading session from 8:00 p.m. to 4:00 a.m. (''24X Market Session'').[13] The adoption of this overnight session is subject to 24X filing a subsequent proposed rule change with the Commission and such filing being approved or otherwise becoming effective; [14]

- On February 11, 2025, the Commission approved a proposed rule change by NYSE Arca, Inc. (''NYSE Arca'') to offer trading from 1:30 a.m. through 11:30 p.m. on Monday through Thursday, and 1:30 a.m. through 8:00 p.m. on Friday.[15] The adoption of NYSE Arca's proposal is also subject to NYSE Arca filing a subsequent proposed rule change with the Commission and such filing being approved or otherwise becoming effective; [16]
- Cboe Global Markets announced plans to offer 24-hour, five-days-a-week trading for U.S. equities on its Cboe EDGX Equities Exchange (''EDGX''), subject to regulatory review; [17] and
- On March 7, 2025, Nasdaq announced plans to enable 24-hour trading on the Nasdaq Stock Market, subject to regulatory review.[18]

The participants of the SIPs have also submitted amendments to their respective operating plans (''Plan Amendments'') to the Commission to extend their operating hours to 9:00 p.m. Sunday through 8:00 p.m. Friday (excluding holidays), with a one-hour pause at 8:00 p.m. on Monday through Thursday for technical refreshes for the SIPs, SIP participants, and other market participants.[19] The SIPs' Plan Amendments include certain conditions, including the availability of central clearing during the proposed hours of operation.[20]

Several ATSs are currently offering overnight trading in U.S. equities during the hours of 8:00 p.m. to 4:00 a.m., including Blue Ocean Technologies, LLC's Blue Ocean ATS,[21] OTC Markets Group's MOON ATS,[22] and Bruce Markets' Bruce ATS.[23] Moreover, NSCC states that it understands that there are additional ATSs working to expand trading hours to include overnight trading sessions.[24]

NSCC states that it has held discussions concerning extended trading hours with advisory councils of NSCC, Fixed Income Clearing Corporation, and The Depository Trust Company (''DTC'') (collectively, the ''Clearing Agencies,'' all of which are owned by the Depository Trust & Clearing Corporation (''DTCC'')), which are composed of representatives of the Clearing Agencies' participants and other relevant stakeholders,[25] as well as with certain working groups focusing on issues related to extended trading hours. NSCC states that the advisory councils and working groups were supportive of NSCC's proposal to extend its hours to accommodate extended trading hours.[26]

III. Description of the Proposed Rule Change

In response to these industry initiatives and growing demand for 24-hour trading, NSCC proposes to extend its UTC operating and clearing hours to reduce the time between trade execution and the clearance and guarantee of overnight trades. NSCC would operate on a ''24x5'' basis from Sunday at 8:00 p.m. to Friday at 8:00 p.m. to support overnight trading activity from Exchanges and QSRs submitting on behalf of an ATS. NSCC states that extended clearing hours would facilitate the trade clearance and guarantee of overnight activity across different time zones for global industry participants and mitigate counterparty risk across the industry.[27]

The proposed rule change would amend the NSCC Rules to provide additional clarity regarding (i) NSCC's ability to support industry efforts to extend trading hours for the U.S. equity markets, and (ii) general timeframes, deadlines or cutoff times related to NSCC's core trade acceptance, clearing, settlement and risk management processes.

Trade Acceptance and Processing

The proposed rule change would amend NSCC Rule 1 (Definitions and Descriptions) and Procedure II (Trade Comparison and Recording Service) to add new defined terms and to describe trade acceptance and processing for Exchange and QSR/ATS market trading sessions.

The proposed rule change would add definitions for ''Market Trading Session'' and ''Trade Processing Date'' to NSCC Rule 1. ''Market Trading Session'' would be defined as ''any market trading hours established or agreed upon by (i) self-regulatory organizations, (ii) automated execution systems (or alternative trading systems) for which transactions are submitted on a locked-in basis by Qualified Special Representatives, and/or (iii) securities information processors, which may include, but are not limited to, any pre-market trading sessions, core trading sessions, post-market trading sessions or overnight trading sessions.'' ''Trade Processing Date'' would be defined as ''the business date for which a trade is expected to be cleared by [NSCC].''

The proposed rule change would also adopt new subsection G of Procedure II to describe trade acceptance and processing for locked-in trades submitted during SRO (*i.e.,* Exchange) and QSR/ATS Market Trading Sessions, including those submitted during extended trading hours. The proposed rule change would provide that NSCC may accept locked-in trade data for any Market Trading Sessions, provided that such trades shall be accepted and processed within the operating hours of NSCC's trade capture system.

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[12] *See* Securities Exchange Act Release No. 101777 (Nov. 27, 2024), 89 FR 97092 (Dec. 6, 2024) (File No. 10–242) (''24X Order'').

[13] 24X subsequently filed an immediately effective proposed rule change with the Commission to amend the start time of the 24X Market Session to 9:00 p.m. *See* Securities Exchange Act Release No. 104086 (Sept. 26, 2025), 90 FR 46978 (Sept. 30, 2025) (SR–24X–2025–07).

[14] *See* 24X Order at 97105–06, *supra* note 9.

[15] *See* Securities Exchange Act Release No. 102400 (Feb. 11, 2025), 90 FR 9794 (Feb. 18, 2025) (SR–NYSEARCA–2024–89) (''NYSE Arca Order'').

[16] *See* NYSE Arca Order at 9795–96, *id.*

[17] *See* Cboe Global Markets, Cboe Announces Plans to Launch 24x5 U.S. Equities Trading (Feb. 3, 2025), *available at https://ir.cboe.com/news/news-details/2025/Cboe-Announces-Plans-to-Launch-24x5-U.S.-Equities-Trading-2025-NwujmKvsxb/default.aspx.*

[18] *See* Nasdaq 24-Hour Trading Hub website, *available at www.nasdaq.com/24-hour-trading-hub.*

[19] *See* Securities Exchange Act Release Nos. 104665 (Jan. 22, 2026), 91 FR 3602 (Jan. 27, 2026) (SR–CTA/CQ–2026–01) (Consolidated Tape Association; Notice of Filing of Fortieth Substantive Amendment to the Second Restatement of the CTA Plan and Thirty-First Substantive Amendment to the Restated CQ Plan) and 104670 (Jan. 22, 2026), 91 FR 3609 (Jan. 27, 2026) (File No. S7–24–89) (Joint Industry Plan; Notice of Filing of the Fifty-Fifth Amendment to the Joint Self-Regulatory Organization Plan Governing the Collection, Consolidation and Dissemination of Quotation and Transaction Information for Nasdaq-Listed Securities Traded on Exchanges on an Unlisted Trading Privileges Basis).

[20] *Id.*

[21] *See* Blue Ocean ATS Session hours on the Blue Ocean Technologies, LLC website, *available at https://blueocean-tech.io.*

[22] *See* MOON ATS operating hours on the OTC Markets Group website, *available at www.otcmarkets.com/otc-link/moon-ats.*

[23] *See* Bruce Markets ATS operating hours on the Bruce Markets website, *available at www.brucemarkets.com.*

[24] *See* Notice of Filing, *supra* note 4, at 20509.

[25] The Clearing Agencies have established various advisory councils to ensure appropriate stakeholders are consulted for different types of material developments at the Clearing Agencies, which include an NSCC and DTC Clearance and Settlement Advisory Council, to facilitate compliance with Rule 17ad–25(j) under the Act. *See* 17 CFR 240.17ad–25(j). *See also* Securities Exchange Act Release No. 101764 (Nov. 26, 2024), 89 FR 95843, 95845 (Dec. 3, 2024) (SR–DTC–2024–009, SR–FICC–2024–010, SR–NSCC–2024–006).

[26] *See* Notice of Filing, *supra* note 4, at 20509.

[27] *Id.*

Under the proposed rule change, NSCC states that it would move to a ''24x5'' operating model where UTC would be open for accepting trades for any valid trade date from Sunday at 8:00 p.m. to Friday at 8:00 p.m. to support all Market Trading Sessions during those times.[28] NSCC states that the proposed 24x5 operating hours would allow NSCC to accommodate trading activity currently anticipated from Exchanges and QSR/ATSs, including any pre-market trading sessions, core trading sessions, post-market trading sessions, and overnight trading sessions that they may offer during NSCC's proposed 24x5 hours.[29]

The proposed rule change would also include new rule text in proposed subsection G of Procedure II to require that SROs and QSRs submitting locked-in trade data for overnight trading sessions include such indicators as NSCC may determine to designate such transactions as overnight trading session activity. NSCC states that the proposed rule change would help to ensure that all trades submitted for the overnight session are properly identified so that NSCC can verify Special Representative trading relationships and perform appropriate trade validations for the overnight session.[30]

The proposal would also add rules describing the process for Exchanges and QSRs to close out their trading activity for each Trade Processing Date. NSCC states that, currently at the end of each Trade Processing Date, trading markets and other sending entities (*e.g.,* Exchanges and QSRs) send a ''Good Night Message'' to UTC with their trade totals for each trading market, which UTC balances and confirms before sending its own Good Night Message to NSCC Members indicating trade totals as of each trading market close.[31] NSCC states that when all trading markets are closed, UTC sends a final Good Night Message to Members indicating UTC is closed for the Trade Processing Date.[32] NSCC states that this process is critical to ensure that (i) NSCC and trade submitters can reconcile their trade submission information for each Trade Processing Date; (ii) NSCC can communicate trade totals and the close of each trading market and Trade Processing Date to its Members; and (iii) NSCC can roll its trade capture and risk systems to the next Trade Processing Date.[33]

Specifically, the proposed rule change would adopt new rules in proposed subsection G of Procedure II to provide that, each business day, each SRO and QSR shall submit a message to NSCC, in such form and at such times established by NSCC, confirming the conclusion of trading activity for the current Trade Processing Date (*i.e.,* the ''Good Night Message''). The proposed rule change would further provide that, in the event that an SRO or QSR does not submit a Good Night Message for any Trade Processing Date, NSCC would have the authority to issue a Good Night Message on behalf of such SRO or QSR. NSCC states that it is important to clarify this process, and particularly its authority to issue Good Night Messages on behalf of SROs or QSRs who fail to submit such messages, so that NSCC can close UTC for all activity for a given Trade Processing Date in a timely manner and facilitate the end of day reporting, reconciliation and UTC processing tasks described above.

The proposed rule change would also add new rules in proposed subsection G of Procedure II to provide that SROs and QSRs shall not submit locked-in trade data for the next trade date prior to (i) NSCC processing a Good Night Message to close out the current Trade Processing Date for such submitter, and (ii) NSCC's designated time for accepting trades for the next Trade Processing Date, which NSCC currently expects to occur around 8:00 p.m. Finally, the proposed rule change would amend proposed subsection G of Procedure II to state that NSCC will make available on its public website a schedule of timeframes containing information concerning: (i) the operating hours of NSCC's equity trade capture system (*i.e.,* UTC); (ii) NSCC's time for accepting locked-in trades for the next Trade Processing Date; and (iii) the expected timelines and deadlines for the inclusion of locked-in trades in NSCC's (a) CNS night and day cycles, (b) trade reporting and outputs to Members, and (c) Required Fund Deposit calculations. NSCC states that the proposed rule change would promote improved clarity and transparency around NSCC's trade acceptance, trade processing and risk management timelines to Members, SROs, ATSs and the general public.[34]

NSCC states that the proposed rule change is intended to reflect industry alignment around standardized start and end times for the trading day, and the beginning of overnight trading sessions, as reflected in Exchange proposals, ATS operating hours, and the SIP Plan Amendments discussed above.[35] NSCC further states that standardizing the trading day allows the industry to address a range of implementation considerations and operational complexities necessary to support the expansion of trading hours, including but limited to issues related to settlement processes, corporate actions, risk management, technology infrastructure and industry coordination.[36]

Special Representative Relationships

As noted above, a Special Representative is a Member that is authorized by one or more Member firms to act on their behalf, including for the submission of trades to NSCC.[37] A QSR is a type of Special Representative that is authorized to submit trades executed on an automated trading platform (*e.g.,* an ATS).[38] NSCC states that transactions submitted by Special Representatives and QSRs are treated by NSCC in the same manner as if both parties had agreed to the details of the transactions, and that once a trade is submitted by a Special Representative or QSR, NSCC treats it as ''locked-in,'' meaning it is compared, validated, and guaranteed for settlement.[39]

NSCC states that Special Representatives and QSRs must establish and maintain their Special Representative relationships with NSCC.[40] NSCC provides an automated relationship management system through which Members may establish and ultimately retire these Special Representative relationships pursuant to the NSCC Rules.[41]

The proposed rule change would expand Special Representative relationships, and the relationship management system, to cover separate relationships for the overnight trading session. Specifically, Procedure IV.E of the NSCC Rules would be amended to clarify that Members who wish to participate in overnight trading sessions must establish and maintain separate Special Representative and Qualified Special Representative relationships for overnight trading sessions. NSCC states that the proposed rule change would

[28] Next day trades will not be accepted the night before a non-U.S. trading day for equity markets. *Id.*

[29] *See* Notice of Filing, *supra* note 4, at 20509.

[30] *Id.* at 20509–10.

[31] *Id.* at 20510.

[32] *Id.*

[33] *Id.*

[34] *Id.*

[35] *Id.* at 20510.

[36] *Id.*

[37] *See supra* note 5.

[38] *Id.*

[39] *See* Notice of Filing, *supra* note 4, at 20510.

[40] *Id.* Special Representative relationships are bilateral agreements between firms that are governed by the NSCC Rules and cover both QSR and correspondent clearing arrangements. *Id.*

[41] *See* Procedure IV, Section E, *supra* note 3.

provide an additional control for Members to use to manage their overnight activity at NSCC.[42]

Publication of Key Timeframes

The proposed rule change would also modify the NSCC Rules concerning the maintenance of certain time schedules referenced in the NSCC Rules. Procedure XII of the NSCC Rules currently provides that NSCC will receive and deliver information, data and other items at specified times, which may change from time to time, and that Members may obtain the time schedule upon request and receive ten (10) days' notice of any change.

The proposed rule change would delete existing rule text in Procedure XII and replace it with new text to provide that NSCC shall make available on its public website information concerning key timeframes, deadlines or cutoff times related to its core trade acceptance, clearing, settlement and risk management of transactions under the NSCC Rules.[43] The proposed rule change would also clarify that all such times may be extended as needed by NSCC to (i) address operational or other delays that would reasonably prevent Members or NSCC from meeting the deadline or timeframe, as applicable, or (ii) allow NSCC time to operationally exercise its existing rights under the NSCC Rules. In addition, the proposed rule would clarify that all times applicable to NSCC are standards and not deadlines, and that actual processing times may vary slightly, as necessary. NSCC states that making key timeframes available on its public website would improve Members' and the general public's understanding of the timeframes applicable to NSCC's core trade acceptance, clearing, settlement and risk management of transactions.[44]

Risk Management and Operational Monitoring of Overnight Trades

Risk Management Overview

NSCC is not currently proposing any changes to its risk management rules or margin/Clearing Fund methodology in connection with the move to 24x5. NSCC states that it would manage additional trading activity received during overnight trading sessions through its existing risk management rules and margin/Clearing Fund methodology, similar to the risk management of overnight QSR/ATS activity and pre-market trading session activity currently cleared by NSCC.[45]

NSCC states that it generally expects that overnight trading sessions would occur between 9:00 p.m. and 9:30 a.m. for Exchanges and 8:00 p.m. to 4:00 a.m. for QSR/ATS activity; however, these timeframes are subject to change based on, for example, proposed rule change filings by the Exchanges and the approval of the SIP Plan Amendment necessary to implement extended trading hours.[46] NSCC states that, under its current and future risk processing capabilities, it accepts trades and incorporates those transactions into its start-of-day (''SOD'') risk margin calculations until UTC sends a final Good Night Message closing the Trade Processing Date for NSCC (approximately 12:00 a.m. each day).[47] Accordingly, any overnight trades received prior to UTC closing out the current Trade Processing Date would be incorporated into NSCC's SOD risk margin calculations and Clearing Fund collection processes, as set forth in NSCC Rule 4 and Procedure XV of the NSCC Rules. Any overnight trades received after UTC has closed the current Trade Processing Date would be included in NSCC's intraday monitoring and margin process, as set forth in Section I.(B)(5) of Procedure XV.[48]

NSCC states that it believes its current risk management practices would adequately address the risk presented by the additional activity received during extended trading hours.[49] NSCC calculates and collects Clearing Fund from its Members using a risk-based margin methodology that enables NSCC to identify the risks posed by a Member's unsettled portfolio and quickly adjust and collect additional deposits as needed to cover those risks.[50] NSCC states that the margin requirement differential (''MRD'') charge is specifically designed to capture the risk of a Member's portfolio for the accumulated trades during the entire day, up to the UTC Good Night Message, to cover the day-over-day increase in the portfolio risk stemming from all trades during the day, including any overnight trading session.[51] NSCC further states that the MRD charge's design also uses a look-back period to capture the spikes in volumes and associated risk over the past 100 days.[52] MRD would be included as part of NSCC's SOD risk margin calculations and Clearing Fund collection processes.

NSCC states that trading activity submitted for the overnight trading session represents a small fraction of the overall trade volume cleared by NSCC.[53] Based on feedback from industry outreach, NSCC states that it believes that overnight trading volumes will increase gradually and steadily over the next few years as ATSs and Exchanges expand and normalize overnight trading hours as opposed to seeing an immediate significant increase in volumes upon the implementation of NSCC's 24x5 proposal.[54]

Required Fund Deposits

NSCC manages its credit exposure to its Members by determining the appropriate Required Fund Deposit to the Clearing Fund for each Member and by monitoring the sufficiency of such deposits, as provided for in the NSCC Rules.[55] The objective of a Member's Required Fund Deposit is to mitigate potential losses to NSCC associated with liquidating a Member's portfolio in the event NSCC ceases to act for that Member (hereinafter referred to as a ''default'').[56] Required Fund Deposits operate, individually, as the Member's margin, and the aggregate of all such Members' deposits is referred to, collectively, as the Clearing Fund. NSCC would access the Clearing Fund should a defaulting Member's own Required Fund Deposit be insufficient to satisfy losses to NSCC caused by the liquidation of that Member's portfolio.

NSCC calculates and collects Clearing Fund from its Members (*i.e.,* a Required Fund Deposit) on a daily basis using a risk-based margin methodology.[57] A Member's Required Fund Deposit may vary daily and is generally based upon the Member's trading activity and current unsettled positions.[58] Required Fund Deposit deficits are due to NSCC each business day, typically by 10:00 a.m.[59] Transactions accepted by NSCC prior to UTC's final Good Night

[42] *Id.*

[43] NSCC included a draft version of the NSCC Schedule of Trade Processing Timeframes for Equity Clearing and Settlement in Exhibit 3 to this filing.

[44] *See* Notice of Filing, *supra* note 4, at 20511.

[45] *Id.*

[46] *Id.*

[47] *Id.*

[48] *Id.* For example, NSCC states that a trade received at 11:00 p.m. on Monday would be included in NSCC's SOD margin/Clearing Fund calculations for collection on Tuesday morning, while a trade received at 1:30 a.m. on Tuesday would not be included in the SOD calculations for Tuesday but would be included in Tuesday's intraday risk monitoring and margin process. *Id.*

[49] *Id.*

[50] See *id.* and Procedure XV, *supra* note 3.

[51] Notice of Filing, *supra* note 4, at 20511.

[52] *Id.*

[53] *Id.*

[54] *Id.*

[55] *See* NSCC Rule 4, *supra* note 3.

[56] The NSCC Rules identify when NSCC may cease to act for a Member and the types of actions NSCC may take. *See* NSCC Rule 46, *supra* note 3.

[57] *See* NSCC Rule 4, *supra* note 3.

[58] *Id.*

[59] *Id.*

Message, which is expected to occur at approximately 12:00 a.m. each business day, would be factored into this SOD margin collection.[60]

Each Member's Required Fund Deposit amount consists of a number of applicable components, each of which is calculated to address specific risks faced by NSCC, as identified within the NSCC Rules. The major components of NSCC's Clearing Fund charges include, but are not limited to: (i) volatility charges for securities based on asset type and liquidity profile; (ii) mark-to-market charges; (iii) fail charges; (iv) a charge for Family-Issued Securities to mitigate wrong way risk; (v) a charge to mitigate day-over-day margin differentials (*i.e.,* the margin requirement differential or ''MRD'' charge); (vi) a coverage component; (vii) a margin liquidity adjustment component; (viii) a backtesting charge; and (ix) an excess capital premium charge.[61]

NSCC states that the MRD charge addresses potential market risk based on portfolio fluctuations as a Member executes trades throughout the day, which would include portfolio fluctuations that occur during extended/overnight trading hours. Pursuant to Addendum K of the NSCC Rules, NSCC's central counterparty trade guaranty generally attaches immediately upon trade validation, which may occur before the time that NSCC has collected the Member's Required Fund Deposit at the start of each day.[62] As a result, NSCC states that it may be exposed to large un-margined intraday portfolio fluctuations before NSCC has collected the Member's Clearing Fund requirement the following morning.[63]

The MRD charge is calculated based on the day-over-day positive changes in the Member's SOD volatility charge and mark-to-market (''MTM'') charge components, which are calculated based on the overnight or end-of-day positions.[64] The MRD charge is designed to mitigate the risks posed to NSCC by day-over-day fluctuations in a Member's portfolio by forecasting future changes in a Member's portfolio based on a historical look-back at each Member's portfolio over a given time period.[65] Since the MRD charge captures the risk of the portfolio for the accumulated trades during the entire day, up to the UTC Good Night Message at approximately 12:00 a.m., the day-over-day increase in the portfolio risk stemming from all trades during the day, including any overnight trading session, would be reflected in the MRD calculation.[66] Given the MRD's design to use a look-back period, the spikes in volumes and associated risk over the past 100 days are already captured in the MRD calculation each day.[67] NSCC states that members that present NSCC with larger increases in day-over-day value-at-risk (''VaR'') and MTM also have larger MRD amounts.[68] NSCC states that it believes that the MRD charge will capture credit exposures that may arise from its participants related to overnight trading activity.[69]

NSCC further states that its Clearing Fund methodology, including the MRD component, is subject to regular periodic model performance monitoring reviews under the Clearing Agency Model Risk Management Framework and associated policies and procedures, both in the aggregate and at the Member-level, and that any model performance issues, if found attributable to the extended trading activities, will lead to further analysis, escalation, and remediation.[70]

Intraday Monitoring and Margin Collection

NSCC may also collect payments from Members on an intraday basis based on changes in its risk exposures (an ''Intraday Margin Charge''), including when certain risk thresholds are breached or when the products cleared or markets served display elevated volatility.[71] Intraday Margin Charges include charges based on NSCC's re-calculated intraday mark-to-market exposures (''Intraday MTM Charge'')[72] and intraday volatility exposures (''Intraday Volatility Charge'')[73] for each Member. Any overnight trades received after UTC has closed the current Trade Processing Date would be included in these intraday monitoring and margin processes.

NSCC risk systems generate and monitor intraday volatility and mark-to-market exposures on a 15-minute basis between 6:00 a.m. and 11:00 p.m. each business day. NSCC states that it generally conducts intraday monitoring of its exposures for purposes of assessing Intraday Margin Charges at 15-minute intervals between the hours of 10:00 a.m. and 4:30 p.m.; however, NSCC maintains authority and operational capacity to collect Intraday Margin Charges at any time during the system monitoring window if circumstances warrant.[74] Furthermore, NSCC states that it is currently working to expand its 15-minute monitoring capability beyond the current hours of 6:00 a.m. to 11:00 p.m.[75]

NSCC states that it also plans to expand its offshore time zone footprint beyond existing locations with continuous training to be provided to offshore teams, with U.S.-based staff remaining available for escalation support to ensure continuity and oversight.[76]

Operational Monitoring and Support

In addition to the risk management framework described above, NSCC also has additional operational monitoring and support capabilities to support extended trading hours. NSCC states that it would leverage DTCC's existing global footprint to ensure continuous support coverage and monitoring from Sunday at 8:00 p.m. through Friday at 8:00 p.m. without expanding infrastructure or concentrating risk in any single region.[77] NSCC states that it currently operates with a 24x7 technology/application support model and 24x6.5 client/trade submitter support hours (currently from Sunday at 7:00 a.m. to Saturday at 4:00 p.m.) to monitor and address issues during extended trading hours, with trained staffing around the globe to support these functions and address significant incidents.[78] NSCC states that it is also

[60] *See* Notice of Filing, *supra* note 4, at 20511 and Procedure XV, *supra* note 3.

[61] *See* Procedure XV, *supra* note 3.

[62] *See* Notice of Filing, *supra* note 4, at 20511–12 and Addendum K, *supra* note 3.

[63] *See* Notice of Filing, *supra* note 4, at 20512.

[64] *See* Section I.(A)(1)(e) and I.(A)(2)(d) of Procedure XV, *supra* note 3.

[65] *See* Notice of Filing, *supra* note 4, at 20512.

[66] *Id.*

[67] *Id.*

[68] *Id.*

[69] *Id.*

[70] *Id.*

[71] *See* Section I.(B)(5) of Procedure XV, *supra* note 3.

[72] The Intraday MTM Charge is based on the difference between the last marked-to-market price of a Member's net CNS and Balance Order positions (including CNS fails) and the most recently observed market price for such positions. *See* Section I.(B)(5)(a) of Procedure XV, *supra* note 3.

[73] The Intraday Volatility Charge is designed to address the volatility risks presented by Members' intraday net unsettled positions between the collection of margin at the start of each business day. *See* Procedure XV, *supra* note 3.

[74] *See* Notice of Filing, *supra* note 4, at 20512. Additional information concerning NSCC's margin methodology and intraday risk management processes can be found in the NSCC Risk Margin Component Guide, *available at https://dtcclearning.com/products-and-services/equities-clearing/nscc-risk-management.html.*

[75] *See* Notice of Filing, *supra* note 4, at 20512.

[76] *See* Notice of Filing, *supra* note 4, at 20512–13.

[77] *See* Notice of Filing, *supra* note 4, at 20513.

[78] *Id.* This includes client/trade submitter support across three (3) shifts that would be covered from the U.S. (Jersey City, Boston, Dallas and Tampa), Philippines (Manilla), United Kingdom (London), Singapore (Singapore), and India (Chennai and Hyderabad). *Id.*

enhancing its trade capture platform by developing data observability dashboards to provide detective anomaly controls to assist in identifying potentially erroneous submissions in UTC, and that all transaction monitoring protocols used during core trading hours (9:30 a.m.–4:00 p.m.) would be extended to the overnight session.[79]

NSCC further states that DTCC's Enterprise Resiliency Office (''ERO'') plays a central role in the Clearing Agencies' coordination and facilitation of the incident management and reporting processes, and that ERO has implemented a 24x7 ''follow-the-sun'' coverage model to appropriately identify, assess, and manage incidents or potential incidents that may impact NSCC's ability to deliver products or services, including those that may occur during the overnight trading session.[80]

Additional Risk Management Enhancements

Following implementation of this proposed rule change, NSCC states that it will continue to monitor and evaluate trading volumes and risk exposures during the overnight trading session, and determine whether additional margin or risk management enhancements are necessary to address the additional risks presented by overnight trading.[81] NSCC states that such risk management enhancements could include changes to NSCC's margin methodology or Clearing Fund requirements, Intraday Margin Charge requirements, or ongoing membership requirements concerning financial or operational capability related to the 24x5 operating model.[82] Based on its assessment of any additional risks presented by overnight trading, NSCC states that it will propose and file further rule changes pursuant to Section 19(b)(1) of the Act,[83] and the rules thereunder, prior to accepting overnight trades from Exchanges, if NSCC determines that additional risk management enhancements are necessary to address additional risks presented by overnight trading.[84] NSCC states that it would file such proposed rule change(s) with the objective of seeking regulatory approval and implementation of any proposed enhancements to risk management prior to Exchanges going live with 24x5 trading.[85] NSCC plans to implement the proposed rule change on June 28, 2026.[86]

IV. Discussion and Commission Findings

Section 19(b)(2)(C) of the Act[87] directs the Commission to approve a proposed rule change of a self-regulatory organization if it finds that such proposed rule change is consistent with the requirements of the Act and rules and regulations thereunder applicable to such organization. After careful review of the proposed rule change, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to NSCC. More specifically, for the reasons given below, the Commission finds that the proposed rule change is consistent with Section 17A(b)(3)(F) of the Act[88] and Rules 17ad–22(e)(4)(i), (6)(iii) and (21) thereunder.[89]

A. Consistency With Section 17A(b)(3)(F)

Section 17A(b)(3)(F) of the Act[90] requires, in part, that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions, and to assure the safeguarding of securities and funds which are in the custody or control of the clearing agency or for which it is responsible.

As described above in Section III, the proposed rule change would describe NSCC's arrangements to support extended trading hours for the U.S. equity markets and provide improved clarity around relevant processing times for its equity clearing services. The extension of NSCC's UTC operating and clearing hours should enable NSCC to promptly and accurately clear, guarantee, risk manage, and settle trades executed during extended trading hours, particularly those trades executed during overnight trading sessions, which are not fully covered by NSCC's existing operating model. Under the proposed rule change, NSCC would operate on a ''24x5'' basis from Sunday at 8:00 p.m. to Friday at 8:00 p.m. As a result, the proposed rule change should enable NSCC to promptly and accurately clear and apply its CCP trade guaranty to trades executed during extended trading hours. Accordingly, the proposed rule change is designed to promote the prompt and accurate clearance and settlement of securities transactions.

NSCC would manage the risk from the activity cleared during extended trading hours using its existing risk management framework. NSCC uses a risk-based margin and Clearing Fund methodology to calculate and collect SOD margin requirements each day from Members to cover NSCC's potential exposures and to monitor and address intraday exposures through the Intraday MTM Charge and Intraday Volatility Charge. NSCC's margin methodology also includes an MRD charge specifically designed to mitigate the risks posed to NSCC by day-over-day fluctuations in a Member's portfolio by forecasting future changes in a Member's portfolio based on a historical look-back at each Member's portfolio over a given time period, which should capture fluctuations in NSCC's risk exposure during overnight trading sessions.

NSCC's existing risk management framework should enable it to identify, measure, monitor, and manage the potential credit exposures that may arise from its participants related to overnight trading activity. NSCC uses the margin and Clearing Fund it collects to mitigate potential losses to NSCC (and, through loss allocation, to its Members) associated with liquidating a defaulting Member's portfolio. This risk management framework should allow NSCC to continue to effect the prompt and accurate clearance and settlement of securities transactions in the event NSCC ceases to act for a Member, thereby assuring the safeguarding of securities and funds which are in the custody or control of NSCC or for which it is responsible.

Following implementation of this proposed rule change, NSCC has stated that it will continue to monitor and evaluate trading volumes and risk exposures during the overnight trading session, and determine whether additional margin or risk management enhancements are necessary to address the additional risks presented by overnight trading.[91] NSCC has further stated that such risk management enhancements could include changes to NSCC's margin methodology or Clearing Fund requirements, Intraday Margin Charge requirements, or ongoing membership requirements concerning financial or operational capability related to the 24x5 operating model, and that it will propose and file further rule changes pursuant to Section 19(b)(1) of the Act prior to accepting overnight trades from Exchanges, if NSCC

[79] *See* Notice of Filing, *supra* note 4, at 20513.

[80] *Id.*

[81] *Id.*

[82] *Id.*

[83] 15 U.S.C. 78s(b)(1).

[84] *See* Notice of Filing, *supra* note 4, at 20513.

[85] *Id.*

[86] *Id.*

[87] 15 U.S.C. 78s(b)(2)(C).

[88] 15 U.S.C. 78q–1(b)(3)(F).

[89] 17 CFR 240.17ad–22(e)(4)(i), (6)(iii) and (21).

[90] 15 U.S.C. 78q–1(b)(3)(F).

[91] *See* Notice of Filing, *supra* note 4, at 20513.

determines that additional risk management enhancements are necessary to address additional risks presented by overnight trading.[92]

The proposed rule change would also require NSCC to maintain a schedule of its key equity clearing and settlement processes on its public website, which should improve Members' understanding of the key timeframes applicable to NSCC's core trade acceptance, clearing, settlement and risk management of transactions. This, in turn, should help Members understand their potential obligations to NSCC, facilitating the prompt and accurate clearance and settlement of securities transactions.

For these reasons, the proposed rule change is designed to promote the prompt and accurate clearance and settlement of securities transactions, and to assure the safeguarding of securities and funds which are in the custody or control of NSCC or for which it is responsible, consistent with the requirements of Section 17A(b)(3)(F) of the Act.

B. Consistency With Rules 17ad–22(e)(4)(i) and (6)(iii)

Rule 17ad–22(e)(4)(i)[93] under the Act requires that a covered clearing agency establish, implement, maintain, and enforce written policies and procedures reasonably designed to effectively identify, measure, monitor, and manage its credit exposures to participants and those arising from its payment, clearing, and settlement processes, including by maintaining sufficient financial resources to cover its credit exposure to each participant fully with a high degree of confidence. Rule 17ad–22(e)(6)(iii)[94] under the Act further requires that a covered clearing agency that provides CCP services establish, implement, maintain, and enforce written policies and procedures reasonably designed to cover its credit exposures to its participants by establishing a risk-based margin system that calculates margin sufficient to cover its potential future exposure to participants in the interval between the last margin collection and the close out of positions following a participant default.

As described above in Sections III and IV.A, NSCC would manage the risk from the activity cleared during extended trading hours using its existing risk management framework. NSCC's risk-based margin and Clearing Fund methodology, including the MRD charge designed to capture day-over-day Member portfolio fluctuations through a historical look-back period, should capture fluctuations in NSCC's risk exposure during overnight trading sessions. Overnight trades received prior to UTC closing the Trade Processing Date would be incorporated into NSCC's SOD risk margin calculations and subject to the MRD charge, while trades received after UTC closure would be included in NSCC's intraday monitoring and margin processes. Trading activity submitted for overnight trading sessions represents a small fraction of overall trade volume cleared by NSCC, and NSCC expects overnight trading volumes to increase gradually and steadily over time.[95] Moreover, as noted above, NSCC has stated that it will continue monitoring and evaluating trading volumes and risk exposures during the overnight trading session and propose additional risk management enhancements, if necessary, including prior to the Exchanges expanding their trading hours.

The proposed rule change also includes operational controls to support overnight trading risk management. Under the proposal, SROs and QSRs submitting locked-in trade data for overnight trading sessions must include indicators designating such transactions as overnight trading session activity, enabling NSCC to verify Special Representative trading relationships and perform appropriate trade validations. Moreover, Members participating in overnight trading sessions must establish and maintain separate Special Representative and Qualified Special Representative relationships for overnight trading sessions, providing NSCC with enhanced controls to manage overnight activity.

Therefore, NSCC's existing risk management framework, combined with these operational controls, is reasonably designed to enable NSCC to identify, measure, monitor, and manage the potential credit exposures that may arise from its participants related to overnight trading activity, and to calculate and collect margin sufficient to cover its potential future exposure to participants in accordance with the requirements of Rules 17ad–22(e)(4)(i) and (6)(iii) under the Act.

C. Consistency With Rule 17ad–22(e)(21)

Rule 17ad–22(e)(21)[96] under the Act requires, in part, that a covered clearing agency establish, implement, maintain, and enforce written policies and procedures reasonably designed to be efficient and effective in meeting the requirements of its participants and the markets it serves. As described above in Section III, the industry is currently working on several initiatives to expand trading hours for the U.S. equity markets due to growing interest in 24-hour trading, particularly from retail investors. This includes initiatives by Exchanges, QSRs and ATS operators, and the SIPs, as well as industry coordination through task forces and working groups organized by DTCC and SIFMA. The proposed 24x5 operating model is designed to accommodate these industry efforts and should enable NSCC to promptly and accurately clear and apply its CCP trade guaranty to trades executed during extended trading hours, particularly overnight trading sessions occurring across different time zones for global industry participants. Accordingly, the proposed rule change is reasonably designed to efficiently and effectively meet the requirements of its participants and the markets it serves in accordance with Rule 17ad–22(e)(21).

V. Conclusion

On the basis of the foregoing, the Commission finds that the proposed rule change is consistent with the requirements of the Exchange Act and in particular with the requirements of Section 17A of the Exchange Act[97] and the rules and regulations promulgated thereunder.

It is therefore ordered, pursuant to Section 19(b)(2) of the Exchange Act[98] that proposed rule change SR–NSCC–2026–006 be, and hereby is, APPROVED.[99]

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[100]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–10836 Filed 5–29–26; 8:45 am]

BILLING CODE 8011–01–P

[92] NSCC states that it would file such proposed rule change(s) with the objective of seeking regulatory approval and implementation of any proposed enhancements to risk management prior to Exchanges going live with 24x5 trading. *Id.*

[93] 17 CFR 240.17ad–22(e)(4)(i).

[94] 17 CFR 240.17ad–22(e)(6)(iii).

[95] *See* Notice of Filing, *supra* note 4, at 20511.

[96] 17 CFR 240.17ad–22(e)(21).

[97] 15 U.S.C. 78q–1.

[98] 15 U.S.C. 78s(b)(2).

[99] In approving the proposed rule change, the Commission considered the proposals' impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

[100] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meetings

TIME AND DATE: 2:00 p.m. on Thursday, June 4, 2026.

PLACE: The meeting will be held via remote means and at the Commission's headquarters, 100 F Street NE, Washington, DC 20549.

STATUS: This meeting will be closed to the public.

MATTERS TO BE CONSIDERED: Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the closed meeting. Certain staff members who have an interest in the matters also may be present.

In the event that the time, date, or location of this meeting changes, an announcement of the change, along with the new time, date, and/or place of the meeting will be posted on the Commission's website at *https://www.sec.gov*.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(3), (5), (6), (7), (8), 9(B) and (10) and 17 CFR 200.402(a)(3), (a)(5), (a)(6), (a)(7), (a)(8), (a)(9)(ii) and (a)(10), permit consideration of the scheduled matters at the closed meeting.

The subject matter of the closed meeting will consist of the following topics:

Institution and settlement of injunctive actions;

Institution and settlement of administrative proceedings;

Resolution of litigation claims; and

Other matters relating to examinations and enforcement proceedings.

At times, changes in Commission priorities require alterations in the scheduling of meeting agenda items that may consist of adjudicatory, examination, litigation, or regulatory matters.

CONTACT PERSON FOR MORE INFORMATION: For further information, please contact Vanessa A. Countryman from the Office of the Secretary at (202) 551–5400.

Authority: 5 U.S.C. 552b.

Dated: May 28, 2026.

Stephanie J. Fouse,

Assistant Secretary.

[FR Doc. 2026–10874 Filed 5–28–26; 11:15 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[OMB Control No. 3235–0214]

Agency Information Collection Activities; Submission for OMB Review; Comment Request; Extension: Rule 17a–7—Exemption of Certain Purchase or Sale Transactions Between an Investment Company and Certain Affiliated Persons Thereof

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549–2736

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (SEC or ''Commission'') is submitting to the Office of Management and Budget (OMB) this request for extension of the proposed collection of information under rule 17a–7 [17 CFR 270.17a–7].[1] Rule 17a–7, as subsequently amended on several occasions, provides an exemption from section 17(a) of the Act for purchases and sales of securities between funds that are affiliated persons[2] (''first-tier affiliate'') of a registered investment company (''fund'') or an affiliated person of that first-tier affiliate (''second-tier affiliate''), or between a fund and a first- or second-tier affiliate other than another fund, when the affiliation arises solely because of a common investment adviser (or advisers that are affiliated persons of each other), director, or officer. The exemption is subject to conditions intended to eliminate the likelihood of overreaching. The rule permits funds and other companies under common management to trade securities with each other and thus to avoid brokerage commissions.[3] The rule also limits the prices at which purchase and sale transactions may occur, to prevent inequitable pricing practices that could harm a participating fund.[4]

Rule 17a–7(e) requires the board of directors of a fund to make, adopt, and approve changes to procedures reasonably designed to ensure that the conditions of the rule have been satisfied for purchases and sales effected in reliance on the rule. In addition, the rule requires that the fund maintain and preserve permanently a written copy of the procedures adopted by the board. Under the rule, the board is required to determine, at least on a quarterly basis, that all affiliated transactions effected during the preceding quarter in reliance on the rule were made in compliance with these established procedures. The rule requires the fund to maintain written records of this board determination and each rule 17a–7 transaction for a period of not less than six years.[5] The Commission's examination staff uses these records to evaluate for compliance with the rule. Compliance with rule 17a–7 is required to obtain or retain benefits.

We estimate that approximately 446 funds use rule 17a–7 to make cross trades annually.[6] Based on conversations with fund representatives and the Commission's experience with the use of rule 17a–7, we estimate that the recordkeeping burden of compliance with rule 17a–7 is approximately 5 hours per respondent. This time is spent, for example, maintaining various records of rule 17a–7 transactions and materials connected to the board's determination of compliance. Accordingly, we calculate the total estimated annual internal burden of complying with rule 17a–7 to be approximately 2,230 hours. We estimate the annual external costs to be $1,659,120.

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 public may view and comment on this information collection request at: *https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202603-3235-016* or email comment to *MBX.OMB.OIRA.SEC_desk_officer@omb.eop.gov* within 30 days of the day after publication of this notice, by July 2, 2026.

Dated: May 27, 2026.

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–10822 Filed 5–29–26; 8:45 am]

BILLING CODE 8011–01–P

[1] *See* Exemption of Certain Purchase or Sale Transactions Between Affiliated Registered Investment Companies; Investment Company Act Release No. 4697 (Sept. 8, 1966) [31 FR 12092 (Sept. 16, 1966)].

[2] Under section 2(a)(3) of the Act, ''affiliated person'' of another person means:

[3] *See* rule 17a–7(d).

[4] *See* rule 17a–7(b).

[5] Rule 17a–7(g) requires the written record of the affiliated transaction to include the following information: a description of the security purchased or sold, the identity of the person on the other side of the transaction, the terms of the purchase or sale transaction, and the information or materials upon which the board determined that the purchase or sale complied with the procedures set by the board.

[6] This estimate is based on the average of the number of active registrants/trusts as of December 2023, 2024, and 2025 that indicated on Form N–CEN filings received through March 15, 2026 that at least one of their funds/series rely on rule 17a–7.

SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meetings

TIME AND DATE: Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Public Law 94–409, that the Securities and Exchange Commission Investor Advisory Committee will hold a public meeting on Thursday, June 4, 2026. The meeting will begin at 10:00 a.m. (ET) and will be open to the public.

PLACE: The meeting will be conducted in-person at 100 F Street NE, Washington, DC 20549 in the Multipurpose Room, and by remote means. Members of the public may attend in-person or watch the webcast of the meeting on the Commission's website at *www.sec.gov.*

STATUS: This Sunshine Act notice is being issued because a majority of the Commission may attend the meeting.

Public Comment: The public is invited to submit written statements to the Committee. Written statements should be received on or before June 3, 2026.

Written statements may be submitted by any of the following methods:

Electronic Statements

- Use the Commission's internet submission form (*https://www.sec.gov/comments/265-28/investor-advisory-committee-meeting#no-back*); or
- Send an email message to *rules-comments@sec.gov*. Please include File No. 265–28 on the subject line; or

Paper Statements

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

All submissions should refer to File No. 265–28. This file number should be included on the subject line if email is used. To help us process and review your statement more efficiently, please use only one method.

The Commission will post all statements on the Commission's website. Do not include personal 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.

MATTERS TO BE CONSIDERED: The agenda for the meeting includes: welcome and opening remarks; approval of previous meeting minutes; a panel discussion regarding avoiding retail confusion regarding private market assets; a panel discussion regarding passive index funds and shareholder voting; a discussion of recommendations regarding fund proxy voting; a discussion of recommendations regarding quarterly vs. semi-annual reporting; subcommittee reports; and a non-public administrative session.

CONTACT PERSON FOR MORE INFORMATION: For further information, please contact Vanessa A. Countryman from the Office of the Secretary at (202) 551–5400.

Authority: 5 U.S.C. 552b.

Dated: May 27, 2026.

Stephanie J. Fouse,

Assistant Secretary.

[FR Doc. 2026–10847 Filed 5–28–26; 11:15 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–105566; File No. SR–NYSENAT–2026–13]

Self-Regulatory Organizations; NYSE National, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change of Amendments to the Rule 10.8000 and Rule 10.9000 Series

May 27, 2026.

Pursuant to Section 19(b)(1) [1] of the Securities Exchange Act of 1934 (''Act'') [2] and Rule 19b–4 thereunder,[3] notice is hereby given that on May 19, 2026, NYSE National, Inc. (''NYSE National'' or the ''Exchange'') filed with the Securities and Exchange Commission (the ''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. 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 amendments to the Rule 10.8000 and Rule 10.9000 Series to harmonize the Exchange's disciplinary rules with recent changes to the disciplinary rules of the Financial Industry Regulatory Authority (''FINRA'') on which the Exchange disciplinary rules are modeled. The proposed rule change is available on the Exchange's website at *www.nyse.com* and at the principal office of the Exchange.

[1] 15 U.S.C. 78s(b)(1).

[2] 15 U.S.C. 78a.

[3] 17 CFR 240.19b–4.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization 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 those 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 parts of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes amendments to the Rule 10.8000 (Investigations and Sanctions) and Rule 10.9000 Series (Code of Procedure) to (i) automatically stay effectiveness of specified expulsions of ETP Holders, membership cancellations, and denials of applications for continued membership of disqualified ETP Holders to allow for Securities and Exchange Commission (''Commission'' or ''SEC'') review under Section 19 of the Act,[4] and (ii) provide authority for Exchange staff and adjudicators to grant respondents and applicants the opportunity to seek a stay or take other appropriate action before certain sanctions or regulatory measures (other than the above-mentioned expulsions, membership cancellations, or denials of continued membership applications) take effect.

The proposed rule change would harmonize the Exchange's disciplinary

[4] *See, e.g.,* 15 U.S.C. 78s(e) & (f). FINRA sought to align its disciplinary rules relating to the effectiveness of expulsions in expedited proceedings with the ruling of the United States Court of Appeals for the D.C. Circuit in *Alpine Securities Corp.* v. *FINRA*, 121 F.4th 1314 (D.C. Cir. 2024), *cert. denied* (June 2, 2025) (No. 24–904) (remanding to the district court with instructions to enter a limited preliminary injunction enjoining FINRA from expelling Alpine Securities until the Commission has reviewed any expulsion that FINRA may order in the pending expedited proceeding against Alpine Securities or the time for Alpine Securities to seek SEC review of an expulsion has passed). *See* Securities Exchange Act Release No. 103228 (June 11, 2025), 90 FR 25689 (June 17, 2025) (SR–FINRA–2025–004) (''Release 103228''). In its filing, FINRA noted that this litigation is ongoing and that FINRA does not waive any rights or arguments it may have in connection with this or any other pending or future matter. *See id.,* 90 FR at 25690, n.7. The Exchange similarly notes that by harmonizing its rules with FINRA, it similarly does not waive any rights or arguments it may make in connection with matters relating to these rules or to the issues presented in the *Alpine* litigation in any pending or future matter. *See also* note 7, *infra.*

rules with those of FINRA, and would apply to decisions issued in expedited proceedings under the Rule 10.9550 Series (Expedited Proceedings), disciplinary proceedings under the Rule 10.9300 Series (Review of Disciplinary Proceeding by Exchange Board of Directors), eligibility proceedings under the Rule 10.9520 Series (Eligibility Proceedings), and cease and desist orders under the Rule 10.9800 series (Temporary and Permanent Cease and Desist Orders), as well as expulsions of ETP Holders under Rule 10.8320 (Payment of Fines, Other Monetary Sanctions, or Costs; Summary Action for Failure to Pay).

The proposed rule change would not apply to any other sanction or Exchange action against an ETP Holder, associated person, or other person subject to the Exchange's jurisdiction.

Background and Proposed Rule Change

In 2018, the Exchange adopted rules relating to investigation, discipline, and sanctions, and other procedural rules based on the rules of its affiliate NYSE American LLC and FINRA.[5] Rules 10.8320, 10.9269, 10.9310, 10.9524, 10.9527, 10.9557, 10.9558, 10.9559, 10.9840, 10.9850 and 10.9870 are based on, and are substantively similar to, each respective FINRA rule.

Recently, FINRA amended its disciplinary rules to provide that specified expulsions of member firms, cancellations of membership, and denials of applications for continued membership of disqualified member firms would not become effective until the time for filing an application for review with the SEC has expired and no such application is filed or, if such an application is timely filed, until the SEC completes its review under Section 19 of the Act.[6] FINRA's changes applied to decisions issued in expedited proceedings under the FINRA Rule 9550 Series, disciplinary proceedings under the FINRA Rule 9300 Series, and eligibility proceedings under the FINRA Rule 9520 Series and Funding Portal Rule 900(b), as well as expulsions of member firms under FINRA Rule 8320 (for failure to pay fines, monetary sanctions, and costs), cancellations of membership, and denials of applications for continued membership.[7] In addition, FINRA also amended provisions of the FINRA Rule 9000 Series (Code of Procedure) that require or allow for a sanction (*e.g.,* a suspension or bar) or other regulatory measure (such as a denial of a statutory disqualification application, imposition of a cease and desist order, or imposition of conditions, requirements or restrictions) to take effect immediately. The amendments provided FINRA staff and adjudicators authority to grant respondents and applicants, where appropriate, the opportunity to seek a stay from the SEC or take other appropriate action before the sanction or other regulatory measure takes effect, and in certain instances, would expressly prescribe such amount of time by rule.[8]

The Exchange proposes to harmonize its disciplinary rules with the recent changes by FINRA. To effectuate these changes, the Exchange would make the following changes to Rules 10.8320, 10.9269, 10.9310, 10.9524, 10.9527, 10.9557, 10.9558, 10.9559, 10.9840, 10.9850, and 10.9870, as follows.

• Rule 10.8320(b) provides for a summary suspension until a fine or monetary sanction is paid to the Exchange consistent with subsection (a). A subsection (2) would be added to Rule 10.8320(b) that would provide that an expulsion under paragraph (b)(1) of the Rule would not become effective until the time for filing an application for review with the SEC has expired and no such application is filed or, if such an application is timely filed, until the SEC either completes its review under Exchange Act Section 19 or otherwise orders. The existing text of Rule 10.8320(b) would become Rule 10.8320(b)(1) and existing subsections (1) and (2) would become subsections 10.8320(b)(1)(A) and (B), respectively. The text of the current rule would remain unchanged. The proposed rule change is substantively the same as rule text added to FINRA Rule 8320(b)(2) with one difference. The Exchange proposes to add the phrase ''or otherwise orders'' to the proposed language to reflect the fact that the Commission retains authority over its own proceedings, including the authority to determine, either on its own motion or by motion of a party to the respective proceeding, when an expulsion should become effective.

• Rule 10.9269(d) provides that in the case of default decisions issued by a Hearing Officer, unless otherwise provided in the default decision, the sanctions shall become effective on a date to be determined by the Exchange's regulatory staff, except that a bar or expulsion becomes effective immediately upon the default decision becoming the final disciplinary action of the Exchange. The Exchange would restructure Rule 10.9269(d) into three subparagraphs. New subparagraphs (d)(1) and (3) would contain existing rule text. New subparagraph (d)(2)(A) would be amended to provide that unless otherwise provided in the default decision, ''a sanction (other than a bar or expulsion) specified in a decision constituting final disciplinary action of Exchange for purposes of SEA Rule 19d–1(c)(1) shall become effective on a date to be determined by Regulatory Staff'' and new subparagraph (d)(2)(B) amended to provide that ''a bar or expulsion specified in a decision shall become effective immediately upon the default decision becoming the final disciplinary action of the Exchange for purposes of SEA Rule 19d–1(c)(1).'' As FINRA noted, this proposed amendment would achieve consistency with the structure of Rule 9268(f), which governs the effectiveness of sanctions in other disciplinary decisions.[9]

• The following new subsection (e) would be added to Rule 10.9310, which governs review of disciplinary proceedings by the Exchange's Board of Directors (the ''Board''): ''Unless the Exchange Board of Directors otherwise specifically directs, a sanction (other than a bar, an expulsion, or a permanent cease and desist order) specified in a decision constituting final disciplinary action of the Exchange for purposes of SEA Rule 19d–1(c)(1) shall become effective on a date to be determined by the Exchange. A bar or a permanent cease and desist order shall become effective upon service of the decision

[5] *See* Securities Exchange Act Release No. 83289 (May 17, 2018), 83 FR 23968 (May 23, 2018) (SR–NYSENat–2018–02).

[6] *See* Release 103228, 90 FR at 25689 and 15 U.S.C. 78s(e) & (f). Pursuant to the Act, an application for review of a determination by FINRA or the Exchange, such as the imposition of a final disciplinary sanction or denial of membership, must be filed with the SEC within 30 days after notice is filed with the SEC and received by the aggrieved person applying for review. *See* 15 U.S.C. 78s(d). *See also* SEC Rule of Practice 420(b), 17 CFR 201.420(b) (providing that the SEC will not extend this 30-day period absent a showing of extraordinary circumstances).

[7] FINRA proposed to stay the effectiveness of actions against member firms that could result in a sanction or action that shares the relevant characteristics of the sanction at issue in the *Alpine* matter, specifically expulsions imposed in full disciplinary proceedings and under FINRA Rule 8320 (for failure to pay fines, monetary sanctions, and costs), cancellations of membership, and denials of applications for continued membership. *See* Release 103228, 90 FR at 25690. Like expulsions in expedited proceedings, these latter FINRA actions are not currently stayed under FINRA rules by the filing of an application for SEC review, and once the FINRA action becomes final and effective, the firm is no longer a FINRA member. However, unlike an expulsion, if a member firm's membership has been cancelled, the firm can reapply for FINRA membership by submitting a new Form BD and Form NMA as part of the new member application process. *See id.,* at n.8.

[8] *See* Securities Exchange Act Release No. 103285 (June 17, 2025), 90 FR 26667 (June 23, 2025) (SR–FINRA–2025–006) (''Release 103285'').

[9] *See* Release 103285, 90 FR at 26669.

constituting final disciplinary action of the Exchange, unless otherwise specified therein. An expulsion shall not become effective until the time for filing an application for review with the SEC has expired and no such application is filed or, if such an application is timely filed, until the SEC either completes its review under Exchange Act Section 19 or otherwise orders.'' The proposed text is substantively the same as FINRA Rule 9360 (Effectiveness of Sanctions), including the text FINRA added, except for the phrase ''or otherwise orders'' that the Exchange proposes to include for the reasons discussed above.[10]

• Rule 10.9524(a), governing requests for Board review, would be amended by adding the following clause in the first sentence of the Rule: ''an application for relief from eligibility requirements pursuant to Rule 10.9522(e)(2) or.'' The proposed language has no analogue in the FINRA rule. The Exchange would add the proposed language to provide clarity and internal consistency to its rule since an application for relief pursuant to Rule 10.9522(e)(2) would also be eligible for Board review pursuant to Rule 10.9524.

In addition, the Exchange would add the following new sentence to the end of Rule 10.9524(b), which governs reviews of eligibility proceedings by the Board: ''A decision to deny an application for a disqualified ETP Holder's continued membership shall not become effective until the time for filing an application for review with the SEC has expired and no such application is filed or, if such an application is timely filed, until the SEC either completes its review under Exchange Act Section 19 or otherwise orders.'' The proposed language is substantively similar to the rule language FINRA added to its Rule 9524 with the exception of the phrase ''or otherwise orders,'' which the Exchange proposes to include for the reasons described above.[11]

• Rule 10.9527 governs applications to the SEC for review of eligibility proceedings and would be amended by adding the following third sentence to the Rule: ''Pursuant to Rule 10.9524(b), a decision to deny an application for a disqualified member's continued membership shall not become effective until the time for filing an application for review with the SEC has expired and no such application is filed or, if such an application is timely filed, until the SEC either completes its review under Exchange Act Section 19 or otherwise orders.'' The proposed rule change is substantively the same as rule text FINRA added to its Rule 9527 with the exception of the phrase ''or otherwise orders,'' which the Exchange proposes to include for the reasons described above.

• The Rule 10.9550 Series provides for the initiation and prosecution of expedited proceedings, including, among others, proceedings under Rule 10.9557 to allow the Exchange to issue a notice directing an ETP Holder to comply with the net capital provisions of Exchange Act Rule 15c3–1.[12]

Pursuant to Rule 10.9557(a) and (c), the Exchange will issue a notice setting forth the specific grounds and factual basis for the action and the requirements or restrictions being imposed. Under current Rule 10.9557(d), such requirements or restrictions are immediately effective. Pursuant to Rule 10.9557(f), the failure to comply with these requirements or restrictions shall be deemed to ''result in automatic and immediate suspension'' without further notice, unless Exchange staff issues a letter of withdrawal of the requirements or restrictions. An ETP Holder served with a Rule 10.9557 notice may file a written request for a hearing with the Office of Hearing Officers, and under Rule 10.9557(d), a timely request for a hearing stays the effectiveness of the notice, unless the Exchange's Chief Executive Officer (''CEO'') (or such other senior officer as the CEO may designate) determines otherwise. Under current Rule 10.9559(n)(3), if a Hearing Panel approves the requirements or restrictions imposed in the Rule 10.9557 notice and finds that the respondent has not complied with them, the Hearing Panel must impose an immediate suspension. Under current Rule 10.9559(o)(4)(A), the Hearing Panel's written order is effective when issued.

Rule 10.9557(d) would be amended to provide that the requirements and restrictions imposed by a notice under Rule 10.9557(a) are immediately effective ''[u]nless otherwise specified therein.'' Consistent with FINRA's filing, the proposed rule change would give Exchange staff authority to afford the ETP Holder an opportunity to take action before a requirement or restriction takes effect.[13] Like FINRA, the Exchange also proposes a conforming change to Rule 10.9557(c)(3), which addresses the contents of a notice issued under Rule 10.9557, to reflect amended paragraph (d).

Rule 10.9557(f) would be amended to provide that Exchange staff will issue a notice of suspension in the event the ETP Holder fails to comply with the requirements or restrictions imposed under the Rule. Following FINRA, the Exchange proposes that such suspension would be effective five business days after service of the notice pursuant to paragraph (b).[14] Rule 10.9557(f) also would be amended to include certain procedural requirements for issuance and service of a notice of suspension and would, like the FINRA rule, comprise five new subparagraphs, as follows:

• Rule 10.9557(f)(1) would be titled ''Notice of Suspension'' and the phrases ''without further notice from FINRA staff'' and ''and immediately'' would be removed and the phrase ''effective five business days after service of a notice of suspension issued by FINRA staff'' would be added.

• Rule 10.9557(f)(2) would be titled ''Service of Notice of Suspension.'' The proposed rule text provides that Exchange staff shall serve the ETP Holder subject to a notice of suspension issued under new paragraph (f) in accordance with the service provisions in Rule 10.9557(b).

• Rule 10.9557(f)(3) would be titled ''Contents of Notice of Suspension'' and would provide that ''[a] notice of suspension issued and served under this paragraph (f) shall identify the requirements and restrictions with

[10] The Exchange notes that pursuant to Rule 10.9310(a), any party may require a review by the Exchange Board of Directors of any determination or penalty imposed by a Hearing Panel or Extended Hearing Panel under the Rule 10.9200 Series. Pursuant to Rule 10.9268(e), if a request for review is not timely filed pursuant to Rule 10.9310, a Hearing Panel decision shall constitute final disciplinary action of the Exchange for purposes of Exchange Act Rule 19d–1(c)(1), at which time all bars or expulsions shall become immediately effective pursuant to Rule 10.9268(f). Further, Rule 10.8310(b) provides that each party to a proceeding resulting in a sanction (sanctions are defined in Rule 10.8310(a)(4) and include expulsions) shall be deemed to have assented to the imposition of the sanction unless such party files a written application for review or relief pursuant to the Rule 10.9000 Series. Accordingly, consistent with amended FINRA Rule 9370, the proposed rule changes do not provide a stay where a member firm has defaulted or has failed to exhaust its administrative remedies through the Exchange's appellate process. *See* Release 103228, 90 FR at 25691 n.17.

[11] Rule 10.9524 is similar to FINRA Rule 9524 except for, among other things, the fact that the Exchange's Board reviews disciplinary appeals and the Exchange does not utilize FINRA's National Adjudicatory Council (''NAC'') for this purpose.

[12] *See* 17 CFR 240.15c3–1.

[13] *See* Release 103285, 90 FR at 26670.

[14] According to FINRA, five business days is a reasonable and sufficient amount of time for a firm to take action (such as comply with the original notice of requirements or restrictions, or file a notice of appeal and request a stay with the SEC) without undermining the purpose of Rule 10.9557, which is designed to ensure that FINRA can respond to emergency circumstances, such as when a firm is experiencing financial or operational difficulty. *See* Release 103285, 90 FR at 26670.

which the member is alleged to have not complied and shall contain a statement of facts specifying the alleged failure. The notice of suspension shall state when Exchange action will take effect and explain what the respondent must do to avoid such action.'' According to FINRA, the proposed provision is substantially similar to the requirements relating to the contents of notices relating to disciplinary proceedings and other expedited proceedings under existing rules.[15]

• Rule 10.9557(f)(4) would be titled ''Effective Date'' and would state that the effective date for a notice of suspension issued and served under new Rule 10.9557(f) shall become effective five business days after service of such notice.

• Rule 10.9557(f)(5) would be titled ''Application to SEC for Review'' and would provide that ''[a] notice of suspension issued and served under this paragraph (f) constitutes final action by the Exchange. The right to have any action under this paragraph reviewed by the SEC is governed by Section 19 of the Exchange Act.''

The Exchange would make conforming changes to Rule 10.9557(c)(5) relating to contents of a notice to reflect amended paragraph (f) to remove ''without further notice from FINRA staff'' and add ''effective five business days after service of a notice of suspension.''

Finally, following FINRA, the Exchange proposes several additional conforming and clarifying changes to Rule 10.9557.[16] First, the Exchange would add ''of requirements or restrictions'' to the title and introductory text and ''paragraph a'' to the introductory text of Rule 10.9557(c) in order to clarify that this paragraph addresses the initial notice issued under Rule 10.9557 prescribing the requirements or restrictions imposed under the Rule. Second, the Exchange would remove ''immediate'' from Rule 10.9557(c)(9) to reflect proposed amendments to Rule 10.9559(n) discussed below. Third, in Rule 10.9557(e), the Exchange would add ''other than a notice of suspension under paragraph (f)'' to clarify that paragraph (e) does not apply to notices of suspension. Fourth, Rule 10.9557(g)(2)(B) would be amended to remove ''by a notice'' and ''immediately'' and to add ''in accordance with this Rule'' to account for the two types of notices that can be issued under proposed Rule 10.9557(f) and the revisions throughout Rule 10.9557 that will provide a brief period of time for respondents to seek a stay before a suspension takes effect.

The proposed changes to Rule 10.9557 are substantively the same as rule text added to FINRA Rule 9557.

• Rule 10.9558 authorizes the Exchange's CEO or such other senior officer as the CEO may designate to provide written authorization to Exchange staff to issue on a case-by-case basis written notices that ''summarily'' suspends an ETP Holder or Associated Person who has been and is expelled or suspended from any self-regulatory organization or barred or suspended from being associated with an ETP Holder of any self-regulatory organization; suspends an ETP Holder that is in such financial or operating difficulty that Exchange staff determines and so notifies the Commission that the ETP Holder cannot be permitted to continue to do business as an ETP Holder with safety to investors, creditors, other ETP Holders, or the Exchange; or limits or prohibits any person with respect to access to services offered by the Exchange if paragraphs (a)(1) or (2) of the Rule or the provisions of Section 6(d)(3) of the Act applies to such person or, in the case of a person who is not an ETP Holder or Associated Person, if the Exchange's CRO or such other senior officer as the CRO may designate determines that such person does not meet the qualification requirements or other prerequisites for such access and such person cannot be permitted to continue to have such access with safety to investors, creditors, ETP Holders, or the Exchange, and so notifies the SEC. Under current Rule 10.9558(d), a prohibition or suspension set forth in the notice is immediately effective. Under Rule 10.9558(e), an ETP Holder or Associated Person or person served with a notice may file a written request for a hearing with the Office of Hearing Officers. A timely request for a hearing shall not stay the effectiveness of a Rule 10.9558 notice, unless the Chief Hearing Officer or the Hearing Officer assigned to the matter otherwise orders for good cause shown, and the member or person must separately request a stay. The Exchange proposes to amend Rule 10.9558(d) to add ''unless otherwise specified therein'' to provide the Exchange with the authority to afford respondents an opportunity to take appropriate action before the requirements or restrictions imposed in the notice take effect. The proposed change to Rule 10.9558(d) is substantively the same as rule text added to FINRA Rule 10.9558(d).

• The Exchange would make the following changes to Rules 10.9559(n)(3), (o)(4)(a), (p)(6) and 10.9559(r).

Rule 10.9559 sets forth uniform hearing procedures for expedited proceedings under the Rule 10.9550 Series. In conformity with the proposed amendments to Rule 10.9557, the Exchange would remove ''immediate'' from Rule 10.9559(n)(3) and add ''unless otherwise specified therein'' to Rule 10.9559(o)(4)(A) to provide adjudicators authority to grant respondents a brief amount of time to seek a stay from the SEC before a suspension becomes effective.

Subsection (p) governs the contents of the written decision under 10.9559(o)(4)(B) issued under the Rule, and subsection (p)(6) provides that it must include a ''statement describing any sanction, requirement, restriction or limitation imposed, the reasons therefore, and the date upon which such sanction, requirement, restriction or limitation [17] shall become effective.'' The Exchange would add the following clause after ''effective'': '', except that an expulsion or cancellation of membership shall not become effective until the time for filing an application for review with the SEC has expired and no such application is filed or, if such an application is timely filed, until the SEC either completes its review under Exchange Act Section 19 or otherwise orders.''

Rule 10.9559(r) governs applications to the SEC for review and provides that the ''right to have any action pursuant to this Rule reviewed by the SEC is governed by Section 19 of the Exchange Act. The filing of an application for review by the SEC shall not stay the effectiveness of final Exchange action, unless the SEC otherwise orders.'' The Exchange would add the following sentence at the end of subsection (r): ''Pursuant to paragraph (p)(6) of this Rule, an expulsion or cancellation of membership shall not become effective until the time for filing an application for review with the SEC has expired and no such application is filed or, if such an application is timely filed, until the SEC either completes its review under Exchange Act Section 19 or otherwise orders.''

The proposed changes to Rule 10.9559(p)(6) and (r) are substantively the same as rule text added to FINRA Rule 10.9559(p)(6) and (r) with the exception of the phrase ''or otherwise orders,'' which the Exchange proposes

[15] *See id.*

[16] *See* Release 103285, 90 FR at 26669–70.

[17] As adopted, Rule 10.9559(p)(6) does not also contain a reference to ''obligation'' like the FINRA rule. The Exchange does not propose to add the term at this time.

to include for the reasons described above.

• The Rule 10.9800 Series sets forth procedures for issuing temporary and permanent cease and desist orders. Pursuant to Rule 10.9870, temporary and permanent cease and desist orders issued pursuant to the Rule 10.9800 Series constitute final and immediately effective disciplinary sanctions imposed by the Exchange. Under current Rule 10.9840(d),[18] temporary and permanent cease and desist orders are effective when service of the Hearing Panel's written decision is complete. At any time after the Office of Hearing Officers serves the order, a party may apply under Rule 10.9850 to have the order modified, set aside, limited or suspended. Under Rule 10.9850, the filing of an application for review of a temporary or permanent cease and desist order with a Hearing Panel shall not stay the effectiveness of the order. Under Rule 10.9870, the filing of an application for review of a temporary or permanent cease and desist order with the SEC shall not stay the effectiveness of the order unless the SEC otherwise orders.

The Exchange proposes to add ''unless otherwise specified therein'' to Rules 10.9840(d) and 10.9870 to provide adjudicators under the rules the authority to grant applicants an opportunity to seek a stay from the SEC or take other appropriate action before the temporary or permanent cease and desist order takes effect. In addition, the Exchange would add ''unless the Chief Hearing Officer or the Deputy Hearing Officer assigned to the matter otherwise orders for good cause shown'' to Rule 10.9850 to provide authority to stay the effectiveness of a temporary or permanent cease and desist order upon the filing of an application for review by the Hearing Panel, where appropriate. The proposed changes to Rule 10.9840(d), 10.9850 and 10.9870 are substantively the same as rule text added to FINRA Rule 9840(f),[19] 9850 and 9870.

No other changes to the NYSE National disciplinary rules are proposed.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,[20] in general, and furthers the objectives of Section 6(b)(5) of the Act,[21] in that it is 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 facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest by strengthening the Exchange's ability to oversee and police its marketplace. In addition, the Exchange believes that the proposed rule change is designed to provide a fair procedure for prohibiting or limiting any person with respect to access to services offered by the Exchange or a member thereof consistent with the objectives of Section 6(b)(7).[22]

The Exchange believes that the proposed rule change furthers the objectives of the Act by harmonizing Exchange rules modeled on FINRA rules with respect to the effectiveness of expulsions in expedited proceedings, and other Exchange actions against permit holders that may result in a sanction or action that shares the relevant characteristics of such expulsions, to allow for Commission review under Section 19 of the Act.[23] As previously noted, the proposed changes are substantively the same as those recently made to the FINRA disciplinary rules. As such, the proposed rule change would facilitate rule harmonization among self-regulatory organizations with respect to the effectiveness of expulsions in certain types of Exchange actions, thereby fostering cooperation and coordination with persons engaged in facilitating transactions in securities and will remove impediments to and perfect the mechanism of a free and open market and a national market system.

Like FINRA, the Exchange believes that any potential risk to investor protection posed by aligning the Exchange's rules with FINRA could be mitigated by several factors. In cases where an expulsion, cancellation of membership, or denial of an application for continued membership has been appealed to the SEC, the Exchange will seek expeditious resolution and, where appropriate, may take additional steps to prevent customer harm during the pendency of an appeal of a disciplinary decision imposing an expulsion or cancellation of membership. The Exchange also notes that information about disciplinary proceedings and sanctions against permit holders is available on the Exchange's website and through FINRA's BrokerCheck, which would enable investors to obtain information regarding whether an ETP Holder is subject to any adverse regulatory action that is the subject of a pending application for SEC review.[24]

Further, the Exchange believes that the proposed rule change will provide ETP Holders and interested parties notice and clarity regarding the effectiveness of expulsions, membership cancellations, and denials of applications for continued membership under Exchange rules. The Exchange accordingly believes that the proposed rule change will enable the Exchange to continue to administer a fair procedure for disciplining ETP Holders consistent with the goals of investor protection.

Finally, the Exchange believes that the proposed rule changes to the Rule 10.9000 Series, *i.e.,* the proposed changes to Rules 10.9269(d), 10.9557(c), (d) & (f), 10.9559(n)(3), (o)(4)(a), 10.9558, 10.9840(a) and 10.9870, would further the goal of providing a fair process for ETP Holders and associated persons because it would provide Exchange staff and adjudicators authority to grant respondents and applicants an opportunity to seek a stay from the Commission or take other appropriate action before a sanction (*e.g.,* a suspension or a bar) or other regulatory measure (such as a statutory disqualification denial, imposition of a cease and desist order or imposition of conditions, requirements or restrictions) takes effect. In addition, the proposed changes to Rule 10.9557(f) and conforming changes to Rule 10.9559 provide a fair process for issuing a notice of suspension to members experiencing financial or operational difficulties in the event that they fail to comply with restrictions or requirements imposed by Exchange staff. Like FINRA, the Exchange believes the proposed amendments will not impede the prompt resolution of cases and the remediation of issues the rules are designed to address because the proposed rule change provides Exchange staff and adjudicators authority to briefly delay the effectiveness of sanctions and other regulatory measures and does not mandate a delay in every case. Hence, where appropriate, the Exchange, like FINRA, would have authority under the amended rules to allow the sanctions or other regulatory measures to take effect immediately in accordance with

[18] The FINRA analogue to NYSE National Rule 10.9840(d) is FINRA Rule 9840(f).

[19] *See* note 17, *supra.*

[20] 15 U.S.C. 78f(b).

[21] 15 U.S.C. 78f(b)(5).

[22] 15 U.S.C. 78f(b)(7).

[23] *See, e.g.,* 15 U.S.C. 78s(e) & (f).

[24] Rule 10.8313(d) provides that the Exchange shall provide notice to the public if a disciplinary decision of the Exchange is appealed to the SEC and the notice shall state whether the effectiveness of the decision has been stayed pending the outcome of proceedings before the SEC.

Exchange protocol and precedent. Further, the Exchange believes that the proposed changes to Rule 10.9557 and conforming changes to Rule 10.9559 provide a streamlined process for suspending members, if necessary, to address the potential risks posed by members experiencing financial or operational difficulties.[25]

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is not intended to address competitive issues but rather is intended solely to stay the effectiveness of specified Exchange actions to permit Commission review, thereby providing greater harmonization with FINRA rules. In so doing, the Exchange is not imposing new or additional costs or impacts on permit holders or investors while allowing the Exchange to administer a fair procedure for disciplining permit holders consistent with the goals of investor protection.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were solicited or received with respect to the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act[26] and Rule 19b–4(f)(6) thereunder.[27] Because the 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 prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b–4(f)(6)(iii) thereunder.

A proposed rule change filed under Rule 19b–4(f)(6)[28] normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b4(f)(6)(iii),[29] the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest.

At any time within 60 days of the filing of such proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B)[30] of the Act to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include file number SR–NYSENAT–2026–13 on the subject line.

Paper Comments

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

All submissions should refer to file number SR–NYSENAT–2026–13. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (*https://www.sec.gov/rules/sro.shtml*). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR–NYSENAT–2026–13 and should be submitted on or before June 22, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[31]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–10837 Filed 5–29–26; 8:45 am]

BILLING CODE 8011–01–P

[25] *See* Release 103285, 90 FR at 26672–73.

[26] 15 U.S.C. 78s(b)(3)(A)(iii).

[27] 17 CFR 240.19b–4(f)(6).

[28] 17 CFR 240.19b–4(f)(6).

[29] 17 CFR 240.19b–4(f)(6)(iii).

[30] 15 U.S.C. 78s(b)(2)(B).

[31] 17 CFR 200.30–3(a)(12).

SMALL BUSINESS ADMINISTRATION

[Disaster Declaration #21598 and #21599; GEORGIA Disaster Number GA–20025]

Administrative Declaration of a Disaster for the State of Georgia

AGENCY: U.S. Small Business Administration.

ACTION: Notice.

SUMMARY: This is notice of an Administrative declaration of a disaster for the state of Georgia dated May 27, 2026.

Incident: Wildfires.

DATES: Issued on May 27, 2026.

Incident Period: April 20, 2026.

Physical Loan Application Deadline Date: July 27, 2026.

Economic Injury (EIDL) Loan Application Deadline Date: March 1, 2027.

ADDRESSES: *Visit the MySBA Loan Portal at https://lending.sba.gov* to apply for a disaster assistance loan.

FOR FURTHER INFORMATION CONTACT: Jennifer Talarico, Office of Disaster Recovery 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: Brantley.

Contiguous Counties:

Georgia: Camden, Charlton, Glynn, Pierce, Ware, Wayne.

The Interest Rates are:

	Percent
For Physical Damage:	
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
For Economic Injury:	
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 215985 and for economic injury is 215990.

The state which received an SBA Administrative declaration is Georgia.

(Catalog of Federal Domestic Assistance Number 59008)

(Authority: 13 CFR 123.3(b).)

James Stallings,

Associate Administrator, Office of Disaster Recovery & Resilience.

[FR Doc. 2026–10881 Filed 5–29–26; 8:45 am]

BILLING CODE 8026–09–P

DEPARTMENT OF TRANSPORTATION

Federal Highway Administration

[Docket No. FHWA–2026–0562]

Notice of Intent To Prepare an Environmental Impact Statement for Section 2 of the Mid-States Corridor Project: Tier 2 National Environmental Policy Act (NEPA)

AGENCY: Federal Highway Administration (FHWA), U.S. Department of Transportation (USDOT).

ACTION: Notice.

SUMMARY: Federal Highway Administration (FHWA), in coordination with the Indiana Department of Transportation (INDOT) is issuing this Notice of Intent (NOI) to solicit comment and advise the public, agencies, tribal nations, and stakeholders that a Tier 2 Environmental Impact Statement (EIS) will be prepared for the Mid-States Corridor (MSC), Section 2. This will be a new highway connection between Interstate 64 (I–64) at Dale and State Road (SR) 56 in Haysville in Dubois County, Indiana. FHWA and INDOT completed the Tier 1 Final Environmental Impact Statement (FEIS) and Record of Decision (ROD) in September 2023. The Tier 1 EIS process addressed needs for improved business and personal regional connectivity in Dubois County and Southern Indiana, and for improved highway connections to existing major multi-modal locations in Southern Indiana. The Tier 1 FEIS and ROD identified Refined Preferred Alternative P (RPA P) as the selected corridor and divided it into five Sections of Independent Utility. This Tier 2 EIS will address Section of Independent Utility 2 and builds on the Tier 1 EIS and ROD.

DATES: Comments on the NOI or the NOI Additional Project Information Document must be received on or before July 1, 2026.

ADDRESSES: This NOI and the NOI Additional Project Information Document are available in the docket referenced above at *www.regulations.gov* and on the project website located at *www.midstatescorridor.com/Notice-of-Intent-Resources.* The NOI Additional Project Information Document will be mailed upon request. All interested parties are invited to submit comments or requests for mailed documents by any of the following methods:

- *Website:* For access to the documents, or to request mailed documents, go to the docket referenced above at *www.regulations.gov.*
- *Address for U.S. Mail, delivery service, or hand delivery:* Mid-States Corridor Project Office, Vincennes University Jasper Campus Administration Building, Room 216, 850 College Avenue, Jasper, IN 47546.

All comment submissions should include the agency, public, tribal nation, or stakeholder name. It also should include the agency name and docket number that appears in the heading of this notice. All comments received by the comment period end date will be posted without change to *www.regulations.gov,* including any personal information provided. A summary of the comments received will be included in the Draft EIS (DEIS).

FOR FURTHER INFORMATION CONTACT: *FHWA:* Erica Tait, Interim Deputy Division Administrator, Federal Highway Administration, Indiana Division; 575 N Pennsylvania Street, Suite 254, Indianapolis, IN 46204. *Telephone* (317) 226–7481. *Email: erica.tait@dot.gov.* INDOT: Kyanna Wheeler, Major Project Delivery Project Manager, Indiana Department of Transportation; Indiana Government Center North, 100 N Senate Ave., Room N758–MPD, Indianapolis, IN 46204. *Telephone* (812) 830–2300. *Email: kwheeler@indot.in.gov.*

SUPPLEMENTARY INFORMATION:

Additional Project Information

Persons and agencies who may be interested in or affected by the proposed project are encouraged to comment on the information in this NOI and the NOI Additional Project Information Document. All comments received in response to this NOI document will be considered in preparation of the EIS for this project.

The EIS will be prepared in accordance with the requirements of the National Environmental Policy Act (NEPA) of 1969, as amended (42 U.S.C. 4321, *et seq.*), 23 U.S.C. 139, FHWA regulations implementing NEPA (23 CFR part 771), recent USDOT Guidance and all other applicable Federal, State, and local laws and regulations.

Project Background

Tier 2 activities in Section 2 began in July 2024. These have featured extensive agency and public involvement activities, including formal Cooperating and Participating Agency meetings in October 2024, April 2025, and October 2025, and formal public information meetings in September 2024, April 2025, and October 2025. Formal meetings with local officials and the project's Community Advisory Committee were held in conjunction with the public information meetings.

Additional meetings also occurred with project stakeholders and members of the public and agencies. Many of these meetings occurred at the project office at the Vincennes University Jasper Campus.

Input from agencies, elected officials, stakeholders, and the public informed the development of preliminary project documents, including a Project Coordination Plan, Public Involvement Plan, Purpose and Need, and Screening of Preliminary Alternatives. These documents are summarized in this NOI. Please refer to the Additional Project Information Document for detailed information.

Purpose and Need for the Proposed Action

The Purpose and Need of the MSC, as established in Tier 1, is to improve business and personal regional connectivity in Dubois County and Southern Indiana and to improve highway connections to existing major multi-modal locations in Southern Indiana. The Tier 2 Purpose and Need for the project in Section 2 refines the

Purpose and Need established in Tier 1. The Tier 2 Purpose and Need describes the project purpose as providing improved system linkages from Dubois County to major business destinations and freight intermodal centers, improving employee access to Dubois County businesses, increasing the efficiency of freight operations, and completing Section 2 of the MSC, consistent with the Tier 1 Record of Decision. It provides goals and performance measures which refine those in the Tier 1 Purpose and Need, focusing on accessibility and transportation needs in Dubois County.

Preliminary Description of the Proposed Action and Alternatives the Environmental Impact Statement Will Consider

The proposed project would construct a new south-to-north arterial road between I–64 at Dale and SR 56 at Haysville in Dubois County, Indiana. The EIS will evaluate a range of Build alternatives, consistent with the decision of the Tier 1 ROD. These alternatives are discussed in the Screening of Preliminary Alternatives in the Additional Project Information Document. In this Tier 2 study, INDOT developed 12 preliminary build alternatives, approximately 23 miles in length. They are designated Alternative 1A, 1B, 2A, 2B, 3A, and 3B with each including two highway type options. These are located within a 2,000-foot corridor established in Tier 1. From these, the Screening of Preliminary Alternatives identified Alternatives 2B and 3B as alternatives to be carried forward into the Draft EIS (DEIS). It is anticipated that the DEIS preferred alternative will contain elements and modifications of both Alternative 2B and Alternative 3B. The DEIS will identify the location and type of access for the preferred alternative.

Brief Summary of Expected Effects

The Tier 2 EIS will evaluate the potential social, economic, and environmental impacts resulting from the implementation of the build alternatives. The following resources are anticipated to be evaluated in detail during the environmental review process: waters of the United States, biological resources, hydrology, floodplains, cultural and historic resources, land use, forests, managed lands, socioeconomics, and farmlands. Additionally, the EIS will also investigate impacts to the following resources: wildlife and habitat connectivity, Section 4(f), noise, economy, groundwater, air quality, hazardous waste sites, and mineral resources. Details regarding key resources are provided in the Screening of Preliminary Alternatives Report. The Screening of Preliminary Alternatives Report describes the anticipated levels of impacts to these resources. Alternatives evaluated in the Report showed the following ranges of major resource impacts:

- *Right-of-Way.* 1,462 to 1,596 acres.
- *Agricultural Land.* 869 to 935 acres.
- *Total Relocations.* 41 to 82 buildings (Residential, Commercial, Industrial, Agricultural, and Public Use).
- *Wetlands.* 55 to 90 acres.
- *Non-Wetland Forests.* 327 to 362 acres.

The Impact Calculation Appendix to the Screening of Preliminary Alternatives Report describes impact calculation methodologies as well as field survey activities to identify and confirm the extent of resources.

Anticipated Permits, Other Authorizations and Cooperating and Participating Agencies

Anticipated permits and authorizations that will be required prior to the commencement of construction include the following. The schedule for these activities is shown below, which is also reflected in the Project Coordination Plan. All references are to the Tier 2 ROD for Section 2:

- U.S. Army Corps of Engineers (USACE) approval under Section 404 of the Clean Water Act (Received following approval of ROD)
- State Historic Preservation Officer (SHPO) consultation under Section 106 of the National Historic Preservation Act (Completed prior to ROD)
- U.S. Fish and Wildlife Service (USFWS) approvals under the Endangered Species Act, the Bald and Golden Eagle Protection Act, and Migratory Bird Treaty Act (Received prior to ROD)
- Natural Resources Conservation Service (NRCS) approval under the Farmland Protection Policy Act (Received prior to DEIS; confirmed in FEIS)
- Indiana Department of Natural Resources (IDNR) approval under the Indiana Flood Control Act (Received within 15 days of ROD)
- Indiana Department of Environmental Management (IDEM) under the Indiana Isolated Wetlands Act (Completed after ROD)
- IDEM under Clean Water Act Section 401 water quality certification (Completed after ROD) and
- IDEM National Pollutant Discharge Elimination System (NPDES) permit under Section 402 (Received within 15 days of ROD)

Cooperating Agencies include USFWS, USACE, and the U.S. Environmental Protection Agency. A number of Federal, State, and local agencies are serving as Participating Agencies. INDOT and FHWA will confer with them at key project milestones and as required between these milestones.

The Project Coordination Plan accompanying the Additional Project Information Document outlines the process the FHWA and the INDOT will follow to complete the Mid-States Corridor Tier 2 EIS for Section 2 in Dubois County. This plan will satisfy 23 U.S.C. 139 of the Fixing America's Surface Transportation (FAST) Act of 2015 which requires a plan for this purpose.

Scoping and Public Review

The Public Involvement Plan accompanying the Additional Project Information Document describes public involvement goals, methods for stakeholder communications, public information database management, messaging, and outreach tools. It describes the public involvement coordination process, including community and media outreach.

Since June 2024 there has been extensive public and agency outreach regarding the scope of the project, its purpose and need and potential alternatives. There have been three general public information meetings. A Draft Purpose and Need Statement and Draft Screening of Preliminary Alternative Reports have been circulated. Extensive public and agency comments were received on both documents.

Schedule for the Decision-Making Process

Based on project activities conducted to date, a Draft EIS is anticipated to be released in the fall of 2026, with a combined FEIS and Record of Decision approved in the summer of 2027.

Request for Identification of Potential Alternatives, Information, and Analyses Relevant to the Proposed Action

All public comments received in response to this notice will be considered, and potential revisions will be made to the information presented herein as appropriate. Comments must be received by July 1, 2026. Comments or questions concerning this proposed action, including the comments relating to the Tier 2 EIS alternatives, information and analyses, should be

provided to FHWA or INDOT at the addresses provided in the **ADDRESSES** section of this notice.

Authority

42 U.S.C. 4321 *et seq.;* 23 U.S.C. 139; 23 CFR part 771.

Christopher J. Hall,

Interim Division Administrator, Federal Highway Administration.

[FR Doc. 2026–10919 Filed 5–29–26; 8:45 am]

BILLING CODE 4910–22–P

DEPARTMENT OF TRANSPORTATION

Federal Motor Carrier Safety Administration

[Docket No. FMCSA–2025–1381]

Agency Information Collection Activities; Approval of a New Information Collection Request: Commercial Motor Vehicle Marking Requirements

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. The ICR will enable FMCSA to continue documenting the burden associated with the commercial motor vehicle (CMV) marking regulations. These regulations require marking of self-propelled CMVs and intermodal equipment by motor carriers, freight forwarders, and intermodal equipment providers (IEPs) engaging in interstate transportation and motor carriers that transport hazardous materials in intrastate transportation subject to the Hazardous Materials Safety Permit (HMSP) rules. Two comments were received in response to the 60-day **Federal Register** publication.

DATES: Comments on this notice must be received on or before July 1, 2026.

ADDRESSES: Written comments and recommendations for the proposed information collection should be submitted within 30 days of publication of this notice to *www.reginfo.gov/public/do/PRAMain.* 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: Stacy Ropp, Compliance Division, DOT, FMCSA, 1200 New Jersey Avenue SE, Washington, DC 20590–0001; 609–661–2062; *Stacy.Ropp@dot.gov.*

SUPPLEMENTARY INFORMATION:

Title: Commercial Motor Vehicle Marking Requirements.

OMB Control Number: 2126–0054.

Type of Request: Renewal of a currently approved ICR.

Respondents: Freight-carrying commercial motor carriers, passenger-carrying commercial motor carriers, and intermodal equipment providers.

Estimated Number of Respondents: 938,861 total respondents (900,043 freight-carrying motor carriers; 20,878 intrastate hazardous materials transporting motor carriers; 16,409 passenger-carrying motor carriers; and 1,531 IEPs).

Estimated Time per Response: 26 minutes [12 minutes to affix USDOT Number + 14 minutes for affixing a carrier's name].

Expiration Date: July 31, 2026.

Frequency of Response: On occasion.

Estimated Total Annual Burden: 4,687,689 total hours (3,228,623 hours spent by freight-carrying motor carriers; 225,725 hours spent by intrastate hazardous materials transporting motor carriers; 58,375 hours spent by passenger-carrying motor carriers; and 1,174,966 hours spent by IEPs). All these entities spent these hours marking their CMVs with a USDOT number and motor carrier information.

Background

The Secretary of Transportation (Secretary) is authorized to require marking of vehicles and intermodal equipment by motor carriers, freight forwarders and IEPs engaging in interstate transportation based on the authority of 49 U.S.C. 31133(a)(8), 31133(a)(10), and 31136(a)(1). The Secretary delegated authority pertaining to the marking of CMVs to the Administrator of FMCSA in 49 CFR 1.87(f). The Agency's regulations governing the marking of CMVs is codified at 49 CFR 390.21T and 49 CFR 390.21 for motor carriers, freight forwarders, and IEPs engaging in interstate transportation and at 49 CFR 390.3T(g)(4) and 49 CFR 390.3(g)(4) for motor carriers that transport hazardous materials in intrastate transportation subject to the HMSP program under 49 CFR part 385.

Vehicle marking requirements are intended to ensure that FMCSA, the National Transportation Safety Board, and State safety officials can identify motor carriers and correctly assign responsibility for regulatory violations during inspections, investigations, compliance reviews, and crash studies. These marking requirements also provide the public with beneficial information that could assist in identifying carriers engaged in interstate commerce and for complaints or emergency notification. The marking requirements apply to motor carriers, freight forwarders, and IEPs engaging in interstate transportation and motor carriers that transport hazardous materials in intrastate transportation subject to the HMSP program under 49 CFR part 385. The Agency does not require a specific method of marking if the marking complies with FMCSA's regulations. The decrease of 2,509,249 estimated annual burden hours (7,196,938 approved estimated annual burden hours—4,687,689 proposed estimated annual burden hours) is due to adjustments in respondent and response estimates.

Two comments were received in response to the 60-day **Federal Register** publication (Jan. 21, 2026, 91 FR 2585). One commenter suggested adding a ''current carrier'' field to either a driver's license or license plate and asked which option would be easiest to access during inspections, noting that driver's license information might be the most practical.

A second commenter, from FreightValidate and Truckstop.com, supported renewing FMCSA's vehicle marking requirements, stating they are a simple, low-cost way to enhance safety, accountability, and fraud prevention by clearly linking vehicles to their responsible carriers. They noted that visible carrier names and USDOT numbers help verify legitimacy in an environment where fraud and impersonation are increasing, and they encourage updated guidance to reflect modern operations, including scalable marking standards for smaller vehicles like vans. They also recommend adding unit-level identifiers, such as a unit number or partial vehicle identification number, near USDOT markings to further reduce equipment misrepresentation and improve verification.

FMCSA response: The suggestions made by the commenters relate to the underlying regulations, and not specifically to this collection of information. FMCSA may consider these comments in future rulemaking changes impacting CMV marking requirements.

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.

Issued under the authority of 49 CFR 1.87.

David M. Sutula,

Acting Associate Administrator, Office of Research and Registration.

[FR Doc. 2026–10892 Filed 5–29–26; 8:45 am]

BILLING CODE 4910–EX–P

DEPARTMENT OF TRANSPORTATION

Bureau of Transportation Statistics

[DOT–OST–2026–1387]

Request for Information: Shaping the Future of the Bureau of Transportation Statistics

AGENCY: Bureau of Transportation Statistics (BTS), Office of the Assistant Secretary for Research and Technology (OST–R), U.S. Department of Transportation (DOT).

ACTION: Notice; request for information (RFI).

SUMMARY: The Bureau of Transportation Statistics (BTS) seeks public input to evaluate the utility of its product portfolio, identify critical data gaps in the national transportation picture, and improve the user experience for all stakeholders. As the transportation landscape evolves with new technologies and supply chain shifts, BTS is committed to ensuring its resources remain relevant and accessible. Feedback received through this Request for Information (RFI) will help guide the strategic alignment of BTS's product portfolio with the technical and analytical requirements of the public.

DATES: Written comments and information are requested on or before Thursday, July 2, 2026.

Informational Webinar: BTS will host an informational webinar. Further details regarding registration and public participation are provided in the **SUPPLEMENTARY INFORMATION** section of this document.

ADDRESSES: You may submit comments identified by DOT Docket ID Number DOT–OST–2026–1387 by any of the following methods:

- *Federal eRulemaking Portal: http://www.regulations.gov.* Follow the instructions for submitting comments.
- *Mail/Hand-Delivery/Courier:* Docket Management Facility; U.S. Department of Transportation, 1200 New Jersey Avenue SE, Room W58–213, Washington, DC 20590. If you would like to know that your comments reached the facility, please enclose a stamped, self-addressed postcard or envelope.

Note: We recommend that you include your name and a 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 8 ½ by 11 inches, single-sided, suitable for copying and electronic filing. All submissions received should include the agency name and docket number.

BTS notes that this RFI is issued solely for information and planning purposes. While responses to this RFI do not bind BTS to any further actions related to the response, all submissions will be made publicly available on *www.regulations.gov.*

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, BTS 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: Edward Strocko, U.S. Department of Transportation, Bureau of Transportation Statistics, 1200 New Jersey Ave. SE, Washington, DC 20590. Telephone: (202) 366–3282. Email: *BTSOutreach@dot.gov.*

SUPPLEMENTARY INFORMATION: The Bureau of Transportation Statistics (BTS), part of the Department of Transportation (DOT), is recognized by the Office of Management and Budget (OMB) as one of 16 recognized statistical agencies and units (RSAUs) that are part of the Federal statistical system. The Federal statistical system collects and transforms data into useful, objective information and makes it readily available to data users, while protecting the responses of individual data providers. Federal, State, local, territorial, and Tribal governments; businesses; and the public all trust this information to be credible and reliable and use it to make informed decisions. RSAUs are organizational units of the Executive Branch whose activities are predominantly the collection, compilation, processing, or analysis of information for statistical purposes, covering topics such as the economy, workforce, energy, agriculture, foreign trade, education, housing, crime, transportation, and health.

BTS is the preeminent source of statistics on commercial aviation, multimodal freight activity, and transportation economics, and provides context to decision makers and the public for understanding statistics on transportation. BTS assures the credibility of its products and services through rigorous analysis and transparent data quality. BTS promotes innovative methods of data collection, analysis, visualization, and dissemination to improve operational efficiency, to examine emerging topics, and to create relevant and timely information products that foster understanding of transportation and its transformational role in society. The Bureau's National Transportation Library (NTL) is the permanent, publicly accessible home for research publications from throughout the transportation community; the gateway to all DOT data; and the help line for the Congress, researchers, and the public for information about transportation.

In the years ahead, BTS will be successful if it continues to be recognized for delivering robust, credible, widely used products covering the subjects identified in its mandates and in departmental goals. BTS products will be successful if they continue to be recognized as timely, relevant, definitive, and objective. BTS will continue to be innovative in its work if it tackles significant intellectual challenges with creative and effective responses. Ultimately, BTS is a success when its products are useful and used throughout the nation.

Request for Information

BTS is always seeking ways to better serve the transportation community and public with statistical information, data, and analysis tools. As part of our ongoing efforts to modernize, BTS is reviewing our current practices and strategies to:

- Keep up with dramatic changes in transportation by shifting our emphasis from trends and recent conditions to more frequent, forward-looking indicators of transportation use and performance;
- Adopt new data sources and new analytical methods for more timely, less expensive, and more responsive information products;
- Expand our emphasis areas from our traditional strengths in freight, aviation, and economics to other aspects of transportation; and
- Continue to meet our mandates and maximize efficiency in delivery of our current product portfolio, including benchmarks that establish the transportation universe for subject-specific measures and provide a foundation for timely transportation indicators.

To help shape our modernization efforts, BTS specifically invites input from data scientists, artificial intelligence (AI) and machine learning experts, statisticians, and economists who actively use and analyze datasets provided by BTS, in addition to members of the public.

List of Questions for Commenters

BTS invites responses to any of the questions listed below. Respondents are not required to answer every question. We encourage respondents to provide responses based on specific expertise, experience, or interest. Responses may be abstract and visionary, or highly concrete and technical, depending on what the respondent believes will be most helpful to BTS.

Product Portfolio Alignment: Evaluating the alignment of the BTS product suite with public needs.

1. *Portfolio Utility:* How are BTS data and statistical resources currently used, and how would improved guidance (such as technical documentation or video tutorials) provide more value from the existing product portfolio?
2. *Future Capabilities:* How would the addition of new data topics (such as supply chain resiliency or automated technologies) change how public or private entities or members of the public plan for the future, and how can BTS design these new products to be useful immediately?

Identifying Data Gaps: Identifying gaps in the national transportation picture.

3. *Core Data Requirements:* How should BTS amend the transportation data it collects to meet the data and statistical needs of government and industry decision makers?
4. *Analytical Outputs:* What actions can BTS take with its statistical products to make them more useful for transportation planning, policy making, operations, research, and analysis?
5. *Emerging Trends:* How do current limits in transportation data affect tasks such as conducting reliable analyses, setting clear decision points, developing accurate talking points, or producing summary statistics, especially with respect to emerging technologies or shifting supply chain patterns?
6. *Granularity:* How would the inclusion of more specific geographic or demographic cross-sections in BTS products help meet analytical needs?

Data Utility & Application: Understanding the real-world impact of BTS products.

7. *Criticality & Use Case:* How are BTS datasets currently used, and how has this data informed decision-making?
8. *Evolving Requirements:* Have there been situations where a BTS product was insufficient, and how were other sources used to supplement that information?
9. *Compatibility:* Is it easier to ingest and integrate BTS data by certain modernized delivery methods (such as using Application Programming Interfaces (API) endpoints, machine-readable metadata, or standardized database schemas) compared to traditional file-transfer methods?

Data Architecture & Technical Integration: Modernizing how data is delivered and consumed.

10. *Modern Analytic Integration:* As the public increasingly utilizes advanced modern data analytic tools (such as Python, R, and AI/Large Language Models) how should BTS change, format, or improve its data offerings to seamlessly integrate with these technologies?
11. *Delivery Mechanisms:* Currently, BTS hosts and supplies data through mechanisms such as the TranStats database, the National Transportation Atlas Database (NTAD), static downloadable files (*e.g.,* Excel), and selected APIs. Are other methods, formats, or delivery mechanisms more useful (*e.g.,* expanded raw Comma-Separated Values (CSV) availability, modernized RESTful APIs,[1] cloud-hosted data lakes, etc.)?

User Experience (UX) & Discovery: Optimizing the experience for data seekers.

12. *Search & Navigation:* How are searches currently conducted on the BTS website, and do any technical difficulties or website navigation issues impede searches for information?
13. *Consumption Preferences:* Is it easier to access BTS information by certain methods (*e.g.,* downloading raw data for independent analysis, using dashboards, reading analytical reports, etc.)?

Strategic Future & Feedback Loop: Aligning BTS resources with long-term industry challenges.

14. *Outlook:* How would having high-quality, long-term data help to resolve the biggest transportation challenges over the next 3 to 5 years?
15. *Ongoing Engagement:* What are the best methods to get news or technical updates about changes to BTS data and products (*e.g.,* technical webinars, social media, a monthly newsletter, etc.) to ensure that the updates are timely?
16. *Challenges & Opportunities:* What additional recommendations, challenges, or opportunities related to the BTS mission should be considered that have not been addressed in the previous sections of this RFI?

Informational Webinar

To assist the public in responding to this RFI, BTS will host an informational webinar on Wednesday, June 17, 2026. During this session, BTS will provide an overview of the questions included in this notice and answer procedural questions regarding the submission of comments.

Webinar Details

- *Date:* Wednesday, June 17, 2026
- *Time:* 1:00–2:00 p.m. (Eastern Time)
- *Registration:* Registration is required and available on a first-come,

[1] Representational State Transfer (REST) APIs are a standardized type of web service that allows different software applications to communicate and exchange data automatically. ''RESTful'' refers to systems that follow this architecture to ensure data is delivered in a lightweight, scalable, and machine-readable format.

first-served basis at *https://usdot.zoomgov.com/webinar/register/WN_oRQ-w4hVTTyY_TprDYzWDA.*

Public Participation: This session is open to the public; however, registration is required and available on a first-come, first-served basis. This webinar is intended for a broad range of attendees, including data users, industry stakeholders, and members of the public interested in helping BTS shape a more modern and responsive national transportation data landscape.

Accommodations: The U.S. Department of Transportation is committed to providing equal access to this meeting for all participants. If you need alternative formats or services because of a disability, such as sign language, interpretation, or other ancillary aids, please contact the person listed in the **FOR FURTHER INFORMATION CONTACT** section at least five business days prior to the event.

Post-Comment Period Engagement

Following the close of the comment period for this Request for Information, BTS will review all submissions to identify common themes. BTS intends to publish a summary of these themes and host a follow-up briefing to share how this feedback will guide its future work and initiatives.

Issued in Washington, DC, on May 27, 2026.

Edward Strocko,

Acting Director, Bureau of Transportation Statistics.

[FR Doc. 2026–10815 Filed 5–29–26; 8:45 am]

BILLING CODE 4910–9X–P

DEPARTMENT OF THE TREASURY

Office of the Comptroller of the Currency

Agency Information Collection Activities: Information Collection Renewal; Submission for OMB Review; Securities Exchange Act Disclosure Rules

AGENCY: Office of the Comptroller of the Currency (OCC), Treasury.

ACTION: Notice and request for comment.

SUMMARY: The OCC, as part of its continuing effort to reduce paperwork and respondent burden, invites comment on a continuing information collection, as required by the Paperwork Reduction Act of 1995 (PRA). In accordance with the requirements of the PRA, the OCC may not conduct or sponsor, and the respondent is not required to respond to, an information collection unless it displays a currently valid Office of Management and Budget (OMB) control number. The OCC is soliciting comment concerning the renewal of its information collection titled, ''Securities Exchange Act Disclosure Rules.'' The OCC also is giving notice that it has sent the collection to OMB for review.

DATES: Comments must be received by July 1, 2026.

ADDRESSES: Commenters are encouraged to submit comments by email, if possible. You may submit comments by any of the following methods:

- *Email: prainfo@occ.treas.gov.*
- *Mail:* Chief Counsel's Office, Attention: Comment Processing, Office of the Comptroller of the Currency, Attention: 1557–0106, 400 7th Street SW, Suite 1E–218, Washington, DC 20219.
- *Hand Delivery/Courier:* 400 7th Street SW, Suite 1E–218, Washington, DC 20219.
- *Fax:* (571) 293–4835.

Instructions: You must include ''OCC'' as the agency name and ''1557–0106'' in your comment. In general, the OCC will publish comments on *www.reginfo.gov* without change, including any business or personal information provided, such as name and address information, email addresses, or phone numbers. Comments received, including attachments and other supporting materials, are part of the public record and subject to public disclosure. Do not include any information in your comment or supporting materials that you consider confidential or inappropriate for public disclosure.

Written comments and recommendations for the proposed information collection should also be sent within 30 days of publication of this notice to *www.reginfo.gov/public/do/PRAMain.* You can find this information collection by selecting ''Currently under 30-day Review—Open for Public Comments'' or by using the search function.

You may review comments and other related materials that pertain to this information collection following the close of the 30-day comment period for this notice by the method set forth in the next bullet.

- *Viewing Comments Electronically:* Go to *www.reginfo.gov.* Hover over the ''Information Collection Review'' tab and click on ''Information Collection Review'' from the drop-down menu. From the ''Currently under Review'' drop-down menu, select ''Department of the Treasury'' and then click ''submit.'' This information collection can be located by searching OMB control number ''1557–0106'' or ''Securities Exchange Act Disclosure Rules.'' Upon finding the appropriate information collection, click on the related ''ICR Reference Number.'' On the next screen, select ''View Supporting Statement and Other Documents'' and then click on the link to any comment listed at the bottom of the screen.
- For assistance in navigating *www.reginfo.gov,* please contact the Regulatory Information Service Center at (202) 482–7340.

FOR FURTHER INFORMATION CONTACT: Shaquita Merritt, Clearance Officer, (202) 649–5490, Chief Counsel's Office, Office of the Comptroller of the Currency, 400 7th Street SW, Washington, DC 20219. If you are deaf, hard of hearing, or have a speech disability, please dial 7–1–1 to access telecommunications relay services.

SUPPLEMENTARY INFORMATION: Under the PRA (44 U.S.C. 3501 *et seq.*), Federal agencies must obtain approval from the OMB for each collection of information that they conduct or sponsor. ''Collection of information'' is defined in 44 U.S.C. 3502(3) and 5 CFR 1320.3(c) to include agency requests or requirements that members of the public submit reports, keep records, or provide information to a third party. The OCC asks the OMB to extend its approval of the collection in this notice.

Title: Securities Exchange Act Disclosure Rules.

OMB Control No.: 1557–0106.

Type of Review: Regular.

Affected Public: Businesses or other for-profit.

Description: This submission covers an existing regulation and involves no change to the regulation or to the information collection requirements. The OCC requests only that OMB approve its revised burden estimates.

The Securities and Exchange Commission (SEC) is required by statute to collect, in accordance with its regulations, certain information and documents from any firm that is required to register its stock with the SEC. Federal law requires the OCC to apply similar regulations to any national bank or Federal savings association similarly required to be registered with the SEC (generally those with a class of equity securities held by 2,000 or more shareholders). Twelve CFR part 11 ensures that a national bank or Federal savings association whose securities are subject to registration provides adequate information about its operations to current and potential shareholders and the public. The OCC reviews the information to ensure that it complies with Federal law and makes public all

information required to be filed under the rule.

Estimated Burden

Estimated Frequency of Response: On occasion.

Estimated Number of Respondents: 80.

Estimated Total Annual Responses: 276.

Estimated Total Annual Burden: 628 hours.

Comments: On December 18, 2025, the OCC published a 60-day notice for this information collection, (90 FR 59322). No comments were received.

Comments continue to be invited on:

(a) Whether the collection of information is necessary for the proper performance of the functions of the OCC, including whether the information has practical utility;

(b) The accuracy of the OCC's estimate of the burden of the collection of information;

(c) Ways to enhance the quality, utility, and clarity of the information to be collected;

(d) Ways to minimize the burden of the collection on respondents, including through the use of automated collection techniques or other forms of information technology; and

(e) Estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

Eden Gray,

Assistant Director, Office of the Comptroller of the Currency.

[FR Doc. 2026–10825 Filed 5–29–26; 8:45 am]

BILLING CODE 4810–33–P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

Credit for Renewable Electricity Production and Publication of Inflation Adjustment Factor and Reference Price for Calendar Year 2026

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of publication.

SUMMARY: The 2026 inflation adjustment factor and reference price are used in determining the availability of the credit for renewable electricity production under section 45 (section 45 credit).

FOR FURTHER INFORMATION CONTACT: Charles Hyde, CC:ECE:2, Internal Revenue Service, 1111 Constitution Avenue NW, Washington, DC 20224, (202) 317–6853 (not a toll-free number).

SUPPLEMENTARY INFORMATION: The 2026 inflation adjustment factor and reference price apply to calendar year 2026 sales of kilowatt hours of electricity produced in the United States or a possession thereof from qualified energy resources.

Inflation Adjustment Factor: The inflation adjustment factor for calendar year 2026 for qualified energy resources is 2.0570.

Reference Price: The reference price for calendar year 2026 for facilities producing electricity from wind is 3.17 cents per kilowatt hour. The reference prices for facilities producing electricity from closed-loop biomass, open-loop biomass, geothermal energy, solar energy, municipal solid waste, qualified hydropower production, and marine and hydrokinetic renewable energy have not been determined for calendar year 2026.

Phaseout Calculation: Because the 2026 reference price for electricity produced from wind (3.17 cents per kilowatt hour) does not exceed 8 cents multiplied by the inflation adjustment factor (2.0570), the phaseout of the credit provided in section 45(b)(1) does not apply to such electricity sold during calendar year 2026. For electricity produced from closed-loop biomass, open-loop biomass, geothermal energy, solar energy, municipal solid waste, qualified hydropower production, and marine and hydrokinetic renewable energy, the phaseout of the credit provided in section 45(b)(1) does not apply to such electricity sold during calendar year 2026.

Inflation Reduction Act Amendments: Section 45 was amended by section 13101 of Public Law 117–169, 136 Stat. 1818 (August 16, 2022), commonly known as the Inflation Reduction Act of 2022 (IRA). The IRA changed the manner in which the section 45 credit amounts are calculated for any qualified facility placed in service after December 31, 2021.

As amended by the IRA, section 45(b)(6)(A) provides that, in the case of any qualified facility that satisfies the requirements of section 45(b)(6)(B), the credit amount determined under section 45(a) (determined after the application of section 45(b)(1) through (5) and without regard to section 45(b)(6)) is equal to such amount multiplied by 5. A qualified facility satisfies the requirements of section 45(b)(6)(B) if it is placed in service after December 31, 2021, and it is one of the following: (i) a facility with a maximum net output of less than 1 megawatt (as measured in alternating current); (ii) a facility the construction of which began prior to January 29, 2023, which is the date that is 60 days after the publication of the guidance with respect to the requirements of section 45(b)(7)(A) (prevailing wage requirements) and section 45(b)(8) (apprenticeship requirements); or (iii) a facility that satisfies the requirements of section 45(b)(7)(A) and (8).[1] The IRA also added bonus credit amounts with respect to qualified facilities placed in service after December 31, 2022, that meet domestic content requirements under section 45(b)(9)[2] or energy community requirements under section 45(b)(11).[3]

The IRA amended the phaseout of the section 45 credit for wind facilities under section 45(b)(5) such that it does not apply to facilities placed in service after December 31, 2021. The IRA also added a new phaseout of the section 45 credit under section 45(b)(10) in the case of qualified facilities placed in service after December 31, 2022, for taxpayers making an elective payment election under section 6417. The IRA also amended the credit amount reduction under section 45(b)(3) in the case of qualified facilities the construction of which began after August 16, 2022.

The IRA amended section 45(d)(4) to restore the section 45 credit for electricity produced in solar energy facilities in the case of qualified facilities placed in service after December 31, 2021, and the construction of which began before January 1, 2025. Effective for facilities placed in service after December 31, 2022, the IRA (1) removed the one-half reduction of the credit amount under section 45(b)(4)(A) for qualified hydropower facilities and marine and hydrokinetic renewable energy facilities and (2) amended the definition of marine and hydrokinetic renewable energy under section 45(c)(10) and the definition of a marine and hydrokinetic renewable energy facility under section 45(d)(11). The IRA also extended certain deadlines in the definitions under section 45(d) for wind facilities, closed-loop biomass facilities, open-loop biomass facilities, geothermal facilities, landfill gas facilities, trash facilities, qualified hydropower facilities, and marine and hydrokinetic renewable energy facilities.

[1] *See* §§ 1.45–6, 1.45–7, 1.45–8, and 1.45–12 of the Income Tax Regulations for additional information regarding the requirements of section 45(b)(6)(B).

[2] *See* Notice 2023–38, 2023–22 I.R.B. 872 (May 12, 2023), Notice 2024–41, 2024–24 I.R.B. 1615 (May 16, 2024), corrected at IR 2024–147 (May 24, 2024), and Notice 2025–08, 2025–8 I.R.B. 800 (February 18, 2025), for additional information regarding the domestic content bonus credit.

[3] *See* Notice 2024–30, 2024–16 I.R.B. 878 (April 15, 2024), for additional information regarding the energy community bonus credit.

Credit Amount for a Qualified Facility Placed in Service before January 1, 2022: As required by section 45(b)(2), the 1.5 cent amount provided in section 45(a)(1) is adjusted by multiplying such amount by the inflation adjustment factor for the calendar year in which the sale occurs. If any amount as increased under section 45(b)(2) is not a multiple of 0.1 cent, such amount is rounded to the nearest multiple of 0.1 cent. In the case of electricity produced in open-loop biomass facilities, landfill gas facilities, trash facilities, qualified hydropower facilities, and marine and hydrokinetic renewable energy facilities, section 45(b)(4)(A) requires the amount in effect under section 45(a)(1) for such calendar year (before rounding to the nearest 0.1 cent as required by section 45(b)(2)) to be reduced by one-half.[4]

Under the calculation required by section 45(b)(2), the credit for renewable electricity production for calendar year 2026 determined under section 45(a) is 3.1 cents per kilowatt hour on the sale of electricity produced in any qualified facility placed in service before January 1, 2022, from the qualified energy resources of wind, closed-loop biomass, and geothermal energy, and 1.5 cents per kilowatt hour on the sale of electricity produced in any qualified facility placed in service before January 1, 2022, from the qualified energy resources of open-loop biomass, landfill gas, trash, qualified hydropower, and marine and hydrokinetic renewable energy.

Credit Amount for a Qualified Facility Placed in Service after December 31, 2021: As required by section 45(b)(2), the 0.3 cent amount provided in section 45(a)(1) is adjusted by multiplying such amount by the inflation adjustment factor for the calendar year in which the sale occurs. If the 0.3 cent amount as adjusted for inflation is not a multiple of 0.05 cent, the amount is rounded to the nearest multiple of 0.05 cent. In the case of electricity produced in open-loop biomass facilities, landfill gas facilities, trash facilities, qualified hydropower facilities, and marine and hydrokinetic renewable energy facilities, section 45(b)(4)(A) requires the amount in effect under section 45(a)(1) for such calendar year (determined before rounding as required by section 45(b)(2)) to be reduced by one-half.

[4] As amended by the IRA and discussed later in this notice, the one-half reduction under section 45(b)(4)(A) no longer applies to qualified hydropower facilities and marine and hydrokinetic renewable energy facilities placed in service after December 31, 2022.

Under the calculation required by section 45(b)(2), the credit for renewable electricity production for calendar year 2026 determined under section 45(a) is 0.6 cents per kilowatt hour on the sale of electricity produced in any qualified facility placed in service after December 31, 2021, from the qualified energy resources of wind, closed-loop biomass, geothermal energy, and solar energy, and 0.3 cents per kilowatt hour on the sale of electricity produced in any qualified facility placed in service after December 31, 2021, from the qualified energy resources of open-loop biomass, landfill gas, and trash. The credit for renewable electricity production for calendar year 2026 determined under section 45(a) is also 0.3 cents per kilowatt hour on the sale of electricity produced in any qualified facility placed in service after December 31, 2021, and before January 1, 2023, from the qualified energy resources of qualified hydropower and marine and hydrokinetic renewable energy.

Credit Amount for Qualified Hydropower Facilities and Marine and Hydrokinetic Renewable Energy Facilities Placed in Service after December 31, 2022: The one-half reduction under section 45(b)(4)(A) no longer applies to qualified hydropower facilities and marine and hydrokinetic renewable energy facilities placed in service after December 31, 2022. Accordingly, under the calculation required by section 45(b)(2), the credit for renewable electricity production for calendar year 2026 determined under section 45(a) is 0.6 cents per kilowatt hour on the sale of electricity produced in any qualified facility placed in service after December 31, 2022, from the qualified energy resources of qualified hydropower and marine and hydrokinetic renewable energy.

(Authority: 45(e)(2)(A) (26 U.S.C. 45(e)(2)(A)) of the Internal Revenue Code.)

Christopher T. Kelley,

Special Counsel to the Associate Chief Counsel, (Energy, Credits, and Excise Tax).

[FR Doc. 2026–10906 Filed 5–29–26; 8:45 am]

BILLING CODE 4831–GV–P

UNIFIED CARRIER REGISTRATION PLAN

Board of Directors; Request for Nomination

AGENCY: Unified Carrier Registration Plan.

ACTION: Notice.

SUMMARY: The Unified Carrier Registration (UCR) Plan Board of Directors is requesting nominations of qualified individuals from each of the Federal Motor Carrier Safety Administration's (FMCSA) four service areas (as those areas were defined by FMCSA on January 1, 2005) for appointment by FMCSA to the UCR Plan Board of Directors. The nominees must be from among the Chief Administrative Officers of State Agencies responsible for overseeing the administration of the UCR Agreement. The selected individuals will fill four vacancies for terms which begin immediately on appointment and expire on May 31, 2029.

DATES: Nominations of or expressions of interest by qualified individuals to be considered by the FMCSA for appointment to fill these four vacancies in the Board of Directors of the Unified Carrier Registration Plan, along with accompanying resumes, must be received on or before July 13, 2026.

ADDRESSES: Nominations or expressions of interest may be submitted by any of the following methods—internet, regular mail, courier, or hand-delivery. *Mail, Courier, or Hand-Delivery:* Unified Carrier Registration Plan, Attention: Matt Mantione, 529 14th Street NW, Suite 1280, Washington, DC 20045, internet: *mmantione@plan.ucr.gov.*

FOR FURTHER INFORMATION CONTACT: Elizabeth Leaman, Chair, Unified Carrier Registration Plan Board of Directors, (617) 305–3783, *eleaman@board.ucr.gov.*

SUPPLEMENTARY INFORMATION:

Background: Section 4305(b) of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA–LU) [Pub. L. 109–59, 119 Stat. 1144, August 10, 2005] enacted 49 U.S.C. 14504a, entitled ''Unified carrier registration system plan and Agreement.'' Under the UCR Agreement, motor carriers, motor private carriers, brokers, freight forwarders, and leasing companies that are involved in interstate transportation must register with a State and pay certain fees. The UCR Plan's Board of Directors must issue rules and regulations to govern the UCR Agreement. The Board also must recommend to the Secretary of Transportation annual fees to be assessed against carriers, leasing companies, brokers, and freight forwarders under the UCR Agreement.

The Unified Carrier Registration Plan is defined in 49 U.S.C. 14504a(a)(9) as the organization of State, Federal, and industry representatives responsible for developing, implementing, and administering the UCR Agreement. Section 14504a(d)(1)(B) directed the Secretary of Transportation to establish

a Unified Carrier Registration Plan Board of Directors made up of 15 members from FMCSA, State Governments, and the motor carrier industry. The establishment of the Board was announced in the **Federal Register** on May 12, 2006 (71 FR 27777). Section 14504a(d)(1)(B) provides that the UCR Plan's Board of Directors must consist of directors from the following groups:

Federal Motor Carrier Safety Administration: One director must be selected from each of the four FMCSA service areas (as defined by FMCSA on January 1, 2005). The four directors selected must be from among the chief administrative officers of the State agencies responsible for administering the UCR Agreement.

State Agencies: Five directors must be selected to represent State agencies. The five directors selected must be from among the professional staffs of State agencies responsible for overseeing the administration of the UCR Agreement.

Motor Carrier Industry: Five directors must be from the motor carrier industry. At least one of the five motor carrier industry directors must be from ''a national trade association representing the general motor carrier of property industry'' and one of them must be from ''a motor carrier that falls within the smallest fleet fee bracket.''

U.S. Department of Transportation (the Department): One individual, either the FMCSA Deputy Administrator or such other Presidential appointee from the Department appointed by the Secretary, represents the Department.

This document serves as a notice from the UCR Plan Board of Directors soliciting nominations of, and expressions of interest by, qualified individuals who are interested in being considered by FMCSA for appointment to the Board as the chief administrative officer of a State agency responsible for overseeing the UCR Agreement. The Board is seeking four Directors, each representing one of FMCSA's four service areas (again, as those service areas were defined on January 1, 2005). For purposes of Board appointments, on January 1, 2005, the Eastern service area included the UCR participating states of Connecticut, Delaware, Massachusetts, Maine, New Hampshire, New York, Pennsylvania, Rhode Island, Virginia, and West Virginia. The Midwestern service area included the UCR participating states of Iowa, Illinois, Indiana, Kansas, Michigan, Minnesota, Missouri, Nebraska, Ohio, and Wisconsin. The Southern service area included the UCR participating states of Alabama, Arkansas, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, and Texas. The Western service area included the UCR participating states of Alaska, California, Colorado, Idaho, Montana, New Mexico, North Dakota, South Dakota, Utah, and Washington. The terms of these appointments begin immediately on appointment and expire on May 31, 2029.

All nominations of or expressions of interest by qualified individuals for the four upcoming vacancies described must be received by the UCR Board on or before July 13, 2026, and will then be forwarded to FMCSA. The authority to appoint an individual to fill each of the four vacant positions lies with Secretary of Transportation, which has been delegated to FMCSA.

Nominations and expressions of interest should indicate that the individual nominated or interested meets the statutory requirements specified in 49 U.S.C. 14504a(d)(1)(B). All submissions must include a current resume.

The UCR Plan Board may, but is not required to, recommend to FMCSA the appointment of individuals from among the nominations and expressions of interest received. If the Board does make such recommendation(s), it will do so after consideration during an open meeting in compliance with the Government in the Sunshine Act that includes such recommendation(s) as part of the subject matter of the open meeting.

Alex B. Leath,

Chief Legal Officer, Unified Carrier Registration Plan.

[FR Doc. 2026–10909 Filed 5–29–26; 8:45 am]

BILLING CODE 4910–EX–P

DEPARTMENT OF VETERANS AFFAIRS

[OMB Control No. 2900–0060]

Agency Information Collection Activity: Claim for One Sum Payment Government Life Insurance, EZ-Beneficiary Claim for One Sum Payment Government Life Insurance, Claim for Monthly Payments Government Life Insurance, and Claim for One Sum Payment Government Life Insurance (DocuSign)

AGENCY: Veterans Benefits Administration, Department of Veterans Affairs.

ACTION: Notice.

SUMMARY: Veterans Benefits Administration(VBA), Department of Veterans Affairs (VA), is announcing an opportunity for public comment on the proposed collection of certain information by the agency. Under the Paperwork Reduction Act (PRA) of 1995, Federal agencies are required to publish notice in the **Federal Register** concerning each proposed collection of information, including each proposed extension of a currently approved collection, and allow 60 days for public comment in response to the notice.

DATES: Comments must be received on or before July 31, 2026.

ADDRESSES: Comments must be submitted through *www.regulations.gov.*

FOR FURTHER INFORMATION CONTACT:

Program-Specific information: Kendra McCleave, 202–461–9568, *kendra.mccleave@va.gov*.

VA PRA information: Dorothy Glasgow, 202–461–1084, *VAPRA@va.gov*.

SUPPLEMENTARY INFORMATION: Under the PRA of 1995, Federal agencies must obtain approval from the Office of Management and Budget (OMB) for each collection of information they conduct or sponsor. This request for comment is being made pursuant to Section 3506(c)(2)(A) of the PRA.

With respect to the following collection of information, VBA invites comments on: (1) whether the proposed collection of information is necessary for the proper performance of VBA's functions, including whether the information will have practical utility; (2) the accuracy of VBA's estimate of the burden of the proposed collection of information; (3) ways to enhance the quality, utility, and clarity of the information to be collected; and (4) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or the use of other forms of information technology.

Title: VA Form 29–4125, Claim for One Sum Payment Government Life Insurance, VA Form 29–4125EZ, EZ-Beneficiary Claim for One Sum Payment Government Life Insurance, VA Form 29–4125a Claim for Monthly Payments Government Life Insurance, VA Form 29–4125e Claim for One Sum Payment Government Life Insurance (DocuSign).

OMB Control Number: 2900–0060. https://www.reginfo.gov/public/do/PRASearch (Once at this link, you can enter the OMB Control Number to find the historical versions of this Information Collection).

Type of Review: Revision of a currently approved collection.

Abstract: These forms are used by beneficiaries applying for proceeds of Government Life Insurance policies. The VA Form 29–4125EZ has been

added to this collection. This is a simpler version of the Form 29–4125. This form was created to provide individual beneficiaries with a less complicated form to complete, eliminating the content for other types of beneficiaries. This will not affect the number of respondents but will make it easier and reduce the time it takes for beneficiaries to receive their insurance proceeds. The information requested on the forms is required by law, 38 U.S.C. 1917 and 1952.

Affected Public: Individuals and households.

Estimated Annual Burden: 12,020 hours.

Estimated Average Burden per Respondent: 6 minutes.

Frequency of Response: On occasion.

Estimated Number of Respondents: 120,100.

(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. 2026–10897 Filed 5–29–26; 8:45 am]

BILLING CODE 8320–01–P

DEPARTMENT OF VETERANS AFFAIRS

Geriatric and Gerontology Advisory Committee, Notice of Meeting Cancellation

The Department of Veterans Affairs (VA) gives notice under the Federal Advisory Committee Act, 5 U.S.C. Ch. 10., that the Geriatric and Gerontology Advisory Committee, previously scheduled to be held on June 3, 2026, has been cancelled. The Committee will reschedule the meeting and announce it later in the **Federal Register**.

For more information, please contact Mr. Michael Stevens, Designated Federal Officer, at (989) 930–9945 or via email at *Michael.Stevens@va.gov.*

Dated: May 27, 2026.

LaTonya L. Small,

Federal Advisory Committee Management Officer.

[FR Doc. 2026–10809 Filed 5–29–26; 8:45 am]

BILLING CODE 8320–01–P

DEPARTMENT OF VETERANS AFFAIRS

[OMB Control No. 2900–0031]

Agency Information Collection Activity: Veteran/Servicemember's Supplemental Application for Assistance in Acquiring Specially Adapted Housing

AGENCY: Veterans Benefits Administration, Department of Veterans Affairs.

ACTION: Notice.

SUMMARY: Veterans Benefits Administration (VBA), Department of Veterans Affairs (VA), is announcing an opportunity for public comment on the proposed collection of certain information by the agency. Under the Paperwork Reduction Act (PRA) of 1995, Federal agencies are required to publish notice in the **Federal Register** concerning each proposed collection of information, including each proposed extension of a currently approved collection, and allow 60 days for public comment in response to the notice.

DATES: Comments must be received on or before July 31, 2026.

ADDRESSES: Comments must be submitted through *www.regulations.gov*.

FOR FURTHER INFORMATION CONTACT:

Program-Specific information: Kendra McCleave, 202 461–9760, *Kendra.McCleave@va.gov*.

VA PRA information: Dorothy Glasgow, 202–461–1084, *VAPRA@va.gov.*

SUPPLEMENTARY INFORMATION: Under the PRA of 1995, Federal agencies must obtain approval from the Office of Management and Budget (OMB) for each collection of information they conduct or sponsor. This request for comment is being made pursuant to Section 3506(c)(2)(A) of the PRA.

With respect to the following collection of information, VBA invites comments on: (1) Whether the proposed collection of information is necessary for the proper performance of VBA's functions, including whether the information will have practical utility; (2) the accuracy of VBA's estimate of the burden of the proposed collection of information; (3) ways to enhance the quality, utility, and clarity of the information to be collected; and (4) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or the use of other forms of information technology.

Title: Veteran/Servicemember's Supplemental Application for Assistance in Acquiring Specially Adapted Housing.

OMB Control Number: 2900–0031. *https://www.reginfo.gov/public/do/PRASearch* (Once at this link, you can enter the OMB Control Number to find the historical versions of this Information Collection).

Type of Review: Extension without change of a currently approved collection.

Abstract: VA Form 26–4555c, authorized under Title 38, U.S.C., Chapter 21, is used to collection information necessary to support the VA program that provides specially adapted housing grants and evaluates the suitability of proposed housing modifications or construction for Veterans and Servicemembers.

Affected Public: Individuals and households.

Estimated Annual Burden: 350 hours.

Estimated Average Burden per Respondent: 15 minutes.

Frequency of Response: One-time.

Estimated Number of Respondents: 1,400.

(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.

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Endangered and Threatened Wildlife and Plants; Designation of Critical Habitat for the Rusty Patched Bumble Bee; Final Rule

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

50 CFR Part 17

[Docket No. FWS–R3–ES–2024–0132; FXES1111090FEDR–267–FF09E21000]

RIN 1018–BH72

Endangered and Threatened Wildlife and Plants; Designation of Critical Habitat for the Rusty Patched Bumble Bee

AGENCY: Fish and Wildlife Service, Interior.

ACTION: Final rule.

SUMMARY: We, the U.S. Fish and Wildlife Service (Service), designate critical habitat for the rusty patched bumble bee (*Bombus affinis*), a bumble bee historically known to occur broadly across the eastern United States and portions of Canada, under the Endangered Species Act of 1973, as amended (Act). In total, we are designating approximately 1,534,951 acres (621,172 hectares) of occupied critical habitat in 14 units across 33 counties in 6 States.

DATES: This rule is effective July 1, 2026.

ADDRESSES: This final rule is available on the internet at *https://www.regulations.gov.* Comments and materials we received are available for public inspection at *https://www.regulations.gov* at Docket No. FWS–R3–ES–2024–0132.

Availability of supporting materials: Supporting materials we used in preparing this rule, such as the species status assessment report, are available on the Service's website at *https://www.fws.gov/species/rusty-patched-bumble-bee-bombus-affinis,* at *https://www.regulations.gov* at Docket No. FWS–R3–ES–2024–0132, or both. The coordinates or plot points or both from which the critical habitat maps are generated are included in the decision file and are available at *https://www.regulations.gov* at Docket No. FWS–R3–ES–2024–0132.

FOR FURTHER INFORMATION CONTACT: Robert Tawes, Field Supervisor, U.S. Fish and Wildlife Service, Minnesota-Wisconsin Ecological Services Field Office; telephone 612–240–6343; *robert_tawes@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:

Executive Summary

Why we need to publish a rule. Under the Act (16 U.S.C. 1531 *et seq.*), when we determine that any species warrants listing as an endangered or threatened species, we are required to designate critical habitat, to the maximum extent prudent and determinable. Designations of critical habitat can be completed only by issuing a rule through the Administrative Procedure Act rulemaking process (5 U.S.C. 551 *et seq.*).

What this document does. This rule designates critical habitat for the rusty patched bumble on approximately 1,534,951 acres (621,172 hectares) of occupied critical habitat in 14 units across 33 counties in 6 States.

The basis for our action. Section 3(5)(A) of the Act defines critical habitat as (i) the specific areas within the geographical area occupied by the species, at the time it is listed, on which are found those physical or biological features (I) essential to the conservation of the species and (II) which may require special management considerations or protections; and (ii) specific areas outside the geographical area occupied by the species at the time it is listed, upon a determination by the Secretary that such areas are essential for the conservation of the species. Section 4(b)(2) of the Act states that the Secretary must make the designation on the basis of the best scientific data available and after taking into consideration the economic impact, the impact on national security, and any other relevant impacts of specifying any particular area as critical habitat.

Previous Federal Actions

Please refer to the proposed critical habitat rule (89 FR 93245) for the rusty patched bumble bee published on November 26, 2024, for a detailed description of previous Federal actions concerning this species.

Peer Review

In accordance with our joint policy on peer review published in the **Federal Register** on July 1, 1994 (59 FR 34270), and our August 22, 2016, memorandum updating and clarifying the role of peer review in listing and recovery actions under the Act (*https://www.fws.gov/sites/default/files/documents/peer-review-policy-directors-memo-2016-08-22.pdf*), we solicited independent scientific review of the information contained in the proposed critical habitat designation for the rusty patched bumble bee. We sent the proposed rule to three independent peer reviewers and received two responses. The peer reviews can be found at *https://www.regulations.gov* at Docket No. FWS–R3–ES–2024–0132. In preparing this final rule, we incorporated the results of these reviews, as appropriate. A summary of the peer review comments and our responses can be found in the Summary of Comments and Recommendations below.

Summary of Changes From the Proposed Rule

We began coordinating with the 88th Readiness Division (RD) of the Army Reserve prior to publication of the proposed critical habitat rule at their request. After we published the proposed critical habitat rule, the 88th RD updated their Integrated Natural Resources Management Plan (INRMP) to include the rusty patched bumble bee. We concluded that the 88th RD INRMP provides a benefit to the rusty patched bumble bee. Consequently, we are exempting the lands covered by the INRMP that intersected with lands identified as proposed critical habitat. There are two Army Reserve Centers (ARC) in two States, totaling approximately 49 acres (20 hectares) of land included in the INRMP that are exempted from this final designation. These areas are Machesney Park ARC in Illinois and Fort Snelling ARC in Minnesota. The exemptions are also discussed in the Exemptions section below.

Based on additional information we received during the public comment period and a request to exclude lands under section 4(b)(2) of the Act, we are also excluding several areas from the designation that are enrolled in the Nationwide Candidate Conservation Agreement for Monarch Butterfly on Energy and Transportation Lands. We are excluding a total area of approximately 79,859 acres (32,318 hectares) across 11 units in this final rule. The exclusion analysis is summarized below in the Consideration of Impacts under Section 4(b)(2) of the Act section.

Additionally, the final designation decreased in overall acreage from the proposed designation by approximately 20,887 acres (8,453 hectares) due to discovery of a few imprecise data locations. The iNaturalist database accepts any level of accuracy for location data. The rusty patched bumble bee data accuracy ranged from 0 to approximately 6.5 million feet (ft) (1,982,493 meters (m)), and we concluded that range was not an

acceptable level of precision for our critical habitat analysis because it far exceeds a typical survey site size. Therefore, points that had a greater than 328-ft (100-m) range of accuracy were removed from the dataset, which resulted in smaller critical habitat units in some cases. These data may have been inaccurate data points for rusty patched bumble bee locations, and we discovered this after the proposed designation had already published.

Also based on information received during the public comment period, we have removed the term ''rodenticides'' as an example of a pesticide application that may require special management consideration from the unit descriptions of each critical habitat unit. Although rodenticides are a threat to the rusty patched bumble bee, their use is almost exclusively outside the realm of section 7 of the Act (typically there is no Federal nexus for their use), which makes it highly unlikely that the need to consult would arise in the critical habitat units. Maintaining the term in the final rule would likely create misconceptions around the regulatory impact of this critical habitat designation.

We clarified some of the definitions related to our physical or biological features based on requests to do so from the peer reviewers and public commentors, additional information they provided, and additional published studies that were not previously considered.

Lastly, we corrected a spelling error in the name of Unit 14. The proposed critical habitat rule labeled Unit 14 ''Black Creek Mountain,'' when the correct spelling is actually ''Back Creek Mountain.''

Summary of Comments and Recommendations

In the proposed rule published on November 26, 2024 (89 FR 93245), we requested that all interested parties submit written comments on the proposal by January 27, 2025. We also contacted appropriate Federal and State agencies, Tribal entities, scientific experts and organizations, and other interested parties and invited them to comment on the proposal. A newspaper notice inviting general public comment was published in the USA Today on November 29, 2024. We did not receive any requests for a public hearing. All substantive information received during comment periods has either been incorporated directly into this final determination or is addressed below.

Peer Reviewer Comments

As discussed in Peer Review above, we received comments from two peer reviewers on the proposed critical habitat designation. We reviewed all comments we received from the peer reviewers for substantive issues and new information regarding the contents of the proposed rule. Peer reviewer comments are addressed in the following summary.

Both peer reviewers had concerns with our Criteria Used to Identify Critical Habitat used for delineating the unit boundaries, specifically criteria number one which says, ''areas within a contiguous High Potential Zone (HPZ; for more information on High Potential Zones see the Criteria Used to Identify Critical Habitat section below) with 50 or more positive observations since 2007.'' Peer reviewers stated that the number 50 was arbitrary and unsupported. After receiving this feedback, we undertook additional analysis to explore this concern. We conclude that this criterion was valid for use in delineating critical habitat, and we further explain our initial intent and additional analysis below.

Both peer reviewers (and several public commenters, see *Public Comments,* below) advocated for including additional areas in the critical habitat designation because there are several additional areas that the rusty patched bumble bee occupies or could occupy. We are not able to incorporate additional areas that include suitable habitat for the species but do not meet the definition of critical habitat. The Act defines, critical habitat as''(i) the specific areas within the geographical area occupied by the species at the time it is listed . . . on which are found those physical or biological features (I) essential to the conservation of the species and (II) which may require special management considerations; and (ii) specific areas outside the geographical area occupied by the species at the time it is listed in accordance with the provisions of section 4 of this Act, upon a determination by the Secretary that such areas are essential for the conservation of the species.'' These additional areas mentioned by the peer reviewers, though important, do not meet the definition of critical habitat as described in more detail below. While they may be important for the recovery of the rusty patched bumble bee (along with other areas of suitable habitat), they do not meet the definition of critical habitat.

The occupied areas that meet the definition of critical habitat for rusty patched bumble bee contain the physical or biological features essential to the conservation of the species and meet the Criteria Used to Identify Critical Habitat. These areas support a general conservation strategy for rusty patched bumble bee that identifies areas that support the healthiest remaining populations, have limited interactions with managed bees, and have adequate pollen and nectar resources for the entire flight season. These areas also support genetically distinct populations of rusty patched bumble bees that are important for the conservation of the species.

Peer reviewers also provided updated information related to species biology and general expertise that are incorporated into this final designation.

Peer Reviewer Comments

(1) Comment: Peer reviewers disagreed with our 50-observation criterion used for delineating critical habitat. They stated this criterion was biased by human survey patterns, this was an arbitrary number, and that we did not provide an adequate rationale for choosing that number.

Our response: Critical habitat designations can only contain areas that meet the definition of critical habitat as established by the Act. Critical habitat is, in part, those areas that contain physical or biological features essential to the conservation of the species or as described by the U.S. Supreme Court, those areas that are ''indispensable'' to the conservation of the listed species (*Weyerhaeuser Co.* v. *United States Fish & Wildlife Serv.,* 586 U.S. 9 (2018)). During our analysis of which areas meet the definition of critical habitat, we must develop criteria that help us delineate these areas that meet the definition of critical habitat. Areas that have had relatively high observations over time likely support the healthiest and most robust remaining populations of rusty patched bumble bee. We concluded that these areas are indispensable to the conservation of the species.

We selected 50 observations as a starting point in our analysis to ensure that we were including all occupied habitat that supports a relatively large and sustained number of bees and specifically those areas that are known to be biologically important to the species. One of the criteria used to identify critical habitat is overlapping areas that likely have multiple colonies interacting with each other. A minimum of 50 verified rusty patched bumble bee observations since 2007 within estimated foraging and dispersal distances of one another likely represents multiple, interacting colonies

existing over time, rather than observations of a single individual. No commentor or reviewer suggested an alternative number to 50 observations, or a rationale to support using any other number.

After reviewing the comments received, we conducted additional analyses to evaluate whether the use of 50 observations was a biologically appropriate criterion. We used a spatial analysis to overlay the results from an occupancy model (Ellis et al. 2025, entire), published subsequent to the proposed rule, to evaluate rusty patched bumble bee occupancy estimates among 3.9 square mile (mi^2; 10 square kilometer (km^2)) grid cells that do and do not contain proposed critical habitat. These data spatially incorporate the same ecological considerations we represented with our metric of 50 verified observations since 2007; that is, areas which represent multiple, interacting colonies existing over time. The model corrects for detection bias, non-detection or negative survey results, and estimated rates of extirpation and recolonization from neighboring grid cells (Ellis et al. 2025, pp.4–5). Further, with the correction for detection biases, concerns relating to survey effort bias and detection probability are also addressed (Ellis et al. 2025, pp. 4–5).

All proposed critical habitat occurs on occupied habitat within a subset of the areas delineated as high potential zones (HPZs; the areas with the highest likelihood of rusty patched bumble bee presence). The HPZs were created based on verified rusty patched bumble bee observation points from 2007–2022, estimated foraging and dispersal distances, and barriers to dispersal (more information on HPZs can be found online at *https://www.fws.gov/media/high-potential-zone-model-rusty-patched-bumble-bee*). Based on model results (Ellis et al. 2025, pp. 6–7, Ellis pers. comm. 2025) and using occurrence data from 2017 (the year rusty patched bumble bee was listed) to 2022, the mean average occupancy in the critical habitat units that overlap with HPZs is 0.69; mean average occupancy in all other HPZs is 0.50; and mean average occupancy of the species in areas outside of any HPZs is 0.10. In other words, the critical habitat units delineated using our original criteria cover areas that have a 59 percent higher average occupancy by rusty patched bumble bee since the time of listing than areas outside of the HPZs and a 19 percent higher average occupancy than HPZs with fewer than 50 recent observations of the species. The model focused on the Midwest (Ellis et al, p. 3), therefore the Back Creek Mountain Unit was not included in the model so that unit is not included in our analysis. We refer the reader to Ellis et al. (2025, pp. 2–4, 8) for important assumptions on the occupancy data used for their analyses.

(2) Comment: The peer reviewers and some public commenters stated that the designation was improperly limited to an assessment of known remaining populations, not of the ''physical or biological features essential to the conservation'' of the species. The peer reviewers did not feel that we adequately considered unoccupied critical habitat. They had concerns with a potential inconsistency between the Recovery Plan for this species and the proposed critical habitat designation. Per the commenters, the 2021 Recovery Plan defines conditions for recovery as including existence of multiple healthy populations in each of the five Conservation Units, but the proposal did not include critical habitat in two of these Conservation Units (*e.g.,* Conservation Units 3 and 5), therefore potentially limiting recovery efforts.

Our Response: We identified the physical or biological features for the species based on its individual, population, and species level needs, as they relate to habitat requisites rather than population demographic metrics. To aid us in determining which areas meet the definition of critical habitat, we used a conservation strategy to help us identify key areas that contain the physical or biological features. This identification was not limited to only areas that were occupied at the time of listing. However, our analysis did not identify any specific geographic areas that were unoccupied at the time of listing, that could be identified as essential for the conservation of the species and that met the definition of critical habitat. Instead, we found there is a large amount of suitable unoccupied habitat, available for the species to use, throughout its historical range in each of the five Conservation Units identified in the 2021 Recovery Plan. For example, within Conservation Unit 5, there are 21,188,862 acres (8,574,828 hectares) of deciduous forest habitat (National Land Cover Database, *https://www.usgs.gov/centers/eros/science/national-land-cover-database*), some of which may be used for overwintering, but we were unable to identify any specific deciduous forest habitat in that Unit that meets the definition of critical habitat. Furthermore, recovery efforts are not restricted to areas that are designated as critical habitat. A lack of designated critical habitat does not preclude recovery efforts in either occupied or unoccupied areas. It is important to note that critical habitat is one of several tools available to support species recovery, and we are required to designate only those areas that meet the definition of critical habitat under the Act. Other mechanisms may, in some cases, provide more targeted or effective conservation benefits depending on the context (*e.g.,* efforts to reduce threats and foster public and stakeholder engagement).

Recovery efforts for the rusty patched bumble bee are not limited by the decision to not include Conservation Units 3 and 5 in the critical habitat designation. Conservation actions outlined in the Recovery Plan can still be implemented regardless of a critical habitat designation. Finally, rusty patched bumble bees are still protected under section 9 and section 7 of the Act when it is found in these Conservation Units because it is listed as an endangered species wherever it is found.

(3) Comment: One peer reviewer stated the overwintering habitat description of upland closed-canopy forest interior does not encompass the full scope of areas where rusty patched bumble bee may overwinter. Upland closed-canopy forest interior is limited in occupied urban and suburban areas. They further stated that queens may overwinter within approximately 7.5 miles (mi; 12 kilometers (km)) of any extant sighting, as spring queens may travel approximately 6.2 mi (10 km) in search of nesting sites and the foragers produced at that site may travel an additional 0.6–1.2 mi (1–2 km) from their nests.

Our Response: We agree that the species may overwinter in several habitat types, but the best available scientific information does not identify other specific habitat types used for wintering by the rusty patched bumble bee. The only observation of an overwintering rusty patched bumble bee queen was about 0.3 mi (0.5 km) into a maple forest habitat (Herrick, University of Wisconsin-Madison Landscape Arboretum, 2016 and 2024, pers. comm.). Based on that observation, together with overwintering observations of other bumble bee species, we concluded that successful overwintering likely occurs in shaded areas to prevent early queen emergence due to warming soil temperatures (Alford 1969, pp. 149–169). Forests are consistently shaded natural areas. Therefore, we concluded overwintering likely occurs in forests. However, we have clarified our definition of overwintering habitat in response to the comments. Specifically, we note that rusty patched bumble bees may

successfully overwinter in any suitable contiguous forest patches (*i.e.,* forested areas that provide pollen and nectar for immediate spring queen foraging after emergence from diapause, leaf litter or duff for burrowing, with uncompacted soils and not dominated by understory invasive plant species, like common buckthorn, (*Rhamus cathartica*) that contain sufficient shade). Suitable forest patches greater than 82 feet (ft; 25 meters (m)) from a non-forested edge are buffered from edge influences (Harper et al. 2005, p. 774) and therefore are more likely to have sufficient shade to prevent early queen emergence.

(4) Comment: One peer reviewer stated that high density managed bees (*e.g.,* urban honey beekeeping) occurs within the proposed units, yet we do not include habitat within agricultural matrices, which may provide floral resources outside of periods when managed bees are being used in those landscapes.

Our Response: We evaluated all areas in the current and historical range of the rusty patched bumble bee to determine which areas meet the definition of critical habitat based on the physical or biological features and the criteria for delineating critical habitat, and we acknowledge that areas in agricultural landscapes may contain floral resources used by the species. There is a large amount of unoccupied and occupied suitable habitat within the historical range of the rusty patched bumble bee, but no additional areas meet the definition of critical habitat. The areas designated as critical habitat are those areas that contain the physical or biological features essential to the conservation of the species; these areas support the healthiest known populations of rusty patched bumble bee that remain today and are indispensable to the conservation of the species.

Critical habitat is just one tool used in the recovery of listed species. Other tools include (but are not limited to) the implementation of the Recovery Plan, education and outreach, integration of best management practices into land use planning (*e.g.,* voluntary habitat restoration and management) and, Conservation Benefit Agreements (and other non-Federal agreements). Other areas that support smaller populations of rusty patched bumble bee or contain unoccupied suitable habitat will be important to the recovery of the species. However, these areas do not meet the definition of critical habitat.

(5) Comment: Both peer reviewers suggested that the critical habitat unit designation should rely on crop-specific, spatially explicit estimates of pesticide use, managed pollinator needs or uses, and distribution of large apiaries to better address pesticide and pathogen exposure that may occur in alternative agricultural land uses.

Our Response: To address concerns around the potential exposure to pesticides and pathogens we evaluated the proximity of rusty patched bumble bee critical habitat units to commercial apiaries, large-scale agricultural land use, and associated pesticide use.

We considered using apiary location data in our analysis but concluded that we do not have a reliable dataset with enough apiary locations (*e.g.,* covering a large enough geographic scope for a meaningful analysis) and details (*e.g.,* managed bee species, dates of use, stocking rates). Generally, the locations of many apiaries are not publicly available.

To analyze the proximity of large-scale agriculture to the critical habitat units and crop-specific and spatially explicit estimates of pesticide use, we first conducted a spatial analysis to calculate the area of each specific agricultural crop type within the critical habitat units (*e.g.,* ''corn'' or the agricultural classification ''grassland/pasture'') using the National Land Cover Database layer and classifications (*https://www.usgs.gov/centers/eros/science/national-land-cover-database*). Agricultural acres were calculated for each of the 14 units and within 6.2 mile (10 km) surrounding each of the 14 units, to determine if there were substantial differences in the proportion of agricultural land uses and dominant crop types at the estimated maximum dispersal distance for the rusty patched bumble bee (6.2 mi, 10 km) around these units. These data were then summarized into the top 5 agricultural crop types within the 14 units and again at the 6.2 mi (10 km) buffered distance. Once we determined the dominant agricultural uses within each unit and in the surrounding 6.2 mi (10 km), we evaluated the typical pesticides used on each of the top five crops. Corn, soybeans, grassland/pasture, alfalfa (grown for hay/forage), and winter wheat were the top five crops within the unit and surrounding 6.2-mile area for all units except Unit 14. The top five crops in Unit 14 were deciduous forest, mixed forest, evergreen forest, grassland/pasture, and other hay (not alfalfa). Of the top 5 agricultural crops within both the critical habitat units and the 6.2 mi (10 km) buffers, none of these typically use commercially managed bees.

The limited pesticide data that are publicly available are time-limited estimates reported at scales much larger than the critical habitat units (*e.g.,* USGS pesticide synthesis data (*https://water.usgs.gov/nawqa/pnsp/usage/maps/county-level*) reports 1992–2019 data at the county and state levels). We are unable to accurately extrapolate the pesticide use by crop type within units, and any attempt to do so would result in averaged estimates rather than unit-specific data. However, a summary of all the major publicly available pesticide data sets (n=5) between 1992–2012 showed that 34–44 percent of soybeans and 79–100 percent of corn hectares were treated with neonicotinoid seed treatments (NSTs) in 2011 (Douglas and Tooker 2015, entire). The NSTs are also used in winter wheat and other crops.

The ratio of crop acreage within the units is much less than the ratio outside of the units. For example, within Unit 10 (McHenry), the top five crop types by acre are grassland/pasture (10,709 ac (4,333 ha)), corn (5,921 ac (2,396 ha)), soybeans (4,120 ac (1,667 ha)), alfalfa (510 ac (206 ha)), and winter wheat (380 ac (154 ha)). Buffered at 6.2 mi (10 km), the top five crop types for Unit 10 are corn (52,935 acres (21,422 ha)), grassland/pasture (35,845 ac (14,505 ha)), soybeans (31,034 ac (12,559 ha)), alfalfa (5,801 ac (2,347 ha)), and winter wheat (3,907 ac (1,581 ha)). This same pattern exists for all critical habitat units, except the dominant crop types in and surrounding Unit 14 are different from the other units (*i.e.,* Unit 14 is dominated by deciduous forest, mixed forest, evergreen forest, grassland/pasture, and other hay (not alfalfa) within the unit and within the 6.2 mi (10 km) buffer). Thus, while the agricultural acres increase substantially outside of the units (at the 6.2 mi (10 km) buffered distance), the crop types remain the same. Therefore, the types of pesticides in these areas (predominantly NSTs) do not change.

(6) Comment: One peer reviewer and several public commenters pointed out that we did not define ''large scale'' or ''industrial'' agriculture.

Our Response: Generally, large scale, intensive or industrial agriculture is agriculture which is designed for maximum yield and profit, and which typically relies at least in part on advanced technology, chemical inputs, and/or extensive irrigation. The U.S. Department of Agriculture (USDA) does not have an official definition of ''industrial agriculture'', but the term generally refers to large-scale, high-input farming systems that rely on mechanization, synthetic fertilizers, and pesticides to maximize crop and livestock yields.

Comments From States

(7) Comment: Virginia Department of Wildlife Resources (VADWR) commented that the critical habitat designation will limit their ability to manage habitat to meet their goals of restoring, creating, and managing native ecosystems for biodiversity, public access, and wildlife-related recreation.

Our Response: The critical habitat designation will have no additional regulatory effect on projects to manage habitat by the state of Virginia where there is no Federal nexus. Critical habitat designations only require Federal agencies to use their authorities to conserve endangered and threatened species and consult with us about actions that they carry out, fund, or authorize to ensure that they will not destroy or adversely modify critical habitat.

Unit 14 is largely owned by the U.S. Forest Service, making up approximately 90 percent of the unit. To facilitate the consideration of rusty patched bumble bees when conducting habitat restoration and maintenance in this largely forested area, we coordinated with the Eastern and Southern Regions of the U.S. Forest Service and are using consultation tools to facilitate their work. For example, we developed a proactive conservation approach to streamline section 7(a)(2) consultations for projects that may affect the rusty patched bumble bee on the Monongahela and George Washington and Jefferson National Forests (in West Virginia and Virginia). As a result, we issued a programmatic biological opinion outlining Forest Service habitat management actions that provide conservation benefits for the rusty patched bumble bee. The biological opinion also identified several possible conservation measures for each management action that when implemented, which will help minimize adverse effects to the rusty patched bumble bee. This consultation included all the rusty patched bumble bee habitat where the High Potential Zones (HPZs, mapped areas where the Service recommends consultations) and the two National Forests overlapped; this area largely coincides with the Back Creek Mountain Unit (Unit 14). We anticipate that the programmatic biological opinion for the species will also streamline consultations related to critical habitat designations in the two National Forests and streamline section 7 consultations for forest habitat management in other critical habitat units by providing a framework for other partners to use for similar activities. Further, this consultation and the resulting conservation measures could be used by other entities interested in conservation of the species.

(8) Comment: The VADWR commented that the Unit 14 designation does not offer enhanced rusty patched bumble bee conservation because Unit 14 overlaps considerably with the mapped HPZs in Virginia and the HPZs are already being used to trigger section 7 consultations on the species.

Our Response: The benefits of including lands in critical habitat can be regulatory, educational, or to aid in recovery of species as generally discussed throughout Consideration of Impacts Under Section 4(b)(2) of the Act below. For rusty patched bumble bee, the benefits of critical habitat include public awareness of the presence of species and the importance of habitat protection, and, where a Federal nexus exists, increased habitat protection for rusty patched bumble bee due to protection from destruction or adverse modification of critical habitat.

Consultations under section 7 of the Act require that agencies ensure their activities are not likely to jeopardize the continued existence of federally listed species, like the rusty patched bumble bee. These consultations consider activities that may affect the species and often its habitat. However, under section 7 of the Act, the agencies are also required to ensure their activities will not likely adversely modify designated critical habitat. Regulations implementing these sections of the Act define ''jeopardize the continued existence of'' as: ''to engage in an action that reasonably would be expected, directly or indirectly, to reduce appreciably the likelihood of both the survival and recovery of a listed species in the wild by reducing the reproduction, numbers, or distribution of that species,'' and ''destruction or adverse modification'' as: ''a direct or indirect alteration that appreciably diminishes the value of critical habitat for the conservation of a listed species'' (see 50 CFR 402.02). Such alterations include, but are not limited to, alterations adversely modifying any of those physical or biological features that were the basis for determining the habitat to be critical. As required by the Act, we designate as critical habitat those areas occupied by the species at the time of listing and that contain the physical or biological features essential to the conservation of the species and which may require special management considerations or protection.

Public Comments

(9) Comment: Several public commenters stated we should add additional areas to the critical habitat designation. Specifically, one commenter said we failed to provide enough habitat to meet recovery goals, ignored unoccupied habitat and two Conservation Units, and did not include substantial areas that should be part of the critical habitat designation. The commenters stated that failure to designate critical habitat in unoccupied areas and agricultural areas diminishes the potential for recovery of the rusty patched bumble bee. Other commenters suggested that we should also designate other occupied areas (or all occupied areas) as critical habitat. Lastly, commenters suggested that we should include agricultural lands where rusty patched bumble bees are present. They assert that these are the most at-risk populations and need the most protection.

Our Response: We designate areas that meet the definition of critical habitat under the Act. Critical habitat is just one tool used to recover species. Some species may not have designated critical habitat, and we still work to recover these species. We do not identify acreages of critical habitat thresholds needed to recover a species in our recovery plans.

With respect to unoccupied habitat, the rusty patched bumble is a habitat generalist that historically occupied a relatively large range across a broad spectrum of habitat types. Sufficient suitable habitat exists throughout the historical range for rusty patched bumble bee recovery, and there are no specific unoccupied areas that are essential for the conservation of the species. See the Criteria Used to Identify Critical Habitat section below for more information. Recovery efforts may still take place in areas where rusty patched bumble bee is not present, but the best scientific data do not currently identify any specific unoccupied geographical areas that are essential for the conservation of the species (*i.e.,* meet the definition of critical habitat). Accordingly, we have not designated any unoccupied critical habitat. Designating critical habitat does not ''provide'' additional habitat for a species. Critical habitat is one of several resources used to recover a species and must be designated only in areas that meet the definition of critical habitat.

Not all occupied areas meet the definition of critical habitat; therefore, it would be inappropriate to include such areas in the designation. In this case, areas that are only occasionally

occupied or support small populations and do not contain the physical or biological features essential to the conservation of the rusty patched bumble bee do not meet the definition of critical habitat.

See our response to Comment (4) above, related to the lack of agricultural areas included in the critical habitat designation. Furthermore, even if we were to designate agricultural areas as critical habitat (though we continue to maintain that there are no viable reasons to do so), under section 4(b)(2), we may exclude these areas from critical habitat if the benefits of exclusion outweigh those of inclusion, so long as exclusion will not result in extinction of the species.

(10) Comment: One public commenter provided more information about proposed Unit 7, specifically that the unit in Madison, Wisconsin includes lands managed by the U.S. Forest Service Forest Products Experimental Laboratory, University of Wisconsin Madison, hospitals and other developed lands that may not contain the physical or biological features essential to the conservation of the rusty patched bumble bee.

Our Response: We have included the additional ownership information in the unit description. The critical habitat designation overlaps a great deal of developed areas, such as lands covered by buildings, pavement, and other structures. These buildings, pavement, and other structures are not designated as critical habitat themselves because they lack the physical or biological features necessary for the rusty patched bumble bee. However, the physical or biological features for the rusty patched bumble bee are interspersed throughout the developed lands at such a scale that they cannot be mapped. The scale of the maps we prepared under the parameters for publication within the Code of Federal Regulations may not reflect the exclusion of such structures. Any such structures inside critical habitat boundaries shown on the maps of this rule have been excluded by text in the rule and are not designated as critical habitat.

(11) Comment: Several commenters urged us to designate additional areas adjacent to proposed Unit 14 in the Appalachians due to the rusty patched bumble bee's genetic distinctiveness in this area and the unique ecological setting.

Our Response: We have designated a contiguous area in the Appalachian region (Unit 14) based on areas that meet the definition of critical habitat. The Appalachian unit represents a large and sufficient proportion of this genetically important and ecologically unique area. Following our methodology (see the Criteria Used to Identify Critical Habitat section), we identified areas in the Appalachians that contained 50 or more recent observations of the species or were genetically distinct from other Appalachian areas and were buffered from large-scale agriculture. Only one contiguous area (Unit 14) had 50 recent observations of the species. While additional areas show some genetic variation within the Appalachians, all the sampled sites in the area fell within the same genetic cluster (Mola et al. p. 6–7). Therefore, additional areas were not identified by our methodology. A lack of critical habitat does not prevent conservation for the rusty patched bumble bee from occurring in areas outside of the designated critical habitat. In addition, projects with a federal nexus that overlap with areas where there is a high likelihood of species presence (*i.e.,* mapped HPZs) will still be considered in section 7(a)(2) consultations.

(12) Comment: Several commenters suggested that we designate corridors between proposed units as critical habitat, stating that these areas would provide additional opportunities for species interactions, support genetic exchange, and provide resilience from environmental stressors such as disease.

Our Response: Our conservation strategy and criteria for delineating critical habitat include considerations for genetic diversity and prevention of inbreeding, as well as resilience to stressors. As mentioned in the proposed rule, 50 verified rusty patched bumble bee observations since 2007 within the estimated foraging and dispersal distances likely represents multiple, interacting colonies existing over time, which facilitates genetic mixing. The proposed critical habitat polygons included some small-scale agricultural lands and agricultural lands that employ organic practices (though this was not a specific land cover type or land use designation used in our analysis), as well as connections between individual HPZs—notably within Units 1, 7 and 8.

Additionally, critical habitat designations do not specifically provide opportunities for species interactions, nor does the lack of a critical habitat designation prevent the opportunity. Though the areas suggested for critical habitat by the commenters are important habitats, they do not meet the definition of critical habitat because they do not contain the physical or biological features essential to the conservation of the species and do not meet our criteria for inclusion.

(13) Comment: One commenter suggested that all areas that would be enrolled in an anticipated Nationwide Conservation Benefit Agreement for Bumble Bees on Energy and Transportation Lands (bumble bee CBA) should be excluded from the rusty patched bumble bee critical habitat designation.

Our Response: Individuals who enroll in the 11-species bumble bee CBA will receive formal assurances that if they fulfill the conditions of the CBA, we will not require any additional or different management activities by the participants without their consent. The bumble bee CBA was signed on May 1, 2026; however, no areas have been enrolled in this program as of this date and thus cannot be considered for exclusion at this time. Additionally, we anticipate that many of the same partners participating in the monarch CCAA will enroll their lands in the bumble bee CBA, in which case these overlapping areas would already be excluded from critical habitat. Once enrollment in the CBA begins, the bumble bee CBA will provide conservation benefits for the rusty patched bumble bee while providing regulatory assurances for those enrolled. Additionally, if we have a substantial number of enrollees in the bumble bee CBA, we could be petitioned to revise critical habitat under the Act or we may discretionarily revisit the critical habitat to determine whether those areas should be excluded from critical habitat under section 4(b)(2) of the Act.

(14) Comment: The Energy and Wildlife Action Coalition (EWAC) encouraged the Service to reconsider the breadth of the proposal. The EWAC stated that projects planned within or near areas designated as critical habitat and that have a Federal nexus will experience delay and increased costs associated with a section 7 consultation, even where surveys demonstrate rusty patched bumble bee absence from the project area.

Our Response: Projects with a Federal nexus that overlap with HPZs consult with the Service regardless of the critical habitat designation. In HPZs with suitable habitat, conducting surveys would not relieve the Federal agency of its requirement to consult. Areas that are not habitat within an HPZ, such as buildings, pavement, and other structures, are not designated as critical habitat, and no consultation is needed (See Criteria Used to Identify Critical Habitat). As described in the economic screening analysis, all areas designated as critical habitat for the rusty patched bumble bee are considered occupied and therefore

already require section 7 consultation for activities that ''may affect'' the species independent of any critical habitat designation. The screening analysis projected additional administrative efforts to evaluate the potential for adverse modification of the rusty patched bumble bee critical habitat during the consultation process (IEc 2025, p. 11). As part of the consultation process, even if surveys are conducted that demonstrate absence of the species, the project proponent would still have to consider the critical habitat designation.

The critical habitat designation is based, in part, on the presence of rusty patched bumble bee. As confirmed in the ''Rusty Patched Bumble Bee (*Bombus affinis*): Endangered Species Act Section 7(a)(2) Voluntary Implementation Technical Assistance'' (available online *https://www.fws.gov/media/esa-section-7a2-voluntary-implementation-technical-assistance-rusty-patched-bumble-bee*), projects with a Federal nexus occurring within or affecting HPZs require section 7 consultations to assess potential adverse effects to the species. Once critical habitat is designated in these occupied areas, consultations in these critical habitat units would also need to consider potential for destruction or adverse modification to critical habitat. In recognition of the additional requirement to consider critical habitat in the section 7 consultation, the costs of this additional layer of compliance is quantified in the economic screening analysis. While we anticipate little to no additional consultations solely due to the designation because the areas are already considered to be occupied by the species, we note that additional analyses would be required to determine the effects of the action on the critical habitat in addition to the effects on the species. For the most part, the additional costs of avoiding the destruction and adverse modification of critical habitat are anticipated to be minimal because the measures implemented to minimize impacts to habitat to avoid jeopardizing the species are expected to prevent the destruction and adverse modification of critical habitat. As a result, the additional compliance costs associated with critical habitat designation are expected to be minimal. Nevertheless, in our economic screening analysis for the rusty patched bumble bee, we acknowledge the increased complexity of Section 7 consultations that consider critical habitat in addition to the species presence and quantify that administrative burden.

We acknowledge in rare cases that if an action agency chooses to conduct surveys and determines the rusty patched bumble bee does not occur in the action area and they determine there will be no effect to the species, the critical habitat designation could trigger the need to consult, which would result in costs that are solely based on the critical habitat. Since the species listing in 2017, no action agency has chosen to conduct surveys to establish absence rather than consult with us on the species. We anticipate that this situation will continue to be exceedingly rare.

(15) Comment: The EWAC commented that the critical habitat designation will increase delays and costs to electric generation and transmission and distribution projects, despite the ongoing efforts of such entities to proactively engage in rusty patched bumble bee conservation efforts. The comment states that designation of critical habitat adds an additional regulatory hurdle that could render some development projects infeasible, create new barriers, and dampen industry efforts to employ proactive, creative solutions to addressing complex conservation and electric reliability issues. The comment further describes that where the designation overlaps with existing electric infrastructure, it will likely increase facility management costs, increasing the electricity costs to customers.

Our Response: The rusty patched bumble bee has been listed as an endangered species since 2017. Since that time, we have consulted on projects and activities with a Federal nexus and made recommendations for project modifications to ensure these projects and activities minimize or avoid adverse effects on the species. In developing the critical habitat rule, we considered the potential for critical habitat to result in different project modifications than those typically recommended to avoid adverse effects on the species (which already consider the species' habitat). Best management practices or project modifications associated with the section 7 consultation process to prevent adverse effects to the species are also likely to directly prevent adverse modification or destruction of critical habitat. And because adverse modification and destruction of critical habitat are evaluated at the scale of the entire designation, projects taking place in a single critical habitat unit for rusty patched bumble bee are unlikely to trigger adverse modification or destruction of critical habitat from a single project. We recognize the proactive pollinator conservation that owners and operators of electric generation and transmission projects employ, and those activities will be considered during consultations for the species and its critical habitat. Thus, it is unlikely that the critical habitat designation would result in additional project modifications or barriers for development projects or for existing infrastructure and facility management above and beyond what would already be recommended due to the listed status of the species.

(16) Comment: The EWAC commented that the Service should reconsider its approach to analyzing the economic impacts associated with designating critical habitat, stating that the Service only considers administrative costs to the agency of undertaking an adverse modification analysis in the context of section 7 consultations. The comment states that this approach ignores the actual costs of requirements for mitigation and project delays, particularly where designated critical habitat extends beyond habitat that is presently occupied by a species. The comment describes that, absent critical habitat, if a project proponent conducts presence/absence surveys that demonstrate absence of relevant species, formal section 7 consultation may not be required if the project proponent or federal action agency concludes that the action is not likely to affect the listed species. The commenter then states that if that same area is designated as critical habitat, consultation may be required if the action may affect critical habitat, even absent the presence of the listed species.

Our Response: The scope of the economic screening analysis is not limited to the administrative costs to the agency of conducting an adverse modification analysis as part of section 7 consultations. Consistent with 50 CFR 424.12, the economic screening analyses consider the ''probable'' incremental economic impacts of designating critical habitat. This includes considering potential for the rule to result in administrative costs (to the U.S. Fish and Wildlife Service, to Federal action agencies, and to third parties to consultation), costs of implementing project modifications resulting from section 7 consultation, and other costs potentially triggered by the rule even outside of section 7 consultation (*e.g.,* potential for additional state or local regulatory requirements, project delays, or perceptional effects on land values).

Section 7 consultation is required for projects or activities with a Federal nexus that ''may affect'' the species or its critical habitat. For critical habitat area that is not occupied by the species

(*i.e.,* ''unoccupied critical habitat''), the presence of critical habitat triggers the need for section 7 consultation. For example, the project or activity may not affect the species (because it is not present) but may affect the critical habitat. Accordingly, designation of unoccupied critical habitat may have a higher likelihood of generating additional costs of consultation (both administrative and project modification costs). However, we are not designating any unoccupied critical habitat for the rusty patched bumble bee. For the rusty patched bumble bee, where we determined that additional project modifications are a probable outcome of critical habitat designation, the economic screening analysis considered the associated costs.

EWAC provided baseline costs associated with the listing of the rusty patched bumble bee, which were incorporated into the economics analysis. However, they did not provide information to support their comment that designating critical habitat would increase the cost of consultation above that of associated administrative costs. In the case of the rusty patched bumble bee, all designated critical habitat is currently occupied by the species. Projects and activities with a Federal nexus in these areas are subject to section 7 consultation and associated project modification recommendations regardless of whether critical habitat is designated. The Service determined that critical habitat is unlikely to change the conservation recommendations made as part of these consultations. Thus, the analysis finds that costs of additional project modifications are not a probable outcome of the critical habitat rule.

Background

Section 4(a)(3) of the Act requires that, to the maximum extent prudent and determinable, we designate a species' critical habitat concurrently with listing the species. Critical habitat is defined in section 3(5)(A) of the Act as:

(1) The specific areas within the geographical area occupied by the species, at the time it is listed in accordance with the Act, on which are found those physical or biological features.

(a) Essential to the conservation of the species, and

(b) Which may require special management considerations or protection; and

(2) Specific areas outside the geographical area occupied by the species at the time it is listed, upon a determination that such areas are essential for the conservation of the species.

Our regulations at 50 CFR 424.02 define the geographical area occupied by the species as an area that may generally be delineated around species' occurrences, as determined by the Secretary (*i.e.,* range). Such areas may include those areas used throughout all or part of the species' life cycle, even if not used on a regular basis (*e.g.,* migratory corridors, seasonal habitats, and habitats used periodically, but not solely by vagrant individuals).

Conservation, as defined under section 3(3) of the Act, means to use and the use of all methods and procedures that are necessary to bring an endangered or threatened species to the point at which the measures provided pursuant to the Act are no longer necessary. Such methods and procedures include, but are not limited to, all activities associated with scientific resources management such as research, census, law enforcement, habitat acquisition and maintenance, propagation, live trapping, and transplantation, and, in the extraordinary case where population pressures within a given ecosystem cannot be otherwise relieved, may include regulated taking.

Critical habitat receives protection under section 7 of the Act through the requirement that each Federal action agency ensure, in consultation with the Service, that any action they authorize, fund, or carry out is not likely to result in the destruction or adverse modification of designated critical habitat. The designation of critical habitat does not affect land ownership or establish a refuge, wilderness, reserve, preserve, or other conservation area. Such designation also does not allow the government or public to access private lands. Such designation does not require implementation of restoration, recovery, or enhancement measures by non-Federal landowners. Rather, designation requires that, where a landowner requests Federal agency funding or authorization for an action that may affect an area designated as critical habitat, the Federal agency consult with the Service under section 7(a)(2) of the Act. If the action may affect the listed species itself (such as for occupied critical habitat), the Federal action agency would have already been required to consult with the Service even absent the designation because of the requirement to ensure that the action is not likely to jeopardize the continued existence of the listed species. Even if the Service were to conclude after consultation that the proposed activity is likely to result in destruction or adverse modification of the critical habitat, the Federal action agency and the landowner are not required to abandon the proposed activity, or to restore or recover the species; instead, they must implement ''reasonable and prudent alternatives'' to avoid destruction or adverse modification of critical habitat. While these alternatives must be technologically and economically feasible, we acknowledge that their consideration may have incremental impacts on the timelines and cost of projects implemented within the critical habitat designation.

Under the first prong of the Act's definition of critical habitat, areas within the geographical area occupied by the species at the time it was listed are included in a critical habitat designation if they contain physical or biological features (1) which are essential to the conservation of the species and (2) which may require special management considerations or protection. For these areas, critical habitat designations identify, to the extent known, and using the best scientific data available, those physical or biological features that are essential to the conservation of the species (such as space, food, cover, and protected habitat).

Under the second prong of the Act's definition of critical habitat, we can designate critical habitat in areas outside the geographical area occupied by the species at the time it is listed, upon a determination that such areas are essential for the conservation of the species.

Section 4(b)(2) of the Act requires that we designate critical habitat on the basis of the best scientific data available. Further, our Policy on Information Standards Under the Endangered Species Act (published in the **Federal Register** on July 1, 1994 (59 FR 34271)), the Information Quality Act (section 515 of the Treasury and General Government Appropriations Act for Fiscal Year 2001 (Pub. L. 106–554; H.R. 5658)), and our associated Information Quality Guidelines provide criteria, establish procedures, and provide guidance to ensure that our decisions are based on the best scientific data available. They require our biologists, to the extent consistent with the Act and with the use of the best scientific data available, to use primary and original sources of information as the basis for recommendations to designate critical habitat.

When we are determining which areas should be designated as critical habitat, our primary source of information is generally the information compiled in

the SSA report and information developed during the listing process for the species. Additional information sources may include any generalized conservation strategy, criteria, or outline that may have been developed for the species; the recovery plan for the species; articles in peer-reviewed journals; conservation plans developed by States and counties; scientific status surveys and studies; biological assessments; other unpublished materials; or experts' opinions or personal knowledge.

A critical habitat designation does not signal that habitat outside the designated area is unimportant. Areas that are important to the conservation of the species, both inside and outside the critical habitat designation, will continue to be subject to: (1) Conservation actions implemented under section 7(a)(1) of the Act; (2) regulatory protections afforded by the requirement in section 7(a)(2) of the Act for Federal agencies to ensure their actions are not likely to jeopardize the continued existence of any endangered or threatened species; and (3) the prohibitions found in section 9 of the Act. These protections and conservation tools will continue to contribute to recovery of this species. Similarly, critical habitat designations made on the basis of the best scientific data available at the time of designation will not control the direction and substance of future recovery plans, habitat conservation plans (HCPs), or other species conservation planning efforts if new information available at the time of these planning efforts calls for a different outcome.

Physical or Biological Features Essential to the Conservation of the Species

In accordance with section 3(5)(A)(i) of the Act and regulations at 50 CFR 424.12(b), in determining which areas we will designate as critical habitat from within the geographical area occupied by the species at the time of listing, we consider the physical or biological features that are essential to the conservation of the species and which may require special management considerations or protection. The regulations at 50 CFR 424.02 define ''physical or biological features essential to the conservation of the species'' as the features that occur in specific areas and that are essential to support the life-history needs of the species, including, but not limited to, water characteristics, soil type, geological features, sites, prey, vegetation, symbiotic species, or other features. A feature may be a single habitat characteristic or a more complex combination of habitat characteristics. Features may include habitat characteristics that support ephemeral or dynamic habitat conditions. Features may also be expressed in terms relating to principles of conservation biology, such as patch size, distribution distances, and connectivity. For example, physical features essential to the conservation of the species might include gravel of a particular size required for spawning, alkaline soil for seed germination, protective cover for migration, or susceptibility to flooding or fire that maintains necessary early-successional habitat characteristics. Biological features might include prey species, forage grasses, specific kinds or ages of trees for roosting or nesting, symbiotic fungi, or absence of a particular level of nonnative species consistent with conservation needs of the listed species. The features may also be combinations of habitat characteristics and may encompass the relationship between characteristics or the necessary amount of a characteristic essential to support the life history of the species.

In considering whether features are essential to the conservation of the species, we may consider an appropriate quality, quantity, and spatial and temporal arrangement of habitat characteristics in the context of the life-history needs, condition, and status of the species. These characteristics include, but are not limited to, space for individual and population growth and for normal behavior; food, water, air, light, minerals, or other nutritional or physiological requirements; cover or shelter; sites for breeding, reproduction, or rearing (or development) of offspring; and habitats that are protected from disturbance.

Species Needs

Overwintering

Little is known about the overwintering habitats of rusty patched bumble bee queens, but based primarily on observations of other species, we assume that rusty patched bumble bee queens overwinter in upland closed-canopy forest. Forests are ecosystems where trees are the dominant life form. Forest interiors are large blocks of unfragmented forest with continuous canopy that shows no detectable edge influences (Harper et al. 2005, p. 771) and forest edge is the interface between forested and non-forested habitats that extends approximately 82–98 ft (25–30 m) into the forest (Harper et al. 2005, pp. 771, 774). Most overwintering *Bombus* queens reported in the literature in North America were underground, and most were in shaded areas near trees and in banks without dense vegetation (Liczner and Colla 2019, p. 787). The only documented overwintering rusty patched bumble bee queen, discovered in a hemlock grove within a larger maple oak-forest (about 0.3 mile (mi) (0.5 kilometer (km)) into the forest) in Wisconsin in 2016, was found on a level area near the bottom of a north-facing slope under a few centimeters of leaf litter and loose soil (Herrick, University of Wisconsin-Madison Landscape Arboretum, 2016 and 2024, pers. comm.). Other species of the *Bombus* genus typically form a chamber in loose (uncompacted), soft soil, a few centimeters deep in bare earth, in moss, under tree litter, or in bare patches within short grass, and they may avoid areas with dense vegetation (Alford 1969, p. 156; Liczner and Colla 2019, p. 792). Overwintering habitat preferences may be species-specific and dependent on factors such as slope orientation and timing of emergence. For example, *Bombus* queens have been found in well-drained soil that was shaded from direct sunlight in banks or under trees and was free from living ground vegetation (Alford 1969, pp. 150–152). For underground sites, soil type is often described as sandy and well-drained (Alford 1969, p. 169), which suggests that maintaining a consistently low moisture level is important (Sladen 1912, pp. 94–101). Because soil temperature influences diapause duration and emergence (Alford 1969, pp. 161–168; Beekman et al. 1998, p. 207), it has been hypothesized that the apparent preference for north-facing slopes and shaded areas is to prevent the overwintering queens from emerging too early on relatively warm days in the winter or early spring (Alford 1969, pp. 149–169), and more generally, it could suggest selection of sites that buffer hibernating bees from both temperature and moisture fluctuations (Williams et al. 2019, pp. 1–3). Based on these studies, we assume rusty patched bumble bees are overwintering in any contiguous forest patch (*i.e.,* forested areas with native plants that provide springtime pollen and nectar, with leaf litter or duff for burrowing, with uncompacted, well drained soils and not dominated by invasive understory plant species, like common buckthorn) that contains forest greater than 82–98ft (25–30m) from a non-forested edge.

Nesting

Rusty patched bumble bee nests are typically 1 to 4 ft (0.3 to 1.2 m) underground in abandoned rodent nests, other mammal burrows, or other

underground cavities with ample cover, and occasionally at the soil surface or in aboveground structures (Plath 1922 pp. 190–191; Macfarlane 1974, p. 5; Macfarlane 1994, pp. 5–6). Among the rusty patched bumble bee nests studied in Ontario, 95 percent were underground (Macfarlane 1974, p. 6; Macfarlane 1994, p. 5). More recent rusty patched bumble bee nest observations were associated with rodent burrows (Boone et al. 2022; Smith et al. 2025, p. 10), as were recently discovered nests of a closely related species, the western bumble bee (*B. occidentalis*) (Everett et al. in process, entire), which is in the same subgenus as rusty patched bumble bee. Three western bumble bee nests excavated in 2022 and 2023 in central Oregon were located in abandoned rodent burrows with soils classified as loamy sand, with an average of 84 percent sand particles (Everett et al. in process, entire). The transition zone between forest and grassland, as well as field boundaries, meadow margins, and forest edges, can be particularly valuable bumble bee nesting habitat due to the presence of abandoned rodent nests and undisturbed habitat with diverse floral resources (Hines and Hendrix 2005, p. 1483).

Foraging

Bumble bees are generalist foragers that collect nectar and pollen from a wide diversity of plants (Xerces 2013, pp. 27–28). The rusty patched bumble bee is one of the first bumble bee species to emerge early in the spring and last to go into diapause (hibernation) in the fall. To meet its nutritional needs, the species requires a constant and diverse supply of flowers that bloom throughout the colony's flight period from spring through the fall (MacFarlane et al. 1994, p. 5). The nectar from flowers provides carbohydrates and the pollen provides protein, fatty acids, and micronutrients for the species (Di Pasquale et al. 2013, p. 4; Lau et al. 2022, pp. 6–8). The number of new queens that a colony can produce is directly related to the amount of pollen that is available (Burns 2004, p. 150).

Based on other *Bombus* species, which typically exhibit foraging distances of less than 0.6 mi (1 km) from their nesting sites (Knight et al. 2005, p. 1816; Wolf and Moritz 2008, p. 422; Dramstad 1996, pp. 163–182; Osborne et al. 1999, pp. 524–526; Rao and Strange 2012, pp. 909–911), the rusty patched bumble bee may need floral resources in close proximity to its nest, although studies have not confirmed this to date. The rusty patched bumble bee may also be dependent on forest spring ephemeral flowers because of the species' early emergence in the spring and its association with forests and near forested habitats (Colla and Dumesh 2010, pp. 45–46, 48).

Readily available access to high-quality foraging habitats near nests allows other bumble bee species' workers to maintain short foraging distances (Crowther et al. 2019). In Wisconsin, detection probabilities of all bumble bee species, including rusty patched bumble bees, increased with floral abundance (Nunes et al. 2024, p. 221). Furthermore, colonies with low floral abundance around their nests may produce few workers, and males may fail to produce any new queens (Pelletier and McNeil 2003, pp. 691–692; Burns 2004, pp. 149, 155–156; Samuelson et al. 2018, pp. 57; Timberlake et al. 2021, p. 1013). Workers of other bumble bee species can forage 0.6 mi (1 km) or more from nests but may predominantly forage within a few hundred meters (Dramstad 1996, pp. 170–175; Osborne et al. 1999, pp. 524–526, 529; Wolf and Moritz 2008, p. 422; Rao and Strange 2012, p. 911). A paucity of spring floral resources contributed to high pathogen loads in one bumble bee species studied in Pennsylvania and may exacerbate the threat posed by disease transmission from honeybee apiaries (McNeil et al. 2020, p. 3).

The availability of floral resources is dependent on the proper soil and precipitation conditions to sustain them. Extended periods of drought, for instance, may lessen the availability and diversity of flowering plants in a given area because plant phenology is primarily driven by temperature, precipitation, and the timing of snowmelt in the spring (Inouye and Wielgolaski 2003, p. 207; Wielgolaski and Inouye 2003, pp. 179–181; Pyke et al. 2016, p. 12).

Dispersal Habitat

Based on studies of closely related species, the buff-tailed bumblebee (*Bombus terrestris*) (Kraus et al. 2009, p. 249; Lepais et al. 2010, pp. 826–827) and the yellow-faced bumble bee (*B. vosnesenskii*) (Jha and Kremen 2013, p. 2492), the maximum dispersal distance of rusty patched bumble bee males and new queens is estimated to be up to 10 km (6.2 mi) to find mates in the autumn. Floral resource availability within dispersal areas is important for fueling flight, particularly for males and gynes (female bumble bees that will become queens).

Summary of Essential Physical or Biological Features

We derive the specific physical or biological features essential to the conservation of the rusty patched bumble bee from studies of the species' habitat, ecology, and life history as described above. Additional information can be found in the SSA report (Service 2016, entire; available on *https://www.regulations.gov* under Docket No. FWS–R3–ES–2015–0112–0245). We have determined that the following physical or biological features are essential to the conservation of the rusty patched bumble bee:

(1) For overwintering, contiguous upland forest habitat, at least 82 feet (25 meters (m)) from a non-forested edge, with plants that provide spring pollen and nectar for spring queen foraging immediately after emergence from diapause, containing leaf litter or duff for burrowing, and without dense invasive plant understory vegetation.

(2) For nesting, upland grasslands, shrublands, savannas, and the forest edge interface between forested and non-forested natural habitats that extends approximately 30 meters into the forest.

(3) For nesting, abandoned rodent burrows, other mammal burrows, existing cavities with ample cover, or similar existing cavities at the soil surface or below to 4 feet underground.

(4) For nesting and overwintering, well-drained, uncompacted, loose soils sheltered from the elements.

(5) For foraging, diverse, abundant, native floral resources for the entire active flight season.

Special Management Considerations or Protection

When designating critical habitat, we assess whether there are specific areas within the geographical area occupied by the species at the time of listing containing physical or biological features which (1) are essential to the conservation of the species, and (2) may require special management considerations or protection. The features essential to the conservation of this species may require special management considerations or protection to reduce stressors that are anticipated to degrade the physical or biological features, including, but not limited to, ground disturbance or compaction activities (*e.g.,* road and rail construction), habitat management (*e.g.,* prescribed burns, herbicide use), forestry activities (*e.g.,* timber harvest), actions that cause an increase in the extent or duration of surface flooding or soil saturation (*e.g.,* water

impoundments, alteration or interruption of existing drainage patterns, surface runoff alterations), actions that increase competition for floral resources (*e.g.,* use of managed bees), and pesticide applications. Sources of these stressors include, but are not limited to, agricultural, municipal, and residential land uses. The physical or biological features for the rusty patched bumble bee may require special management considerations or protection to address these threats.

Management activities that could ameliorate these threats include, but are not limited to: management techniques to enhance floral resources or reduce invasive plants or both, such as planting or seeding to increase the abundance and diversity of native wildflowers (although we acknowledge that non-native floral resources play a role in the rusty patched bumble bee diet), removing and controlling invasive plants, using prescribed fire, and mowing; use of best management practices for managed bees to reduce or eliminate competition for resources; and use of forestry best management practices to enhance early spring foraging resources (*e.g.,* spring ephemerals, native flowering trees) and to reduce ground disturbance in forested areas during the overwintering season.

These management activities would protect the physical or biological features for the species by maintaining and increasing nectar and pollen resources, maintaining or increasing the availability of suitable nesting habitat and potential nesting sites (*e.g.,* rodent burrows), and maintaining or increasing the availability of suitable overwintering habitat for the species.

Criteria Used To Identify Critical Habitat

As required by section 4(b)(2) of the Act, we use the best scientific data available to designate critical habitat. In accordance with the Act and our implementing regulations at 50 CFR 424.12(b), we review available information pertaining to the habitat requirements of the species and identify specific areas within the geographical area occupied by the species at the time of listing and any specific areas outside the geographical area occupied by the species to be considered for designation as critical habitat. We are not designating any areas outside the geographical area occupied by the species because we have not identified any unoccupied areas that meet the definition of critical habitat. There are no unoccupied areas that are essential for the conservation of the rusty patched bumble bee. We identified no unoccupied areas that are free from potential interactions with managed bees or large-scale agricultural lands and contain the physical or biological features essential to the conservation of the species. There are no other areas that meet the definition of critical habitat. Because there are no bees in unoccupied areas, no unoccupied areas support genetically distinct populations of rusty patched bumble bee that are important for the conservation of the species or support the healthiest remaining populations that are still on the landscape. There are many unoccupied areas that may contain suitable habitat for the rusty patched bumble bee; however, we did not identify any specific unoccupied areas that are essential for the conservation of the species. Rusty patched bumble bee range is not restricted by a lack of habitat in its historical range. There are large areas of available suitable habitat where the rusty patched bumble bee no longer occurs; these areas can be considered in our recovery efforts with or without a critical habitat designation.

Sources of data for the rusty patched bumble bee and its habitat needs include research published in peer-reviewed articles on the species and related species, agency reports, communication with species experts, the 2021 rusty patched bumble bee recovery plan (Service 2021, entire), data submitted from 10(a)(1)(A) scientific recovery permit holders and public participation websites (*e.g., https://www.inaturalist.org/*), and the Service's published ''High Potential Zones'' (HPZ) and potential dispersal area data for rusty patched bumble bee (available from ArcGIS online at *https://www.arcgis.com/home/item.html?id=15b68d967aab4737981d172e8e25f78f,* accessed June 9, 2024).

After identifying areas that contain the physical or biological features essential to the conservation of the species, we then identified overlapping areas that likely have multiple colonies interacting with each other. A minimum of 50 verified rusty patched bumble bee observations since 2007 within estimated foraging and dispersal distances of one another likely represents multiple, interacting colonies existing over time, rather than single observations of a single individual (most observations are of female workers; however, some observations are males or queens). Clustered, interacting colonies foster gene flow among them, thereby helping to facilitate genetic health. Maintaining gene flow among colonies is especially important in species like the rusty patched bumble bee because of genetic characteristics that can produce inviable or sterile males (that is, single locus complementary sex determination), which may lead to rapid extirpation, especially as colonies become small and isolated (Zayed and Packer 2005, p. 10744; Zayed 2009, entire).

We used the HPZ model developed at the time of listing to determine areas with the highest potential for the species to be present and for which observation points were within likely foraging or dispersal distances from each other. This model uses ArcGIS software that considers the likelihood of rusty patched bumble bee movement based on the National Land Cover Database (NLCD; *https://www.usgs.gov/centers/eros/science/national-land-cover-database*). This model assesses the likelihood of rusty patched bumble bee distribution from the locations of known records based on the manner in which various land cover types may affect bumble bee movement and behavior. Land cover types are grouped as having strong, moderate, weak, or no limits on the species' movement based on the best available information for this species or similar bumble bee species. This methodology was based on a similar model created to examine movement of the yellow-faced bumble bee (*Bombus vosnesenskii*) (Jha and Kremen 2013, entire). The polygons generated from the HPZ model suggest areas with the highest potential for the species to be present, based on typical bumble bee foraging distances, estimated dispersal distances, and the ability of bumble bees to move through various land cover types, but the model does not attempt to identify or quantify suitable habitat for the species (for more details, see *https://www.fws.gov/media/high-potential-zone-model-rusty-patched-bumble-bee*).

After identifying areas that likely have multiple interacting colonies and are within a contiguous HPZ, we then identified areas that are genetically distinct. Analyses of rangewide genetic data collected from extant records show that rusty patched bumble bees in the Appalachian region of West Virginia and Virginia represent a genetically distinct population cluster with substantial differentiation from the rest of the extant range (Mola et al. 2024, p. 8).

Finally, we included areas buffered from the impacts of large-scale agricultural use of pesticides and managed bees. Prior to its listing as endangered in 2017, the species experienced a widespread and steep decline. The exact cause of the decline

is unknown, but evidence suggests a synergistic interaction between an introduced pathogen and exposure to pesticides (specifically, insecticides and fungicides; Service 2016, p. 53). Pathogens can be introduced to rusty patched bumble bees through managed bees. Generally, the term ''managed bees'' is defined as hives or colonies of bees that are used commercially to provide pollination services for a wide variety of crops over the growing season, with some hives or colonies moved within and among States multiple times throughout any one growing season. We, therefore, include only areas that are at least 0.6 mi (1 km) away from large-scale and intensive agricultural areas that rely on pesticides, or use a variety of managed bees for pollination, or both. This distance is used to buffer areas from the potential impacts of managed bees and pesticides that may be used in large-scale agriculture.

In summary, for areas within the geographical area occupied by the species at the time of listing, we delineated critical habitat unit boundaries using the following criteria:

(1) Areas within a contiguous high potential zone (HPZ) with 50 or more positive observations since 2007.

(2) Areas that include any known genetically distinct populations.

(3) Areas that are at least 0.6 mi (1 km) away from large-scale agriculture that use pesticides, managed bees, or both.

By applying this methodology, we delineated the areas that meet the definition of critical habitat for the rusty patched bumble bee. The Act's definition of ''critical habitat'' requires the Secretary to identify areas based on the conservation needs of the species and section 4(b)(2) expressly requires designations to be made based on the best scientific data available. Having followed the biologically driven first step of identifying ''critical habitat'' for a species, the Secretary next turns to the remaining procedures set forth in section 4(b)(2), which allow for consideration of whether those areas ultimately should be designated as critical habitat. Pursuant to the first sentence of section 4(b)(2), the Secretary undertakes the mandatory consideration of impacts on the economy and national security, as well as any other impacts the Secretary determines relevant. However, weighing analyses for exclusion under section 4(b)(2) of the Act are not conducted for areas not identified as critical habitat.

This critical habitat overlaps a great deal of developed areas, such as lands covered by buildings, pavement, and other structures. These structures are not designated as critical habitat themselves because such structures lack the physical or biological features essential to the conservation of the rusty patched bumble bee. However, the physical or biological features for rusty patched bumble are interspersed throughout the developed lands at such a scale that they cannot be mapped. The scale of the maps we prepared under the parameters for publication within the Code of Federal Regulations may not reflect the exclusion of such structures. Any such structures left inside critical habitat boundaries shown on the maps of this rule have been excluded by text in the rule and are not designated as critical habitat. Therefore, a Federal action involving such structures (and not affecting the designated critical habitat) will not trigger section 7 consultation with respect to critical habitat and the requirement of no adverse modification unless the specific action will affect the physical or biological features in the surrounding critical habitat.

The critical habitat designation is defined by the map or maps, as modified by any accompanying regulatory text, presented at the end of this document under Regulation Promulgation. We include more detailed information on the boundaries of the critical habitat designation in the preamble of this document. We will make the coordinates or plot points or both on which each map is based available to the public on *https://www.regulations.gov* at Docket No. FWS–R3–ES–2024–0132 and on our internet site *https://www.fws.gov/species/rusty-patched-bumble-bee-bombus-affinis.*

Final Critical Habitat Designation

We are designating 14 units as critical habitat for the rusty patched bumble bee. The critical habitat areas we describe below constitute our current best assessment of areas that meet the definition of critical habitat for rusty patched bumble bee. The 14 areas we designate as critical habitat are: (1) Minneapolis-St. Paul Metropolitan; (2) Northfield; (3) Rochester; (4) Winona; (5) Denzer; (6) Bunker Hill; (7) Madison; (8) Milwaukee; (9) Rockford; (10) McHenry; (11) Elgin; (12) Lost Nation; (13) Iowa City; and (14) Back Creek Mountain. Table 1 shows the critical habitat units and the approximate area of each unit.

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Table 1. Final Critical Habitat Units for the Rusty Patched Bumble Bee.

[Area estimates reflect all land within critical habitat unit boundaries.]

Critical Habitat Unit	Land Ownership by Type	Size of Unit in Acres (Hectares)	Change from the Proposed Rule
1. Minneapolis-St. Paul Metropolitan (Minnesota)	Private Federal State/local Tribal **Total**	462,540 (187,183) 5,337 (2,160) 49,891 (20,190) 3,086 (1,249) 520,854 (210,782)	-46,951 ac (-19,000 ha)
2. Northfield (Minnesota)	Private Federal State/local Tribal **Total**	11,542 (4,671) 0 496 (201) 0 12,038 (4,872)	-518 ac (-210 ha)
3. Rochester (Minnesota)	Private Federal State/local Tribal **Total**	40,727 (16,482) 0 889 (360) 0 41,616 (16,841)	-1,475 ac (-597 ha)
4. Winona (Minnesota)	Private Federal State/local Tribal **Total**	27,905 (11,293) 0 404 (163) 0 28,309 (11,456)	-1,514 ac (-613 ha)
5. Denzer (Wisconsin)	Private Federal State/local Tribal **Total**	26,283 (10,636) 0 706 (286) 0 26,989 (10,922)	-20 ac (-8 ha)
6. Bunker Hill (Wisconsin)	Private Federal State/local Tribal **Total**	13,558 (5,487) 0 4,758 (1,925) 0 18,316 (7,412)	-370 ac (-150 ha)
7. Madison (Wisconsin)	Private Federal State/local Tribal **Total**	198,107 (80,171) 304 (123) 6,712 (2,716) 4 (2) 205,127 (83,011)	-5,626 ac (-2,277 ha)
8. Milwaukee (Wisconsin)	Private Federal State/local Tribal **Total**	225,865 (91,404) 126 (51) 12,927 (5,231) 10 (4) 238,928 (96,691)	-14,064 ac (-5,692 ha)
9. Rockford (Illinois)	Private Federal State/local	128,064 (51,826) 0 2,604 (1,054)	-19,441 ac (-7,867 ha)

	Tribal **Total**	0 130,668 (52,879)	
10. McHenry (Illinois and Wisconsin)	Private Federal State/local Tribal **Total**	58,601 (23,715) 2 (1) 6,861 (2,777) 0 65,464 (26,492)	-2,831 ac (-1,146 ha)
11. Elgin (Illinois)	Private Federal State/local Tribal **Total**	57,285 (23,182) 0 12,494 (5,056) 0 69,761 (28,231)	-5,301 ac (-2,145 ha)
12. Lost Nation (Illinois)	Private Federal State/local Tribal **Total**	12,046 (4,875) 0 597 (242) 0 12,643 (5,116)	-2,400 ac (-971 ha)
13. Iowa City (Iowa)	Private Federal State/local Tribal **Total**	30,500 (12,343) 11,209 (4,536) 3,922 (1,587) 0 45,631 (18,466)	-271 ac (-109 ha)
14. Back Creek Mountain (Virginia and West Virginia)	Private Federal State/local Tribal **Total**	11,193 (4,530) 105,551 (42,715) 1,845 (747) 0 118,589 (47,991)	-14 ac (-6 ha)
Totals	Private Federal State/local Tribal **Total**	1,304,216 (527,797) 122,529 (49,586) 105,106 (42,535) 3,100 (1,255) 1,534,951 (621,173)	-100,795 ac (-40,790 ha)

Note: Area sizes may not sum due to rounding.

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We present brief descriptions of all units, and reasons why they meet the definition of critical habitat for rusty patched bumble bee, below. All units are occupied and contain all of the essential physical or biological features.

Unit 1: Minneapolis-St. Paul Metropolitan

Unit 1 consists of 520,854 ac (210,782 ha) in the Minneapolis-St. Paul metropolitan area of Minnesota in Ramsey, Scott, Dakota, Pierce, Washington, Carver, Hennepin, and St. Croix Counties. This unit consists of private lands (462,540 ac (187,183 ha)), Minnesota State and local government-owned lands (49,891 ac (20,190 ha)), Tribal lands (3,086 ac (1,249)), and Federal lands (5,337 ac (2,160 ha)). The Federal lands include the National Park Service's Mississippi National River and Recreational Area and Lower St. Croix National Scenic Riverway, and the Service's Minnesota Valley National Wildlife Refuge. Approximately 212 ac (86 ha) of privately owned lands are managed by the U.S. Department of Agriculture's Natural Resources Conservation Service (USDA–NRCS) Wetlands Reserve Program. Tribal lands include Shakopee Mdewakanton Sioux Community and Shakopee Mdewakanton Sioux Community Off-Reservation Land Trust.

In the proposed rule, this unit comprised 567,805 ac (229,782 ha), an area which included lands covered by the monarch CCAA. We have excluded from the final designation the portion covered by the monarch CCAA, approximately 40,226 ac (16,279 ha) (see Consideration of Impacts Under Section 4(b)(2) of the Act, below). We also removed an additional 6,725 ac (2,722 ha) from this unit, resulting from the correction of an error (see Summary of Changes From the Proposed Rule). This unit also exempts approximately 47 ac (19 ha) of the Ft. Snelling ARC. Their INRMP was updated to include the rusty patched bumble bee between the proposed and final designation of critical habitat (see the Exemptions section below).

Special management considerations or protection may be required within

Unit 1 to alleviate impacts from stressors that are anticipated to degrade the physical or biological features, including, but not limited to, ground disturbance or compaction activities (*e.g.,* road and rail construction), habitat management (*e.g.,* prescribed burns, herbicide use), forestry activities (*e.g.,* timber harvest), actions that cause an increase in the extent or duration of surface flooding or soil saturation (*e.g.,* water impoundments, alteration or interruption of existing drainage patterns, surface runoff alterations), and pesticide applications.

Unit 2: Northfield

Unit 2 consists of 12,038 ac (4,872 ha) in the Northfield, Minnesota, metropolitan area in Dakota and Rice Counties. This unit consists of private lands (11,542 ac (4,671 ha)), and Minnesota State and local government-owned lands (496 ac (201 ha)). There are no Federal or Tribal lands identified in this unit.

In the proposed rule, this unit comprised 12,557 ac (5,082 ha), an area which included lands covered by the monarch CCAA. We have excluded from this unit the portion covered by the monarch CCAA, approximately 518 ac (210 ha) (see Consideration of Impacts Under Section 4(b)(2) of the Act, below).

Special management considerations or protection may be required within Unit 2 to alleviate impacts from stressors that are anticipated to degrade the physical or biological features, including, but not limited to, ground disturbance or compaction activities (*e.g.,* road and rail construction), habitat management (*e.g.,* prescribed burns, herbicide use), forestry activities (*e.g.,* timber harvest), actions that cause an increase in the extent or duration of surface flooding or soil saturation (*e.g.,* water impoundments, alteration or interruption of existing drainage patterns, surface runoff alterations), and pesticide applications.

Unit 3: Rochester

Unit 3 consists of 41,616 ac (16,841 ha) in the Rochester, Minnesota, metropolitan area in Olmsted County. This unit consists of private lands (40,727 ac (16,482 ha)), and Minnesota State and local government-owned lands (889 ac (360 ha)). There are no Federal or Tribal lands identified in this unit.

In the proposed rule, this unit comprised 43,091 ac (17,438 ha), an area which included lands covered by the monarch CCAA. We have excluded from this unit the portion covered by the monarch CCAA, approximately 1,094 ac (443 ha) (see Consideration of Impacts Under Section 4(b)(2) of the Act, below). We also removed an additional 381 ac (154 ha) from this final designation, resulting from the correction of an error (see Summary of Changes From the Proposed Rule).

Special management considerations or protection may be required within Unit 3 to alleviate impacts from stressors that are anticipated to degrade the physical or biological features, including, but not limited to, ground disturbance or compaction activities (*e.g.,* road and rail construction), habitat management (*e.g.,* prescribed burns, herbicide use), forestry activities (*e.g.,* timber harvest), actions that cause an increase in the extent or duration of surface flooding or soil saturation (*e.g.,* water impoundments, alteration or interruption of existing drainage patterns, surface runoff alterations), and pesticide applications.

Unit 4: Winona

Unit 4 consists of 28,309 ac (11,456 ha) in the Winona, Minnesota, area in Winona County. This unit consists of private lands (27,905 ac (11,293 ha)), and Minnesota State and local government-owned lands (404 ac (163 ha)). There are no Federal or Tribal lands identified in this unit.

In the proposed rule, this unit comprised 29,823 ac (12,069 ha), an area which included lands covered by the monarch CCAA. We have excluded this unit the portion covered by the monarch CCAA, approximately 674 ac (273 ha) (see Consideration of Impacts Under Section 4(b)(2) of the Act, below). We also removed an additional 840 ac (340 ha) from this final designation, resulting from the correction of an error (see Summary of Changes From the Proposed Rule).

Special management considerations or protection may be required within Unit 4 to alleviate impacts from stressors that are anticipated to degrade the physical or biological features, including, but not limited to, ground disturbance or compaction activities (*e.g.,* road and rail construction), habitat management (*e.g.,* prescribed burns, herbicide use), forestry activities (*e.g.,* timber harvest), actions that cause an increase in the extent or duration of surface flooding or soil saturation (*e.g.,* water impoundments, alteration or interruption of existing drainage patterns, surface runoff alterations), and pesticide applications.

Unit 5: Denzer

Unit 5 consists of 26,989 ac (10,922 ha) in Sauk County near Denzer, Wisconsin. This unit consists of private lands (26,283 ac (10,636 ha)), and Wisconsin State and local government-owned lands (706 ac (286 ha)). There are no Federal or Tribal lands identified in this unit.

In the proposed rule, this unit comprised 27,009 ac (10,930 ha). We removed an area of 20 ac (8 ha) from this unit, resulting from the correction of an error (see Summary of Changes From the Proposed Rule).

Special management considerations or protection may be required within Unit 5 to alleviate impacts from stressors that are anticipated to degrade the physical or biological features, including, but not limited to, ground disturbance or compaction activities (*e.g.,* road and rail construction), habitat management (*e.g.,* prescribed burns, herbicide use), forestry activities (*e.g.,* timber harvest), actions that cause an increase in the extent or duration of surface flooding or soil saturation (*e.g.,* water impoundments, alteration or interruption of existing drainage patterns, surface runoff alterations), and pesticide applications.

Unit 6: Bunker Hill

Unit 6 consists of 18,316 ac (7,412 ha) in Iowa County near Bunker Hill, Wisconsin. This unit consists of private lands (13,558 ac (5,487 ha)) and Wisconsin State and local government-owned lands (4,758 ac (1,925 ha)). There are no Federal or Tribal lands identified in this unit.

In the proposed rule, this unit comprised 18,686 ac (7,562 ha), an area which included lands covered by the monarch CCAA. We have excluded from this unit the portion covered by the monarch CCAA, approximately 370 ac (150 ha) (see Consideration of Impacts Under Section 4(b)(2) of the Act, below).

Special management considerations or protection may be required within Unit 6 to alleviate impacts from stressors that are anticipated to degrade the physical or biological features, including, but not limited to, ground disturbance or compaction activities (*e.g.,* road and rail construction), habitat management (*e.g.,* prescribed burns, herbicide use), forestry activities (*e.g.,* timber harvest), actions that cause an increase in the extent or duration of surface flooding or soil saturation (*e.g.,* water impoundments, alteration or interruption of existing drainage patterns, surface runoff alterations), and pesticide applications.

Unit 7: Madison

Unit 7 consists of 205,127 ac (83,011 ha) in Dane and Iowa Counties near Madison, Wisconsin. This unit consists of private lands (198,107 ac (80,171 ha)), Wisconsin State and local government-

owned lands (6,712 ac (2,716 ha)), Tribal lands (4 ac (2 ha)), and Federal lands (156 ac (63 ha)). The Federal lands include the U.S. Forest Service's Forest Products Experimental Laboratory, National Park Service's Ice Age National Scenic Trail, and the Service's Dane County Waterfowl Production Area. Approximately 304 ac (123 ha) of private lands in this unit are managed by the USDA–NRCS Wetlands Reserve Program, and approximately 53 ac (21 ha) of private lands are managed by the USDA–NRCS Emergency Waters Protection Program. The Tribal lands are managed by the Ho-Chunk Nation.

In the proposed rule, this unit comprised 210,753 ac (85,289 ha), an area which included lands covered by the monarch CCAA. We have excluded from this unit the portion covered by the monarch CCAA, approximately 5,598 ac (2,265 ha) (see Consideration of Impacts Under Section 4(b)(2) of the Act, below). We also removed an additional 28 ac (11 ha) from this unit, resulting from the correction of an error (see Summary of Changes From the Proposed Rule).

Special management considerations or protection may be required within Unit 7 to alleviate impacts from stressors that are anticipated to degrade the physical or biological features, including, but not limited to, ground disturbance or compaction activities (*e.g.,* road and rail construction), habitat management (*e.g.,* prescribed burns, herbicide use), forestry activities (*e.g.,* timber harvest), actions that cause an increase in the extent or duration of surface flooding or soil saturation (*e.g.,* water impoundments, alteration or interruption of existing drainage patterns, surface runoff alterations), and pesticide applications.

Unit 8: Milwaukee

Unit 8 consists of 238,928 ac (96,691 ha) in the Milwaukee, Wisconsin, metropolitan area in Milwaukee, Ozaukee, Racine, Washington, and Waukesha Counties. This unit consists of private lands (225,865 ac (91,404 ha)), Wisconsin State and local government-owned lands (12,927 ac (5,231 ha)), and Tribal lands (10 ac (4 ha)), and Department of Defense (126 ac (51 ha)) lands. Approximately 66 ac (27 ha) of private lands in this unit are managed by the USDA–NRCS Wetlands Reserve Program. Tribal lands are in the Forest County Potawatomi Off-Reservation Land Trust.

In the proposed rule, this unit comprised 252,992 acres (102,382 ha), an area which included lands covered by the monarch CCAA. We have excluded from this unit the portion covered by the monarch CCAA, approximately 12,590 ac (5,095 ha) (see Consideration of Impacts Under Section 4(b)(2) of the Act, below). We also removed an additional 1,474 ac (597 ha) from this unit, resulting from the correction of an error (see Summary of Changes From the Proposed Rule).

Special management considerations or protection may be required within Unit 8 to alleviate impacts from stressors that are anticipated to degrade the physical or biological features, including, but not limited to, ground disturbance or compaction activities (*e.g.,* road and rail construction), habitat management (*e.g.,* prescribed burns, herbicide use), forestry activities (*e.g.,* timber harvest), actions that cause an increase in the extent or duration of surface flooding or soil saturation (*e.g.,* water impoundments, alteration or interruption of existing drainage patterns, surface runoff alterations), and pesticide applications.

Unit 9: Rockford

Unit 9 consists of 130,668 ac (52,879 ha) in Boone, Ogle, and Winnebago Counties near Rockford, Illinois. This unit consists of private lands (128,064 ac (51,826 ha)), and Illinois State and local government-owned lands (2,604 ac (1,054 ha)). There are no Federal or Tribal lands identified in this unit. Approximately 669 ac (271 ha) of private lands in this unit are managed by the USDA–NRCS Wetlands Reserve Program.

In the proposed rule, this unit comprised 150,108 ac (60,747 ha), an area which included lands covered by the monarch CCAA. We have excluded from this unit the portion covered by the monarch CCAA, approximately 10,414 ac (4,214 ha) (see Consideration of Impacts Under Section 4(b)(2) of the Act, below). We also removed an additional 9,027 ac (3,653 ha) from this unit, resulting from the correction of an error (see Summary of Changes From the Proposed Rule). This unit also exempts approximately 2 ac (0.8 ha) of lands on the Machesney ARC. Their INRMP was updated to include the rusty patched bumble bee between the proposed and final designation of critical habitat (see the Exemptions section below).

Special management considerations or protection may be required within Unit 9 to alleviate impacts from stressors that are anticipated to degrade the physical or biological features, including, but not limited to, ground disturbance or compaction activities (*e.g.,* road and rail construction), habitat management (*e.g.,* prescribed burns, herbicide use), forestry activities (*e.g.,* timber harvest), actions that cause an increase in the extent or duration of surface flooding or soil saturation (*e.g.,* water impoundments, alteration or interruption of existing drainage patterns, surface runoff alterations), and pesticide applications.

Unit 10: McHenry

Unit 10 consists of 65,464 ac (26,492 ha) near McHenry, Illinois, in McHenry and Lake Counties, Illinois, and Kenosha County, Wisconsin. This unit consists of private lands (58,601 ac (23,715 ha)), Illinois state and local government-owned lands (6,861 ac (2777 ha)), and Federal lands (2 ac (1 ha)). The Federal lands are owned by the Bureau of Land Management. Thirty-nine ac (16 ha) of a conservation easement within the Hackmatack National Wildlife Refuge, managed by the Service, falls within this unit. Approximately 412 ac (167 ha) of private lands within this unit are managed by the USDA–NRCS Wetlands Reserve Program. There are no Tribal lands identified in this unit.

In the proposed rule, this unit comprised 68,295 ac (27,638 ha), an area which included lands covered by the monarch CCAA. We have excluded from this unit the portion covered by the monarch CCAA, approximately 2,827 ac (1,144 ha) (see Consideration of Impacts Under Section 4(b)(2) of the Act, below). We also removed an additional 4 ac (2 ha) from this unit, resulting from the correction of an error (see Summary of Changes From the Proposed Rule).

Special management considerations or protection may be required within Unit 10 to alleviate impacts from stressors that are anticipated to degrade the physical or biological features, including, but not limited to, ground disturbance or compaction activities (*e.g.,* road and rail construction), habitat management (*e.g.,* prescribed burns, herbicide use), forestry activities (*e.g.,* timber harvest), actions that cause an increase in the extent or duration of surface flooding or soil saturation (*e.g.,* water impoundments, alteration or interruption of existing drainage patterns, surface runoff alterations), and pesticide applications.

Unit 11: Elgin

Unit 11 consists of 69,761 ac (28,231 ha) in Cook, Kane, Lake, and McHenry Counties near Elgin, Illinois. This unit consists of private lands (57,285 ac (23,182 ha)), and Illinois state and local government-owned lands (12,494 ac (5,056 ha)). There are no Federal or Tribal lands identified in this unit.

In the proposed rule, this unit comprised 75,080 ac (30,384 ha), an area

which included lands covered by the monarch CCAA. We have excluded from this unit the portion covered by the monarch CCAA, approximately 5,319 ac (2,153 ha) (see Consideration of Impacts Under Section 4(b)(2) of the Act, below).

Special management considerations or protection may be required within Unit 11 to alleviate impacts from stressors that are anticipated to degrade the physical or biological features, including, but not limited to, ground disturbance or compaction activities (*e.g.,* road and rail construction), habitat management (*e.g.,* prescribed burns, herbicide use), forestry activities (*e.g.,* timber harvest), actions that cause an increase in the extent or duration of surface flooding or soil saturation (*e.g.,* water impoundments, alteration or interruption of existing drainage patterns, surface runoff alterations), and pesticide applications.

Unit 12: Lost Nation

Unit 12 consists of 12,643 ac (5,116 ha) in Lee and Ogle Counties near Lost Nation, Illinois. This unit consists of private lands (12,046 ac (4,875 ha)), and Illinois State and local government-owned lands (597 ac (242 ha)). There are no Federal or Tribal lands identified in this unit.

In the proposed rule, this unit comprised 15,043 ac (6,088 ha), an area which included lands covered by the monarch CCAA. We have excluded from this unit the portion covered by the monarch CCAA, approximately 228 ac (92 ha) (see Consideration of Impacts Under Section 4(b)(2) of the Act, below). We also removed an additional 2,172 ac (879 ha) from this unit, resulting from the correction of an error (see Summary of Changes From the Proposed Rule).

Special management considerations or protection may be required within Unit 12 to alleviate impacts from stressors that are anticipated to degrade the physical or biological features, including, but not limited to, ground disturbance or compaction activities (*e.g.,* road and rail construction), habitat management (*e.g.,* prescribed burns, herbicide use), forestry activities (*e.g.,* timber harvest), actions that cause an increase in the extent or duration of surface flooding or soil saturation (*e.g.,* water impoundments, alteration or interruption of existing drainage patterns, surface runoff alterations), and pesticide applications.

Unit 13: Iowa City

Unit 13 consists of 45,631 ac (18,466 ha) in Johnson County near Iowa City, Iowa. This unit consists of private lands (30,500 ac (12,343 ha)), Iowa State and local government-owned lands (3,922 ac (1,587 ha)), and Federal lands (11,209 ac (4,536 ha)). The Federal lands include the U.S. Army Corps of Engineers' Coralville Lake and Coralville Reservoir. A portion of the U.S. Army Corps of Engineers' land is managed by the State of Iowa (1,333 ac (539 ha)) and the University of Iowa (421 ac (170 ha)).

In the proposed rule, this unit comprised 45,902 ac (18,576 ha). We removed an area of 271 ac (110 ha) from this unit, resulting from the correction of an error (see Summary of Changes From the Proposed Rule).Special management considerations or protection may be required within Unit 13 to alleviate impacts from stressors that are anticipated to degrade the physical or biological features, including, but not limited to, ground disturbance or compaction activities (*e.g.,* road and rail construction), habitat management (*e.g.,* prescribed burns, herbicide use), forestry activities (*e.g.,* timber harvest), actions that cause an increase in the extent or duration of surface flooding or soil saturation (*e.g.,* water impoundments, alteration or interruption of existing drainage patterns, surface runoff alterations), and pesticide applications.

Unit 14: Back Creek Mountain

Unit 14 consists of 118,589 ac (47,991 ha) near Back Creek Mountain in Highland and Bath Counties, Virginia, and Greenbrier and Pocahontas Counties, West Virginia. This unit consists of private lands (11,193 ac (4,530 ha)), Virginia State lands (1,845 ac (747 ha)), and Federal lands (105,551 ac (42,715 ha)). The Federal lands include the Monongahela and George Washington–Jefferson National Forests.

In the proposed rule, this unit comprised 118,603 ac (47,997 ha). We removed an area of 14 ac (6 ha) from this unit, resulting from the correction of an error (see Summary of Changes From the Proposed Rule).

Special management considerations or protection may be required within Unit 14 to alleviate impacts from stressors that are anticipated to degrade the physical or biological features, including, but not limited to, ground disturbance or compaction activities (*e.g.,* road and rail construction), habitat management (*e.g.,* prescribed burns, herbicide use), forestry activities (*e.g.,* timber harvest), actions that cause an increase in the extent or duration of surface flooding or soil saturation (*e.g.,* water impoundments, alteration or interruption of existing drainage patterns, surface runoff alterations), and pesticide applications. Sources of these stressors include, but are not limited to, forestry, recreational, municipal, and residential land uses.

Effects of Critical Habitat Designation

Section 7 Consultation

Section 7(a)(2) of the Act requires Federal agencies, including the Service, to ensure that any action they authorize, fund, or carry out is not likely to jeopardize the continued existence of any endangered species or threatened species or result in the destruction or adverse modification of designated critical habitat of such species.

Destruction or adverse modification means a direct or indirect alteration that appreciably diminishes the value of critical habitat for the conservation of a listed species. Such alterations may include, but are not limited to, those that alter the physical or biological features essential to the conservation of a species or that preclude or significantly delay development of such features (50 CFR 402.02).

Compliance with the requirements of section 7(a)(2) is documented through our issuance of:

(1) A concurrence letter for Federal actions that may affect, but are not likely to adversely affect, listed species or critical habitat; or

(2) A biological opinion for Federal actions that may affect, and are likely to adversely affect, listed species or critical habitat.

When we issue a biological opinion concluding that a project is likely to jeopardize the continued existence of a listed species, destroy or adversely modify critical habitat, or both, we provide reasonable and prudent alternatives to the project, if any are identifiable, that would avoid the likelihood of jeopardy or destruction or adverse modification of critical habitat. We define ''reasonable and prudent alternatives'' (at 50 CFR 402.02) as alternative actions identified during formal consultation that:

(1) Can be implemented in a manner consistent with the intended purpose of the action,

(2) Can be implemented consistent with the scope of the Federal agency's legal authority and jurisdiction,

(3) Are economically and technologically feasible, and

(4) Would, in the Service Director's opinion, avoid the likelihood of jeopardizing the continued existence of the listed species or avoid the likelihood of destroying or adversely modifying critical habitat.

Reasonable and prudent alternatives can vary from slight project modifications to extensive redesign or relocation of the project. Costs

associated with implementing a reasonable and prudent alternative are similarly variable.

Regulations at 50 CFR 402.16 set forth requirements for Federal agencies to reinitiate consultation. Reinitiation of consultation is required and shall be requested by the Federal agency or by the Service, where discretionary Federal involvement or control over the action has been retained or is authorized by law and: (1) If the amount or extent of taking specified in the incidental take statement is exceeded; (2) if new information reveals effects of the action that may affect listed species or critical habitat in a manner or to an extent not previously considered; (3) if the identified action is subsequently modified in a manner that causes an effect to the listed species or critical habitat that was not considered in the biological opinion or written concurrence; or (4) if a new species is listed or critical habitat designated that may be affected by the identified action. As provided in 50 CFR 402.16, the requirement to reinitiate consultations for new species listings or critical habitat designation does not apply to certain agency actions (*e.g.,* land management plans issued by the Bureau of Land Management in certain circumstances).

Destruction or Adverse Modification of Critical Habitat

The key factor related to the destruction or adverse modification determination is whether implementation of the proposed Federal action directly or indirectly alters the designated critical habitat in a way that appreciably diminishes the value of the critical habitat for the conservation of the listed species. As discussed above, the role of critical habitat is to support physical or biological features essential to the conservation of a listed species and provide for the conservation of the species.

Section 4(b)(8) of the Act requires that our proposed or final regulations include, to the maximum extent practicable, a brief description and evaluation of those activities (whether public or private) which, in the opinion of the Secretary, if undertaken may adversely modify critical habitat, or may be affected by such designation. Activities that may be affected by designation of critical habitat for the rusty patched bumble bee include those that may affect the physical or biological features of the rusty patched bumble bee's critical habitat (see Physical or Biological Features Essential to the Conservation of the Species, above).

Exemptions

Application of Section 4(a)(3) of the Act

The Sikes Act Improvement Act of 1997 (Sikes Act) (16 U.S.C. 670a) required each military installation that includes land and water suitable for the conservation and management of natural resources to complete an integrated natural resources management plan (INRMP) by November 17, 2001. An INRMP integrates implementation of the military mission of the installation with stewardship of the natural resources found on the base. Each INRMP includes:

(1) An assessment of the ecological needs on the installation, including the need to provide for the conservation of listed species;

(2) A statement of goals and priorities;

(3) A detailed description of management actions to be implemented to provide for these ecological needs; and

(4) A monitoring and adaptive management plan.

Among other things, each INRMP must, to the extent appropriate and applicable, provide for fish and wildlife management; fish and wildlife habitat enhancement or modification; wetland protection, enhancement, and restoration where necessary to support fish and wildlife; and enforcement of applicable natural resource laws.

The National Defense Authorization Act for Fiscal Year 2004 (Pub. L. 108–136) amended the Act to limit areas eligible for designation as critical habitat. Specifically, section 4(a)(3)(B)(i) of the Act provides that the Secretary shall not designate as critical habitat any lands or other geographical areas owned or controlled by the Department of Defense (DoD), or designated for its use, that are subject to an INRMP prepared under section 101 of the Sikes Act, if the Secretary determines in writing that such plan provides a benefit to the species for which critical habitat is proposed for designation.

We consult with the military on the development and implementation of INRMPs for installations with listed species. We analyzed INRMPs developed by military installations located within the range of the critical habitat designation for rusty patched bumble bee to determine if they meet the criteria for exemption from critical habitat under section 4(a)(3) of the Act. The following areas are DoD lands with completed, Service-approved INRMPs within the critical habitat designation.

Approved INRMPs

The 88th Readiness Division (RD) Integrated Natural Resources Management Plan covers 125 sites in Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Ohio and Wisconsin, and there is an emphasis on habitat management, threatened and endangered species conservation, and coordination with State and Federal agencies (88th Readiness Division 2024). The INRMP was updated in 2024 and incorporates the rusty patched bumble in its revisions. There is an emphasis throughout the document on invasive species management—primarily control and prevention of invasive plants and noxious weeds—which in turn promotes native floral communities. There is also an emphasis on using native vegetation materials for erosion control and habitat restoration actions. These best management practices (BMPs) will promote native floral communities which benefit the rusty patched bumble bee.

In addition, the INRMP identifies management considerations for the monarch butterfly, a species proposed for listing under the Act, as well as for other listed invertebrates, including Poweshiek skipperling. Needs for these species will be taken into consideration for landscaping and habitat restoration plans on a site-by-site basis. Management actions taken to protect and benefit these species, such as promoting native floral resources and limiting the use of pesticides, will similarly benefit rusty patched bumble bee.

Based on the above considerations, and in accordance with section 4(a)(3)(B)(i) of the Act and evaluating the criteria under 50 CFR 424.12(h), we have determined that the identified lands are subject to the 88th Readiness Division INRMP and that conservation efforts identified in the INRMP will provide a benefit to the rusty patched bumble bee.

The U.S. Army Reserve 88th RD INRMP includes two sites that overlapped with the rusty patched bumble bee proposed critical habitat designation in Illinois and Minnesota. The INRMP includes Machesney Park Army ARC in Illinois, with 2 ac (1 ha) that overlapped Unit 9 (Rockford) of the proposed critical habitat designation and Fort Snelling ARC in Minnesota, which overlapped with approximately 47 ac (19 ha) in Unit 1 (Minneapolis-St. Paul Metropolitan). Both sites are exempted from the final critical habitat designation. Additionally, other sites were discussed in the proposed critical habitat designation that no longer

overlap with this final designation due to the changes to unit boundaries previously discussed. All areas that are included in the 88th RD INRMP are exempted from the final critical habitat designation.

Machesney Park Army Reserve Center, Machesney Park, IL; Unit 9 (Rockford); 2 ac (1 ha)

This ARC consists of one building complex, secured military equipment parking, privately owned vehicle parking, an entrance driveway, sidewalks, one solar panel, manicured and maintained turf grass areas, and one constructed drainage swale feature. The project area is bounded by commercial development to the north, Steele Drive to the south, commercial development and Burden Road to the east, and fallow land to the west. The site is used for classroom training, general administrative services, and light vehicle maintenance. The 88th RD owns the land and buildings that comprise the site. The footprint of the ARC is approximately 15 acres (ac; 6 hectares (ha)) of which only 2 ac (1 ha) overlap with Unit 9. All areas within the Machesney Park ARC that were included in the proposed critical habitat designation are exempted from the final critical habitat designation.

Based on the above considerations, and in accordance with section 4(a)(3)(B)(i) of the Act, we have determined that the identified lands are subject to the 88th RD INRMP and that conservation efforts identified in the INRMP will provide a benefit to the rusty patched bumble bee. Therefore, lands within this installation are exempt from critical habitat designation under section 4(a)(3) of the Act. We are not including approximately 2 ac (1 ha) of habitat in this final critical habitat designation because of this exemption.

Fort Snelling Army Reserve Center, Fort Snelling, MN; Unit 1 (Minneapolis-St. Paul Metropolitan); 47 ac (19 ha)

The Fort Snelling ARC consists of three administration buildings, three Area Maintenance Support Activity/Organizational Maintenance Shop buildings, a gate guard building, and associated parking areas. Surrounding land use includes Highway 62 to the north, Minneapolis St. Paul International Airport and the Minnesota Air National Guard 133rd to the south, parking and a federal building to the east, and U.S. Air Force Reserve 934th to the west. The site uses include administrative services, classroom training, light and heavy vehicle maintenance, and military equipment storage. The 88th RD owns all seven buildings and the land. The entire footprint of Fort Snelling ARC falls within the boundaries of Unit 1.

Based on the above considerations, and in accordance with section 4(a)(3)(B)(i) of the Act, we have determined that the identified lands are subject to the 88th RD INRMP and that conservation efforts identified in the INRMP will provide a benefit to the rusty patched bumble bee. Therefore, lands within this installation are exempt from critical habitat designation under section 4(a)(3) of the Act. We are not including approximately 47 ac (19 ha) of habitat in this final critical habitat designation because of this exemption.

Consideration of Impacts Under Section 4(b)(2) of the Act

Section 4(b)(2) of the Act states that the Secretary shall designate and make revisions to critical habitat on the basis of the best available scientific data after taking into consideration the economic impact, the impact on national security, and any other relevant impact of specifying any particular area as critical habitat. The Secretary may exclude any area from critical habitat if the benefits of exclusion outweigh those of inclusion, so long as exclusion will not result in extinction of the species concerned. Exclusion decisions are governed by the regulations at 50 CFR 424.19 and the Policy Regarding Implementation of Section 4(b)(2) of the Endangered Species Act (hereafter, the ''2016 Policy''; 81 FR 7226, February 11, 2016)—both of which were developed jointly with the National Marine Fisheries Service (NMFS). We also refer to a 2008 Department of the Interior Solicitor's opinion entitled, ''The Secretary's Authority to Exclude Areas from a Critical Habitat Designation under Section 4(b)(2) of the Endangered Species Act'' (M–37016). We explain each decision to exclude areas, as well as decisions not to exclude, to demonstrate that the decision is reasonable.

When evaluating the exclusion of a particular area from the designation, we identify the benefits of including the area in the designation, identify the benefits of excluding the area from the designation, and evaluate whether the benefits of exclusion outweigh the benefits of inclusion. If the analysis indicates that the benefits of exclusion outweigh the benefits of inclusion, the Secretary may exercise discretion to exclude the area only if such exclusion would not result in the extinction of the species. In making the determination to exclude a particular area, the statute on its face, as well as the legislative history, are clear that the Secretary has broad discretion regarding which factor(s) to use and how much weight to give to any factor. In this final rule, we explain any decision to exclude areas, as well as decisions not to exclude, to make clear the rational basis for our decision. We describe below the process that we undertook for deciding whether to exclude any areas—taking into consideration each category of impacts and our analysis of the relevant impacts.

Exclusions Based on Economic Impacts

Section 4(b)(2) of the Act and its implementing regulations require that we consider the economic impact that may result from a designation of critical habitat. In order to consider economic impacts, we prepared an incremental effects memorandum (IEM) and screening analysis which, together with our narrative and interpretation of effects, we consider to be our economic analysis of the critical habitat designation and related factors (IEc 2025, entire). The analysis, dated July 12, 2024, was made available for public review and comment from November 26, 2024, through January 27, 2025 (89 FR 93245). The economic analysis addressed probable economic impacts of critical habitat designation for the rusty patched bumble bee. Following the close of the comment period, we reviewed and evaluated all information submitted during the comment period that may pertain to our consideration of the probable incremental economic impacts of this critical habitat designation. Additional information relevant to the probable incremental economic impacts of critical habitat designation for the rusty patched bumble bee is summarized below and available in the updated screening analysis for the rusty patched bumble bee, dated May 6, 2025 (IEc 2025, entire), available at *https://www.regulations.gov* at docket number FWS–R3–ES–2024–0132. The updated screening analysis memorandum includes only updates to reflect changes in guidance for regulatory impact analysis from the administration (specifically, reverting to the 2003 version of Circular A–4 and the $100 million threshold for an economically significant rulemaking) and the addition of an administrative cost model appendix. Public comments submitted related to the economics analysis are addressed in the *Public Comments* section above.

The full description of the findings from the economic analysis are outlined in the proposed rule (89 FR 93245; November 26, 2024). The estimated incremental cost of the total proposed critical habitat designation for rusty

patched bumble bee was found to be less than $390,000 per year. Therefore, with the removal of 100,795 ac (40,790 ha) of critical habitat from this final critical habitat designation to exclusion of areas covered by the monarch CCAA, exemptions of military lands with an INRMP including the rusty patched bumble bee, and lands erroneously included in the proposed rule, the annual administrative burden is very unlikely to reach $100 million, which is the threshold for a significant regulatory action under Executive Order (E.O.) 12866.

As discussed above, we considered the economic impacts of the critical habitat designation, and the Secretary is not exercising their discretion to exclude any areas from this designation of critical habitat for the rusty patched bumble bee based on economic impacts.

Exclusions Based on Impacts on National Security and Homeland Security

Section 4(a)(3)(B)(i) of the Act may not cover all DoD lands or areas that pose potential national-security concerns (*e.g.,* a DoD installation that is in the process of revising its INRMP for a newly listed species or a species previously not covered). If a particular area is not covered under section 4(a)(3)(B)(i), we must still consider impacts on national security, including homeland security, of designating those lands or areas as critical habitat in accordance with section 4(b)(2). Accordingly, if DoD, Department of Homeland Security (DHS), or another Federal agency has requested exclusion based on an assertion of national-security or homeland-security concerns, or we have otherwise identified national-security or homeland-security impacts from designating particular areas as critical habitat, we generally have reason to consider excluding those areas.

We consulted with DoD on this designation. No potential national-security impact was identified, nor request for an exclusion from critical habitat based on potential national-security impacts was received. Consequently, the Secretary is not exercising their discretion to exclude any areas from this designation based on impacts on national security.

Exclusions Based on Other Relevant Impacts

Under section 4(b)(2) of the Act, we consider any other relevant impacts, in addition to economic impacts and impacts on national security as discussed above. To identify other relevant impacts that may affect the exclusion analysis, we consider a number of factors, including whether there are approved and permitted conservation agreements or plans covering the species in the area such as safe harbor agreements (SHAs), candidate conservation agreements with assurances (CCAAs), ''conservation benefit agreements'' or ''conservation agreements'' (CBAs) (CBAs are a new type of agreement replacing SHAs and CCAAs in use after April 2024 (89 FR 26070; April 12, 2024)) or habitat conservation plans (HCPs)—or whether there are non-permitted conservation agreements and partnerships that would be encouraged by designation of, or exclusion from, critical habitat. In addition, we look at whether Tribal conservation plans or partnerships, Tribal resources, or government-to-government relationships of the United States with Tribal entities may be affected by the designation. No Tribes expressed concern with being included in this critical habitat designation and we did not receive any requests for exclusion during our coordination efforts or during the public comment period. We also consider any State, local, social, or other impacts that might occur because of the designation.

When identifying the benefits of inclusion for an area, we consider the additional regulatory benefits that area would receive due to the protection from destruction or adverse modification as a result of actions with a Federal nexus, the educational benefits of mapping essential habitat for recovery of the listed species, and any benefits that may result from a designation due to State or Federal laws that may apply to critical habitat. In the case of rusty patched bumble bee, the benefits of critical habitat include public awareness of the presence of rusty patched bumble bee and the importance of habitat protection, and, where a Federal nexus exists, increased habitat protection for rusty patched bumble bee due to protection from destruction or adverse modification of critical habitat.

When identifying the benefits of exclusion, we consider, among other things, whether exclusion of a specific area is likely to result in conservation, or in the continuation, strengthening, or encouragement of partnerships. Additionally, continued implementation of an ongoing management plan that provides equal to or more conservation than a critical habitat designation would reduce the benefits of including that specific area in the critical habitat designation.

We evaluate the existence of a conservation plan when considering the benefits of inclusion. We consider a variety of factors, including, but not limited to, whether the plan is finalized; how it provides for the conservation of the essential physical or biological features; whether there is a reasonable expectation that the conservation management strategies and actions contained in a management plan will be implemented into the future; whether the conservation strategies in the plan are likely to be effective; and whether the plan contains a monitoring program or adaptive management to ensure that the conservation measures are effective and can be adapted in the future in response to new information.

After identifying the benefits of inclusion and the benefits of exclusion, we carefully weigh the two sides to evaluate whether the benefits of exclusion outweigh those of inclusion. If our analysis indicates that the benefits of exclusion outweigh the benefits of inclusion, we then determine whether exclusion would result in extinction of the species. If exclusion of an area from critical habitat will result in extinction, we will not exclude it from the designation.

Based on the information provided by entities seeking exclusion, as well as additional public comments we received, and the best scientific data available, we evaluated whether certain lands in the critical habitat are appropriate for exclusion from the final designation under section 4(b)(2) of the Act. If our analysis indicates that the benefits of excluding lands from the final designation outweigh the benefits of designating those lands as critical habitat, then the Secretary may exercise their discretion to exclude the lands from the final designation. In the paragraphs below, we provide our analysis of the areas being excluded under section 4(b)(2) of the Act.

Private or Other Non-Federal Conservation Plans or Agreements Associated With Permits Under Section 10 of the Act

As mentioned above, as part of our 4(b)(2) analysis, we consider whether there are approved and permitted conservation agreements or plans covering the species in the area such SHAs, CCAAs, CBAs or HCPs. Under sections 10(a)(1)(A) and 10(a)(1)(B) of the Act, non-federal entities may develop these agreements or plans when they seek authorization for take that may otherwise be prohibited under section 9 through an enhancement of survival (EOS) or incidental take permit (ITP), respectively.

Property owners seeking an EOS permit collaborate with the Service to

develop a CBA to support the application. The EOS permit authorizes take associated with implementing the agreement and ongoing land management activities that provide a net conservation benefit to the covered species. The CBA replaces two previous types of voluntary agreements (SHAs and CCAAs) going forward for new agreements after April 2024. However, permitted SHAs and CCAAs or those we gave notice of in a **Federal Register** publication prior to April 2024 remain in effect.

For incidental take permits issued under section 10(a)(1)(B) of the Act, applicants are required to develop a conservation plan, more commonly known as an HCP, to support their application. ITPs authorize take that is incidental to, but not the purpose of, carrying out otherwise lawful activities provided that the impact of the taking is minimized and mitigated to the maximum extent practicable.

For both section 10(a)(1)(A) and 10(a)(1)(B) permits, we provide permittees with assurances. In the case of 10(a)(1)(A) permits, we may not require additional or different conservation measures to be undertaken by a permittee without the consent of the permittee. In the case of section 10(a)(1)(B), we will not impose further land-, water-, or resource-use restrictions, or require additional commitments of land, water, or finances, beyond those agreed to in the HCP.

We place great value on the partnerships that are developed during the preparation and implementation of conservation plans and agreements. In some cases, permittees agree to do more for the conservation of the species and their habitats on private lands than designation of critical habitat would provide alone.

When we undertake a discretionary section 4(b)(2) exclusion analysis based on conservation plans or agreements, we anticipate consistently excluding such areas if incidental take caused by the activities in those areas is covered by the permit under section 10 of the Act and the plan meets all of the following three factors (see the 2016 Policy for additional details. Because combining types of agreements such as SHAs and CCAAs into the term ''CBAs'' is a recent development (see 89 FR 26070; April 12, 2024), the 2016 Policy did not expressly reference CBAs. However, because CBAs replace CCAAs and SHAs, moving forward we treat CBAs similarly to how we treat CCAA/SHA/HCPs described below:

a. The permittee is properly implementing the CCAA/SHA/HCP and is expected to continue to do so for the term of the agreement. A CCAA/SHA/HCP is properly implemented if the permittee is, and has been, fully implementing the commitments and provisions in the CCAA/SHA/HCP, implementing agreement, and permit.

b. The species for which critical habitat is being designated is a covered species in the CCAA/SHA/HCP, or very similar in its habitat requirements to a covered species. The recognition that the Services extend to such an agreement depends on the degree to which the conservation measures undertaken in the CCAA/SHA/HCP would also protect the habitat features of the similar species.

c. The CCAA/SHA/HCP specifically addresses that species' habitat and meets the conservation needs of the species in the planning area.

Nationwide Candidate Conservation Agreement for Monarch Butterfly on Energy and Transportations Lands

The Nationwide Candidate Conservation Agreement with Assurances for the Monarch Butterfly on Energy and Transportation Lands monarch CCAA with an integrated Candidate Conservation (Agreement) represents a unique collaboration between the University of Illinois at Chicago (permit holder), the U.S. Fish and Wildlife Service, and more than 83 interested entities from the energy and transportation sectors. Since the signing of the Agreement in 2020, it has been properly implemented with 6,883,308 ac (2,785,600 ha) enrolled and of these acres, 79,859 ac (32,318 ha) occur in 11 critical habitat units (see Table 2 below). We expect proper implementation to continue into the future based on the permittee's record and the submitted applications that are being processed. The Agreement is in place until 2045, unless terminated or revoked before that time. The interested entities represent companies and organizations managing lands associated with electric power generation, electric transmission and distribution, oil and gas transmission and distribution, and renewable energy development, as well as a network of individual state departments of transportation, with support from the Federal Highway Administration, who were involved in the conceptualization and preparation of this Agreement. As of August 2025, there are 64 entities with signed certificates of inclusion in the Agreement.

This Agreement includes adaptive management principles to incorporate new information and research as it becomes available. The Agreement also incorporates processes to address changed circumstances over the duration of the Agreement. Using adaptive management principles, and with the consent of the permit holder and us, this Agreement may be amended to address emerging and changing conservation needs. This programmatic Agreement includes:

- A general description of responsibilities of all involved participating agencies and Partners, and the area covered under the programmatic Agreement;
- Background and general threats to monarchs, the goals of this Agreement, and the conservation measures needed to reduce or potentially remove those identified threats in line with that goal;
- Expected benefits of prescribed actions in relation to the five threat factors the Service is required to evaluate when considering whether or not to list a species; and
- A description of assurances where applicable, monitoring, annual reporting, and discussion on level of impact (or take, if listed) that is likely to occur from activities on enrolled lands.

This Agreement encourages involvement in voluntary conservation, which has potential to support the creation of a widespread network of lands managed to benefit monarch habitat across the nation. The Agreement covers lands within the monarch butterfly's range across the lower 48 States. In doing so, the infrastructure needed for energy and transportation can voluntarily help achieve biological conservation goals for the monarch and play an important role in long-term conservation on these working lands.

Although the monarch CCAA was not developed specifically for the rusty patched bumble bee, many of the goals and objectives of the plan will also benefit the rusty patched bumble bee and its habitat. A stated objective of the monarch CCAA is to ''Enhance and expand available monarch habitat by adopting appropriate conservation measures that promote sustainable breeding (milkweed) and foraging (nectar plants) habitat.'' This objective specifically is beneficial to all five physical or biological features essential to the conservation of the rusty patched bumble bee. The five physical or biological features essential to the conservation of the species are derived from the needs of the rusty patched bumble bee and are habitat-based. For example, an important component of rusty patched bumble bee foraging habitat is diverse, abundant, native floral resources. Maintaining and creating habitat that is beneficial for the

monarch butterfly is generally also beneficial to the rusty patched bumble bee and its habitat, as these activities will create or protect foraging habitat that is suitable for both monarch and rusty patched bumble bee. Activities identified in the Agreement that maintain and create habitat include targeted herbicide treatments, conservation mowing, brush removal, restricted pesticide use, and promotion of native floral resources (including milkweed). Although it is not a stated objective, the monarch CCAA will manage and protect habitat for the benefit of the physical or biological features of the rusty patched bumble bee. For more specific information on the monarch CCAA, visit *https://www.fws.gov/media/nationwide-candidate-conservation-agreement-monarch-butterfly.*

Benefits of Inclusion—Monarch CCAA Lands

The benefits of including lands in critical habitat can be regulatory, educational, or to aid in recovery of species as generally discussed in Consideration of Impacts Under Section 4(b)(2) of the Act above. The following is our assessment of the benefits for inclusion of the portions of the critical habitat for the rusty patched bumble bee that are covered by the monarch CCAA. This agreement has contributed to the development of a formal partnership between the dozens of partners and the U.S. Fish and Wildlife Service since 2020

The designation of critical habitat can help to educate the public regarding the potential conservation value of an area and can focus efforts by clearly delineating areas of high conservation value for the rusty patched bumble bee. The rusty patched bumble bee has been listed as an endangered species throughout all its range since 2017; conservation actions benefitting the rusty patched bumble bee have been implemented since the time of listing. These actions include restoration and protection of habitat, efforts to address threats to the species, as well as outreach and education. Little additional educational benefit would be gained from designation of critical habitat on the monarch CCAA lands as a result of informing the public of the presence of the rusty patched bumble bee, especially since these areas are within the historical range and surrounded by areas designated as critical habitat. Therefore, we find that the benefits of inclusion of areas in the monarch CCAA are reduced as a result of past and ongoing actions.

The designation of critical habitat can aid in recovery of the species by raising awareness of landowners and managers by calling attention to recovery actions that could be implemented. In the case of the rusty patched bumble bee, habitat-based threats to the physical or biological features are already being addressed in many cases throughout the species' range by the endangered listing determination and ongoing section 7 consultations since listing in 2017. There is a substantial consultation history for the rusty patched bumble bee throughout the range since the time of the final listing determination, as well as outreach and education specific to rusty patched bumble bee. The conservation actions implemented for rusty patched bumble bee since 2017 are complementary to, not exclusive of, the conservation benefits from excluding lands enrolled in the monarch CCAA. Therefore, the overall benefit from raising awareness of landowners and managers to the recovery of the species from critical habitat in the areas covered by the monarch CCAA is reduced.

The principal benefit of any designated critical habitat is that activities in and affecting such habitat require consultation under section 7 of the Act. Such consultation would ensure that protection is provided to avoid destruction or adverse modification of critical habitat. However, we conclude that few regulatory benefits to the rusty patched bumble bee would be gained from a designation of critical habitat on areas covered by the monarch CCAA. Through the consultation process for specific projects, we would determine if there were any anticipated effects to listed species or potential destruction or adverse modification of critical habitat. We have been conducting section 7 consultations for the rusty patched bumble bee since its listing in 2017 (and will continue to regardless of a critical habitat designation) and have not found that any projects have risen to the level of a jeopardy finding. Projects that take place within the areas excluded from the final designation of critical habitat because of the monarch CCAA would still need to be consulted on, though they would not need to have an adverse modification analysis conducted under section 7 of the Act.

In our evaluation of the probable economic impact of a critical habitat designation, we identified the effects expected to occur solely due to the designation of critical habitat and not from the protections that are in place due to the species being listed under the Act. Our assessment concluded that any project modifications that would avoid adverse effects to the species are likely to also avoid adverse modifications of the physical or biological features present in the critical habitat units. In the event of an adverse modification determination, we expect that reasonable and prudent alternatives to avoid jeopardy to the species would also avoid adverse modification of the critical habitat. Therefore, the only substantive difference between an analysis of jeopardy and destruction or adverse modification is the minor additional cost of the consultation for destruction or adverse modification. Accordingly, we find the benefits of inclusion for portions of 12 of the 14 units (see Table 2, below) the units based on the consultation requirement for a designation of critical habitat are minimal for the rusty patched bumble bee in areas enrolled in the monarch CCAA.

We expect few to no additional benefits to the recovery of the rusty patched bumble bee as a result of the inclusion of the areas covered under the monarch CCAA. Overall, with minimal regulatory, educational, and recovery benefits likely, we foresee limited benefits to further the recovery of the species as a result of the designation of critical habitat on the areas enrolled in the monarch CCCA at the time of this final designation.

Benefits of Exclusion—Monarch CCAA Lands

The benefits of excluding the 79,859 ac (32,318 ha) of enrolled lands in the monarch CCAA from the designation of critical habitat for the rusty patched bumble bee are substantial and include: (1) Continuing and strengthening our effective working relationship with private and State landowners to promote voluntary, proactive conservation of the rusty patched bumble bee and its habitat as opposed to reactive regulation; (2) allowing for continued meaningful collaboration and cooperation in working toward species recovery and incentivizing future agreements (*e.g.* bumble bee CBA), potentially including conservation benefits that might not otherwise occur; (3) encouraging the creation of dozens of new partnerships for the conservation benefit of the monarch butterfly and consequently, the rusty patched bumble bee; (4) ensuring conservation measures are effective through the Agreement's monitoring program; and (5) encouraging the development of additional conservation easements and other conservation and management plans in the future for other federally listed and sensitive species beyond pollinators.

Partnerships with non-Federal landowners are vital to the conservation of listed species, especially on non-Federal lands; therefore, the Service is committed to supporting and encouraging such partnerships through the recognition of positive conservation contributions. In the case considered here, excluding these areas from critical habitat will help foster the partnerships the landowners and land managers in question have developed with Federal and State agencies and local conservation organizations; will encourage the continued implementation of voluntary conservation actions and agreements for the benefit of the rusty patched bumble bees (and other pollinators) and its habitat on these lands; and may also serve as a model and aid in fostering future cooperative relationships with other parties here and in other locations for the benefit of other endangered or threatened species. Therefore, we consider the positive effect of excluding from critical habitat areas managed by active conservation partners to be a significant benefit of exclusion.

Benefits of Exclusion Outweigh the Benefits of Inclusion—Monarch CCAA Lands

We found there to be few benefits of including the areas enrolled in the monarch CCAA as part of the final critical habitat designation for the rusty patched bumble bee. This includes the incremental benefits gained through the regulatory requirement to consult under section 7 and consideration of the need to avoid destruction or adverse modification of critical habitat and minimal additional educational opportunities. The benefits of inclusion are outweighed by the more substantial benefits of excluding the areas enrolled in the monarch CCAA at the time of this designation including: (1) Continuing and strengthening our effective working relationship with private and State landowners to promote voluntary, proactive conservation of the rusty patched bumble bee and its habitat as opposed to reactive regulation; (2) allowing for continued meaningful collaboration and cooperation in working toward species recovery and incentivizing future agreements (*e.g.,* bumble bee CBA), potentially including conservation benefits that might not otherwise occur; (3) encouraging the creation of dozens of new partnerships for the conservation benefit of the monarch butterfly and consequently, the rusty patched bumble bee; (4) ensuring conservation measures are effective through the Agreement's monitoring program; and (5) encouraging the development of additional conservation easements and other conservation and management plans in the future for other federally listed and sensitive species beyond pollinators. In conclusion, we have found the benefits of including the areas enrolled in the monarch CCAA as part of the critical habitat designation for the rusty patched bumble bee are outweighed by the benefits of excluding these areas.

Exclusion Will Not Result in Extinction of the Species

We determined that the exclusion of areas enrolled in the monarch CCAA at the time of this designation will not result in extinction of the rusty patched bumble bee. Protections afforded to the monarch butterfly (and rusty patched bumble) and their habitats by the agreement provide assurances that the rusty patched bumble bee will not go extinct as a result of excluding these lands from the critical habitat designation.

An important consideration as we evaluate these exclusions and their potential effect on the species in question is that critical habitat does not carry with it a regulatory requirement to restore or actively manage habitat for the benefit of listed species; the regulatory effect of critical habitat is only the avoidance of destruction or adverse modification of critical habitat should an action with a Federal nexus occur. It is, therefore, advantageous for the conservation of the species to support the proactive efforts of non-Federal landowners who are contributing to the enhancement of essential habitat features for listed species through exclusion. The jeopardy standard of section 7 of the Act will also provide protection in these occupied areas when there is a Federal nexus. Therefore, based on the above discussion, the Secretary is exercising their discretion to exclude approximately 79,859 ac (32,318 ha) of land from the designation of critical habitat for the rusty patched bumble bee.

Summary of Exclusions

As discussed above, based on the information provided by entities seeking exclusion, as well as any additional public comments received, we evaluated whether certain lands in the proposed critical habitat were appropriate for exclusion from this final designation pursuant to section 4(b)(2) of the Act. We are excluding the following areas from critical habitat designation for the rusty patched bumble bee (TABLE 2).

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TABLE 2. Areas excluded from critical habitat designation by critical habitat unit.

Critical Habitat Unit	Area Excluded in Acres (Hectares)	State
1. Minneapolis-St. Paul Metropolitan	40,226 (16,279)	Minnesota
2. Northfield	518 (210)	Minnesota
3. Rochester	1,094 (443)	Minnesota
4. Winona	674 (273	Minnesota
6. Bunker Hill	370 (150)	Wisconsin
7. Madison	5,598 (2,265)	Wisconsin
8. Milwaukee	12,590 (5,095)	Wisconsin
9. Rockford	10,414 (4,214)	Illinois
10. McHenry	2,827 (1,144)	Illinois
11. Elgin	5,319 (2,153)	Illinois
12. Lost Nation	228 (92)	Illinois
Totals	**79,859 (32,318)**	

Note: Area sizes may not sum due to rounding.

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Required Determinations

Regulatory Planning and Review (Executive Orders 12866 and 13563)

Executive Order (E.O.) 12866 provides that the Office of Information and Regulatory Affairs (OIRA) in the Office of Management and Budget will review all rules identified as significant pursuant to section 3(f) of E.O. 12866. OIRA has determined that this final rule is significant under E.O. 12866 and is considered an E.O. 14192 regulatory action. We estimate that this rule will generate no more than $390,000 (2024 dollars) in annualized costs at a 7% discount rate.

E.O. 13563 reaffirms the principles of E.O. 12866 while calling for improvements in the Nation's regulatory system to promote predictability, to reduce uncertainty, and to use the best, most innovative, and least burdensome tools for achieving regulatory ends. E.O. 13563 directs agencies to consider regulatory approaches that reduce burdens and maintain flexibility and freedom of choice for the public where these approaches are relevant, feasible, and consistent with regulatory objectives. E.O. 13563 emphasizes further that regulations must be based on the best available science and that the rulemaking process must allow for public participation and an open exchange of ideas. We have developed this rule in a manner consistent with these requirements.

Regulatory Flexibility Act (5 U.S.C. 601 et seq.)

Under the Regulatory Flexibility Act (RFA; 5 U.S.C. 601 *et seq.*), as amended by the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA; title II of Pub. L. 104–121, March 29, 1996), whenever an agency is required to publish a notice of rulemaking for any proposed or final rule, it must prepare and make available for public comment a regulatory flexibility analysis that describes the effects of the rule on small entities (*i.e.,* small businesses, small organizations, and small government jurisdictions). However, no regulatory flexibility analysis is required if the head of the agency certifies the rule will not have a significant economic impact on a substantial number of small entities. The SBREFA amended the RFA to require Federal agencies to provide a certification statement of the factual basis for certifying that the rule will not have a significant economic impact on a substantial number of small entities.

According to the Small Business Administration, small entities include small organizations such as independent nonprofit organizations; small governmental jurisdictions,

including school boards and city and town governments that serve fewer than 50,000 residents; and small businesses (13 CFR 121.201). Small businesses include manufacturing and mining concerns with fewer than 500 employees, wholesale trade entities with fewer than 100 employees, retail and service businesses with less than $5 million in annual sales, general and heavy construction businesses with less than $27.5 million in annual business, special trade contractors doing less than $11.5 million in annual business, and agricultural businesses with annual sales less than $750,000. To determine if potential economic impacts to these small entities are significant, we considered the types of activities that might trigger regulatory impacts under this designation as well as types of project modifications that may result. In general, the term ''significant economic impact'' is meant to apply to a typical small business firm's business operations.

Under the RFA, as amended, and as understood in light of recent court decisions, Federal agencies are required to evaluate the potential incremental impacts of rulemaking on those entities directly regulated by the rulemaking itself; in other words, the RFA does not require agencies to evaluate the potential impacts to indirectly regulated entities. The regulatory mechanism through which critical habitat protections are realized is section 7 of the Act, which requires Federal agencies, in consultation with the Service, to ensure that any action authorized, funded, or carried out by the agency is not likely to destroy or adversely modify critical habitat. Therefore, under section 7, only Federal action agencies are directly subject to the specific regulatory requirement (avoiding destruction and adverse modification) imposed by critical habitat designation. Consequently, only Federal action agencies will be directly regulated by this designation. The RFA does not require evaluation of the potential impacts to entities not directly regulated. Moreover, Federal agencies are not small entities. Therefore, because no small entities will be directly regulated by this rulemaking, we certify that this critical habitat designation will not have a significant economic impact on a substantial number of small entities.

During the development of this final rule, we reviewed and evaluated all information submitted during the comment period on the proposed rule (89 FR 93245; November 26, 2024) that may pertain to our consideration of the probable incremental economic impacts of this critical habitat designation. Based on this information, we affirm our certification that this critical habitat designation will not have a significant economic impact on a substantial number of small entities, and a regulatory flexibility analysis is not required.

Energy Supply, Distribution, or Use—Executive Order 13211

Executive Order 13211 (Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use) requires agencies to prepare statements of energy effects ''to the extent permitted by law'' when undertaking actions identified as significant energy actions (66 FR 28355; May 22, 2001). E.O. 13211 defines a ''significant energy action'' as, among other things, an action that (i) meets the definition of a ''significant regulatory action'' under E.O. 12866; and (ii) is likely to have a significant adverse effect on the supply, distribution, or use of energy. In our economic analysis, we did not find that this critical habitat designation would significantly affect energy supplies, distribution, or use. This screening analysis finds that incremental costs associated with section 7 consultations for the rusty patched bumble bee are likely limited to administrative costs. Additionally, many of the energy distribution rights-of-way are excluded from the final critical habitat designation because they are enrolled in the monarch CCAA. Therefore, this action is not a significant energy action, and no statement of energy effects is required.

Unfunded Mandates Reform Act (2 U.S.C. 1501 et seq.)

In accordance with the Unfunded Mandates Reform Act (2 U.S.C. 1501 *et seq.*), we make the following finding:

(1) This rule will not produce a Federal mandate. In general, a Federal mandate is a provision in legislation, statute, or regulation that would impose an enforceable duty upon State, local, or Tribal governments, or the private sector, and includes both ''Federal intergovernmental mandates'' and ''Federal private sector mandates.'' These terms are defined in 2 U.S.C. 658(5)–(7). ''Federal intergovernmental mandate'' includes a regulation that ''would impose an enforceable duty upon State, local, or Tribal governments'' with two exceptions. It excludes ''a condition of Federal assistance.'' It also excludes ''a duty arising from participation in a voluntary Federal program,'' unless the regulation ''relates to a then-existing Federal program under which $500,000,000 or more is provided annually to State, local, and Tribal governments under entitlement authority,'' if the provision would ''increase the stringency of conditions of assistance'' or ''place caps upon, or otherwise decrease, the Federal Government's responsibility to provide funding,'' and the State, local, or Tribal governments ''lack authority'' to adjust accordingly. At the time of enactment, these entitlement programs were: Medicaid; Aid to Families with Dependent Children work programs; Child Nutrition; Food Stamps; Social Services Block Grants; Vocational Rehabilitation State Grants; Foster Care, Adoption Assistance, and Independent Living; Family Support Welfare Services; and Child Support Enforcement. ''Federal private sector mandate'' includes a regulation that ''would impose an enforceable duty upon the private sector, except (i) a condition of Federal assistance or (ii) a duty arising from participation in a voluntary Federal program.''

The designation of critical habitat does not impose a legally binding duty on non-Federal Government entities or private parties. Under the Act, the only regulatory effect is that Federal agencies must ensure that their actions are not likely to destroy or adversely modify critical habitat under section 7. While non-Federal entities that receive Federal funding, assistance, or permits, or that otherwise require approval or authorization from a Federal agency for an action, may be indirectly impacted by the designation of critical habitat, the legally binding duty to avoid destruction or adverse modification of critical habitat rests squarely on the Federal agency. Furthermore, to the extent that non-Federal entities are indirectly impacted because they receive Federal assistance or participate in a voluntary Federal aid program, the Unfunded Mandates Reform Act would not apply, nor would critical habitat shift the costs of the large entitlement programs listed above onto State governments.

(2) This rule will not significantly or uniquely affect small governments because small governments will be affected only to the extent that any programs having Federal funds, permits, or other authorized activities must ensure that their actions will not adversely affect the critical habitat. Therefore, a Small Government Agency Plan is not required.

Takings—Executive Order 12630

In accordance with E.O. 12630 (Government Actions and Interference with Constitutionally Protected Private Property Rights), we have analyzed the

potential takings implications of designating critical habitat for rusty patched bumble bee in a takings implications assessment. The Act does not authorize the Service to regulate private actions on private lands or confiscate private property as a result of critical habitat designation. Designation of critical habitat does not affect land ownership, or establish any closures, or restrictions on use of or access to the designated areas. Furthermore, the designation of critical habitat does not affect landowner actions that do not require Federal funding or permits, nor does it preclude development of habitat conservation programs or issuance of incidental take permits to permit actions that do require Federal funding or permits to go forward. However, Federal agencies are prohibited from carrying out, funding, or authorizing actions that would destroy or adversely modify critical habitat. A takings implications assessment has been completed and concludes that this designation of critical habitat for the rusty patched bumble bee does not pose significant takings implications for lands within or affected by the designation.

Federalism—Executive Order 13132

In accordance with E.O. 13132 (Federalism), this rule does not have significant federalism effects. A federalism summary impact statement is not required. In keeping with Department of the Interior and Department of Commerce policy, we requested information from, and coordinated development of this critical habitat designation with, appropriate State resource agencies. From a federalism perspective, the designation of critical habitat directly affects only the responsibilities of Federal agencies. The Act imposes no other duties with respect to critical habitat, either for States and local governments, or for anyone else. As a result, this final rule does not have substantial direct effects either on the States, or on the relationship between the Federal Government and the States, or on the distribution of powers and responsibilities among the various levels of government. The designation may have some benefit to these governments because the areas that contain the features essential to the conservation of the species are more clearly defined, and the physical or biological features of the habitat necessary for the conservation of the species are specifically identified. This information does not alter where and what federally sponsored activities may occur. However, it may assist State and local governments in long-range planning because they no longer have to wait for case-by-case section 7 consultations to occur.

Where State and local governments require approval or authorization from a Federal agency for actions that may affect critical habitat, consultation under section 7(a)(2) of the Act will be required. While non-Federal entities that receive Federal funding, assistance, or permits, or that otherwise require approval or authorization from a Federal agency for an action, may be indirectly impacted by the designation of critical habitat, the legally binding duty to avoid destruction or adverse modification of critical habitat rests squarely on the Federal agency.

Civil Justice Reform—Executive Order 12988

In accordance with E.O. 12988 (Civil Justice Reform), the Office of the Solicitor has determined that the rule will not unduly burden the judicial system and that it meets the requirements of sections 3(a) and 3(b)(2) of the Order. We are designating critical habitat in accordance with the provisions of the Act. To assist the public in understanding the habitat needs of the species, this rule identifies the physical or biological features essential to the conservation of the species. The areas of designated critical habitat are presented on maps, and the rule provides several options for the interested public to obtain more detailed location information, if desired.

Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.)

This rule does not contain information collection requirements, and a submission to the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) is not required. We may not conduct or sponsor and you are not required to respond to a collection of information unless it displays a currently valid OMB control number.

National Environmental Policy Act (42 U.S.C. 4321 et seq.)

Regulations adopted pursuant to section 4(a) of the Act are exempt from the National Environmental Policy Act (NEPA; 42 U.S.C. 4321 *et seq.*) and do not require an environmental analysis under NEPA. We published a notice outlining our reasons for this determination in the **Federal Register** on October 25, 1983 (48 FR 49244). This includes listing, delisting, and reclassification rules, as well as critical habitat designations. In a line of cases starting with *Douglas County* v. *Babbitt,* 48 F.3d 1495 (9th Cir. 1995), the courts have upheld this position.

Government-to-Government Relationship With Tribes

In accordance with the President's memorandum of April 29, 1994 (Government-to-Government Relations with Native American Tribal Governments; 59 FR 22951, May 4, 1994), E.O. 13175 (Consultation and Coordination with Indian Tribal Governments), the President's memorandum of November 30, 2022 (Uniform Standards for Tribal Consultation; 87 FR 74479, December 5, 2022), and the Department of the Interior's manual at 512 DM 2, we readily acknowledge our responsibility to communicate meaningfully with federally recognized Tribes and Alaska Native Corporations on a government-to-government basis. In accordance with Secretary's Order 3206 of June 5, 1997 (American Indian Tribal Rights, Federal-Tribal Trust Responsibilities, and the Endangered Species Act), we readily acknowledge our responsibilities to work directly with Tribes in developing programs for healthy ecosystems, to acknowledge that Tribal lands are not subject to the same controls as Federal public lands, to remain sensitive to Indian culture, and to make information available to Tribes. During the development of this rule, we approached the Tribes whose lands overlapped with the range of the rusty patched bumble bee in an effort to coordinate with them on the critical habitat designation. We received interest from the Prairie Island Indian Community in working with us on rusty patched bumble bee conservation (unrelated to this designation). The final critical habitat does not overlap with Prairie Island Indian Community lands, but we will continue to coordinate with the Tribe in recovery efforts for the species. We also actively coordinated and shared information with the Shakopee Mdewakanton Sioux Community, whose lands overlap with a portion of Unit 1. We will continue to work with all interested Tribal entities regarding the conservation of rusty patched bumble and its critical habitat and welcome continued coordination in the future.

References Cited

A complete list of references cited in this rulemaking is available on the internet at *https://www.regulations.gov* and upon request from the Minnesota-Wisconsin Ecological Services Field Office (see **FOR FURTHER INFORMATION CONTACT**).

List of Subjects in 50 CFR Part 17

Endangered and threatened species, Exports, Imports, Plants, Reporting and recordkeeping requirements, Transportation, Wildlife.

Regulation Promulgation

Accordingly, we amend part 17, subchapter B of chapter I, title 50 of the Code of Federal Regulations, as set forth below:

PART 17—ENDANGERED AND THREATENED WILDLIFE AND PLANTS

■ 1. The authority citation for part 17 continues to read as follows:

Authority: 16 U.S.C. 1361–1407; 1531–1544; and 4201–4245, unless otherwise noted.

■ 2. In § 17.11, in paragraph (h), amend the List of Endangered and Threatened Wildlife by revising the entry for ''Bee, bumble, rusty patched'' under INSECTS to read as follows:

§ 17.11 Endangered and threatened wildlife.

* * * * *

(h) * * *

Common name	Scientific name	Where listed	Status	Listing citations and applicable rules
*	*	*	*	*
INSECTS				
*	*	*	*	*
Bee, bumble, rusty patched	*Bombus affinis*	Wherever found	E	82 FR 3186, 1/11/2017; 50 CFR 17.95(i).[CH]
*	*	*	*	*

■ 3. In § 17.95, amend paragraph (i) by adding an entry for ''Rusty Patched Bumble Bee (*Bombus affinis*)'' before the entry for ''Casey's June Beetle (*Dinacoma caseyi*)'' to read as follows:

§ 17.95 Critical habitat—fish and wildlife.

* * * * *

(i) *Insects.*

Rusty Patched Bumble Bee (*Bombus affinis*)

(1) Critical habitat units are depicted for Boone, Cook, Kane, Lake, Lee, McHenry, Ogle, and Winnebago Counties, Illinois; Johnson County, Iowa; Carver, Dakota, Hennepin, Olmsted, Pierce, Ramsey, Rice, Scott, St. Croix, Washington, and Winona Counties, Minnesota; Bath and Highland Counties, Virginia; Greenbrier and Pocahontas Counties, West Virginia; and Dane, Iowa, Kenosha, Milwaukee, Ozaukee, Racine, Sauk, Washington, and Waukesha Counties, Wisconsin, on the maps in this entry.

(2) Within these areas, the physical or biological features essential to the conservation of the rusty patched bumble bee consist of the following components:

(i) For overwintering, contiguous upland forest habitat, at least 82 feet (25 meters (m)) from a non-forested edge, with plants that provide spring pollen and nectar for spring queen foraging immediately after emergence from diapause, containing leaf litter or duff for burrowing, and without dense invasive plant understory vegetation.

(ii) For nesting, upland grasslands, shrublands, savannas, and the forest edge interface between forested and non-forested natural habitats that extends approximately 30 meters into the forest.

(iii) For nesting, abandoned rodent burrows, other mammal burrows, existing cavities with ample cover, or similar existing cavities at the soil surface or below to 4 feet underground.

(iv) For nesting and overwintering, well-drained, uncompacted, loose soils sheltered from the elements.

(v) For foraging, diverse, abundant, native floral resources for the entire active flight season.

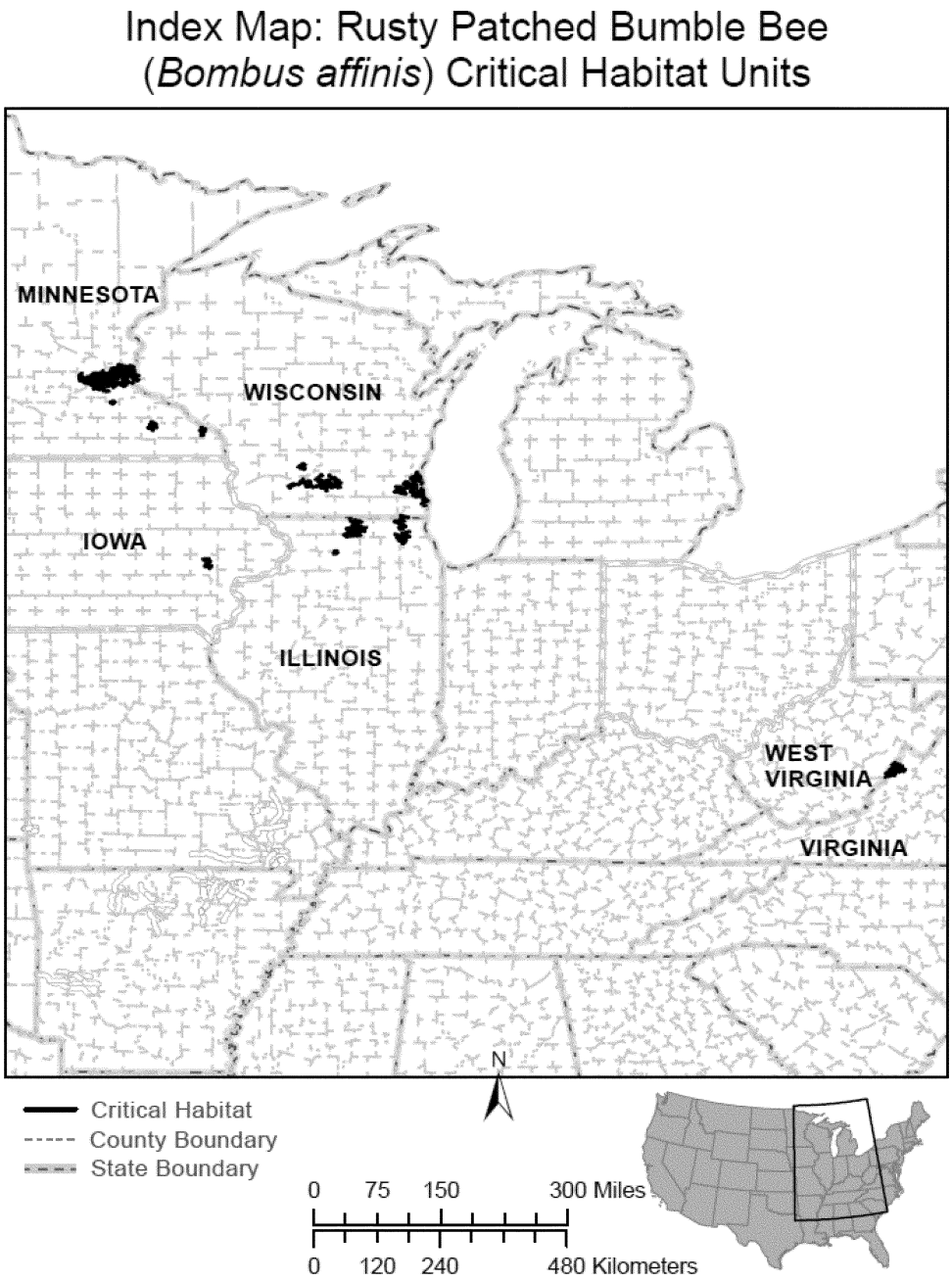
(3) Critical habitat does not include human-made structures (such as buildings, aqueducts, runways, roads, and other paved areas) and the land on which they are located existing within the legal boundaries on July 1, 2026.

(4) Data layers defining map units were created using the data from the Service's modeled High Potential Zones (accessed June 9, 2024) and potential dispersal areas for rusty patched bumble bee. The projection used in mapping and calculating distances and locations within the units was European Petroleum Survey Group (EPSG) code 4269–North American Datum 1983 (NAD83), which is a geographic coordinate system used for mapping locations in North America. The maps in this entry, as modified by any accompanying regulatory text, establish the boundaries of the critical habitat designation. The coordinates or plot points or both on which each map is based are available to the public at the Service's internet site at *https://www.fws.gov/species/rusty-patched-bumble-bee-bombus-affinis,* at *https://www.regulations.gov* at Docket No. FWS–R3–ES–2024–0132, and at the field office responsible for this designation. You may obtain field office location information by contacting one of the Service regional offices, the addresses of which are listed at 50 CFR 2.2.

(5) Index map follows:

Figure 1 to Rusty Patched Bumble Bee (*Bombus affinis*) paragraph (5)

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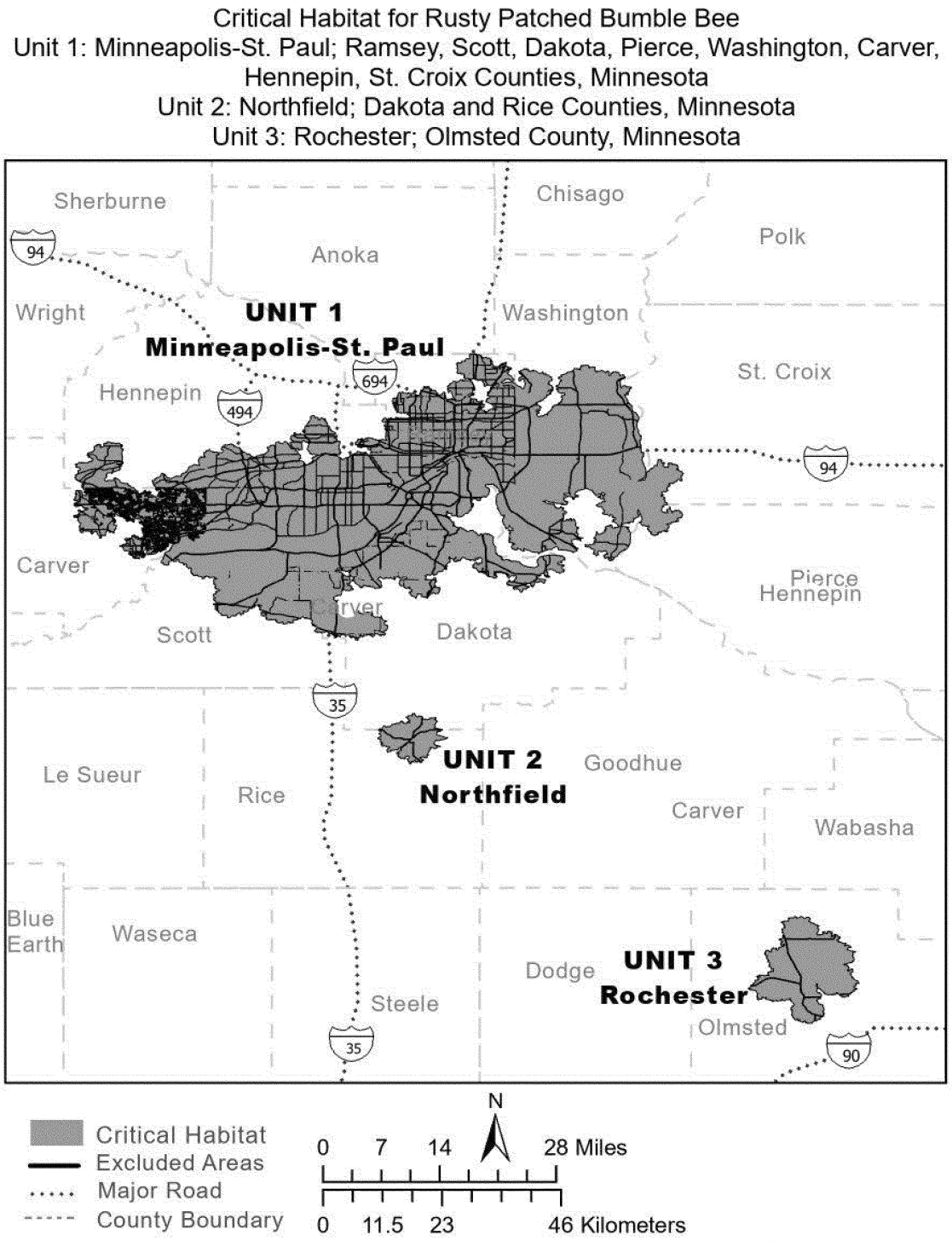
(6) Unit 1: Minneapolis-St. Paul Metropolitan; Ramsey, Scott, Dakota, Pierce, Washington, Carver, Hennepin, and St. Croix Counties, Minnesota.

(i) Unit 1 consists of 520,854 acres (ac) (210,782 hectares (ha)) in the Minneapolis-St. Paul metropolitan area of Minnesota in Ramsey, Scott, Dakota, Pierce, Washington, Carver, Hennepin, and St. Croix Counties. Unit 1 is composed of primarily private lands (462,540 ac (187,183 ha)), Minnesota State and local government-owned lands (49,891 ac (20,190 ha)), and Tribal lands (3,086 ac (1,249 ha)). Federal lands (5,337 ac (2,160 ha)) in Unit 1 include National Park Service's Mississippi National River and Recreational Area and Lower St. Croix National Scenic Riverway, and the Service's Minnesota Valley National Wildlife Refuge. Approximately 212 ac (86 ha) of privately owned lands are managed by the U.S. Department of Agriculture's Natural Resources Conservation Service (USDA–NRCS) Wetlands Reserve Program. Tribal lands include Shakopee Mdewakanton Sioux Community and Shakopee Mdewakanton Sioux Community Off-Reservation Land Trust.

(ii) Map of Units 1, 2, and 3 follows:

Figure 2 to Rusty Patched Bumble Bee (*Bombus affinis*) paragraph (6)(ii)

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(7) Unit 2: Northfield; Dakota and Rice Counties, Minnesota.

(i) Unit 2 consists of 12,038 ac (4,872 ha) in Dakota and Rice Counties. This unit includes private lands (11,542 ac (4,671 ha)), and Minnesota State and local government-owned lands (496 ac (201 ha)).

(ii) Map of Unit 2 is provided at paragraph (6)(ii) of this entry.

(8) Unit 3: Rochester; Olmsted County, Minnesota.

(i) Unit 3 consists of 41,616 ac (16,841 ha) in Olmsted County. This unit includes private lands (40,727 ac (16,482 ha)), and Minnesota State and local government-owned lands (889 ac (360 ha)).

(ii) Map of Unit 3 is provided at paragraph (6)(ii) of this entry.

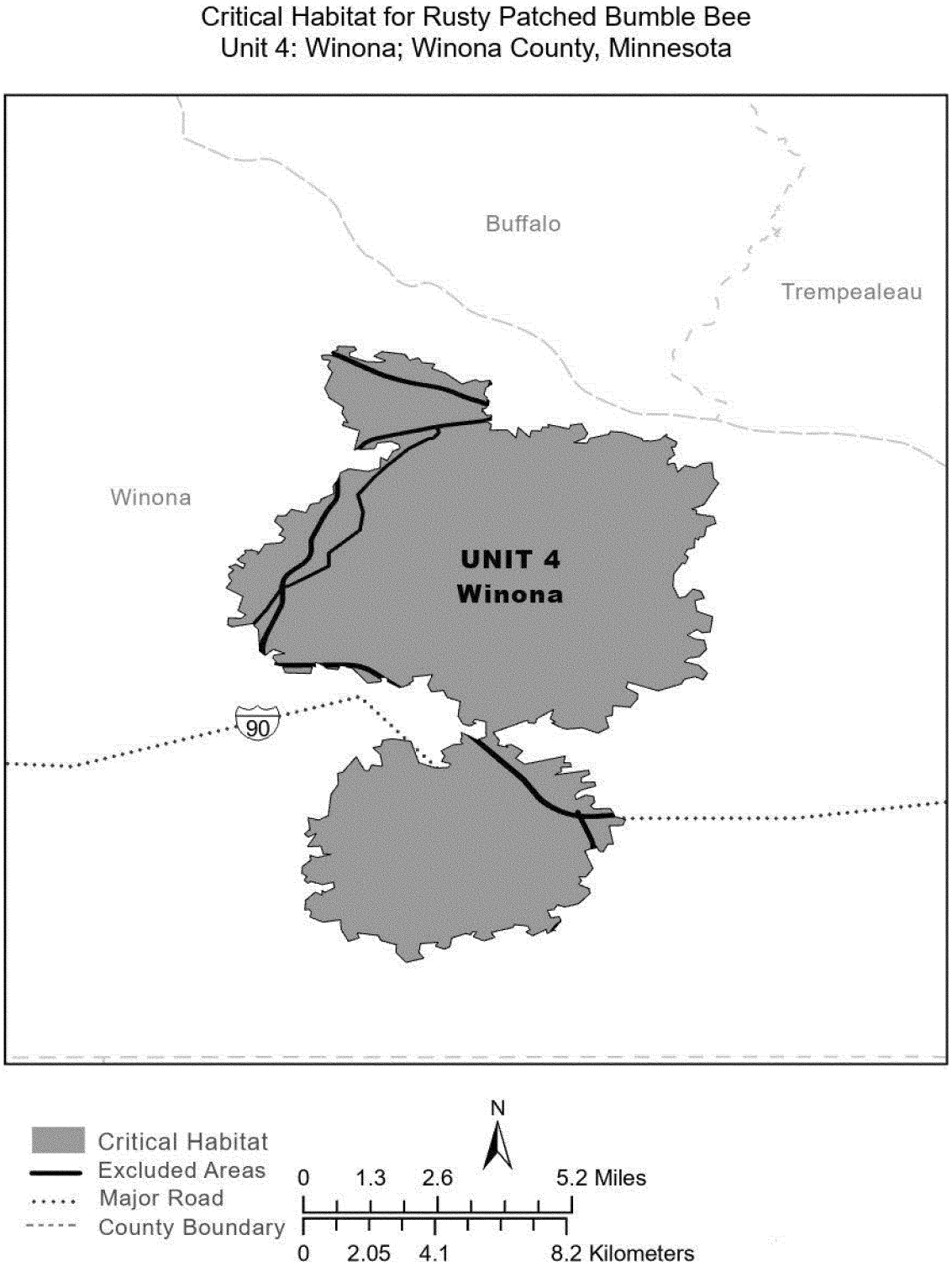
(9) Unit 4: Winona; Winona County, Wisconsin.

(i) Unit 4 consists of 28,309 ac (11,456 ha) in Winona County. This unit includes private lands (27,905 ac (11,293 ha)), and Minnesota State and local government-owned lands (404 ac (163 ha)).

(ii) Map of Unit 4 follows:

Figure 3 to Rusty Patched Bumble Bee (*Bombus affinis*) paragraph (9)(ii)

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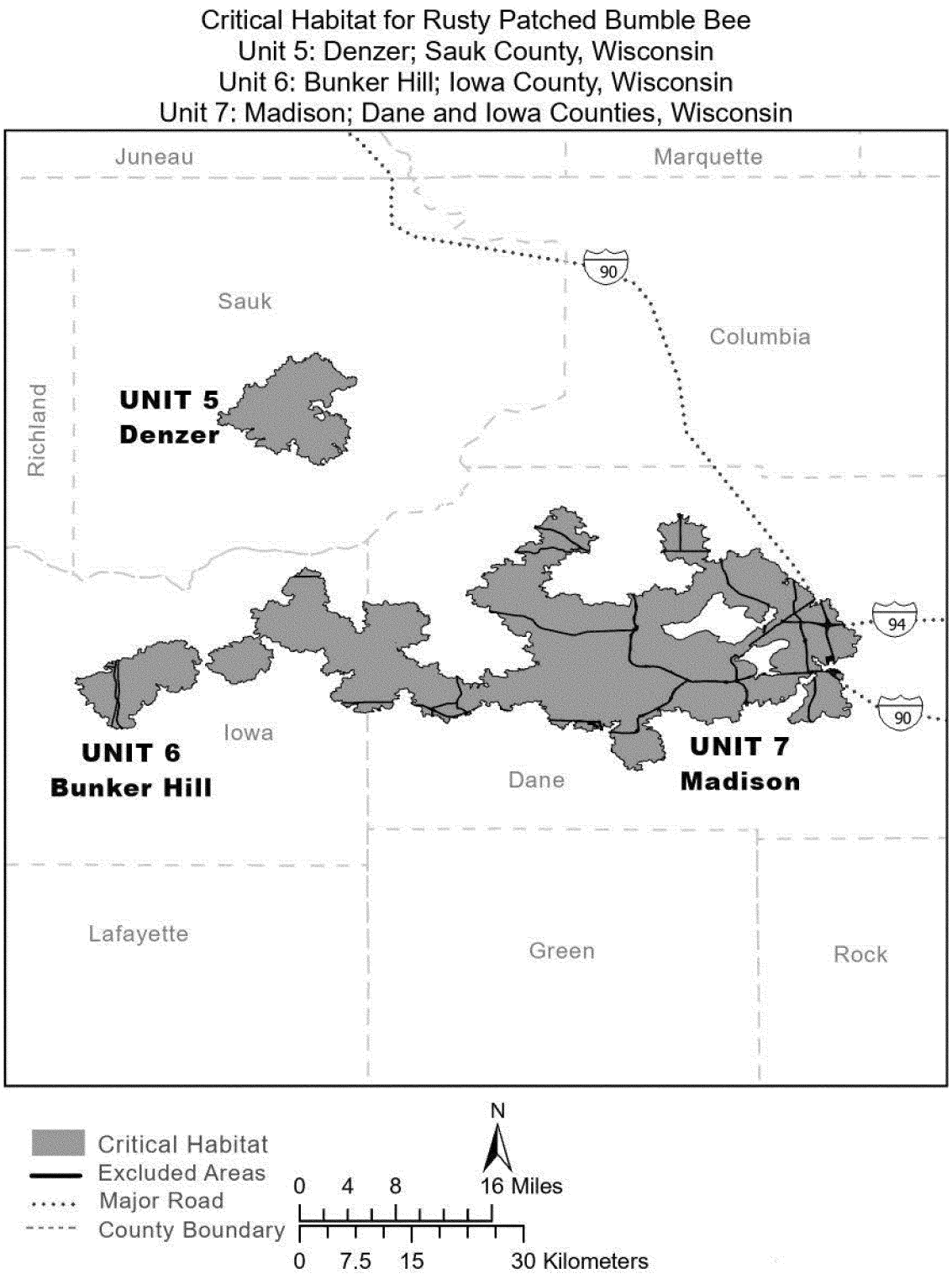
(10) Unit 5: Denzer; Sauk County, Wisconsin.

(i) Unit 5 consists of 26,989 ac (10,922 ha) in Sauk County. This unit is composed of private lands (26,283 ac (10,636 ha)), and Wisconsin State and local government-owned lands (706 ac (286 ha)).

(ii) Map of Units 5, 6, and 7 follows:

Figure 4 to Rusty Patched Bumble Bee (*Bombus affinis*) paragraph (10)(ii)

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(11) Unit 6: Bunker Hill; Iowa County, Wisconsin.

(i) Unit 6 consists of 18,316 ac (7,412 ha) in Iowa County. This unit includes private lands (13,558 ac (5,487 ha)) and Wisconsin State lands and government-owned lands (4,758 ac (1,925 ha)).

(ii) Map of Unit 6 is provided at paragraph (10)(ii) of this entry.

(12) Unit 7: Madison; Dane and Iowa Counties, Wisconsin.

(i) Unit 7 consists of 205,127 ac (83,011 ha) in Dane and Iowa Counties. This unit includes primarily private lands (198,107 ac (80,171 ha)), Wisconsin State and local government-owned lands (6,712 ac (2,716 ha)). This unit contains 4 ac (2 ha) of Ho-Chunk Nation Tribal lands. Federal lands (156 ac (63 ha)) in Unit 7 include the U.S. Forest Service's Forest Products Experimental Laboratory, National Park Service's Ice Age National Scenic Trail, and the Dane County Waterfowl Production Area owned by the U.S. Fish and Wildlife Service. In this unit, approximately 304 ac (123 ha) of private

lands are managed by the USDA–NRCS Wetlands Reserve Program, and approximately 53 ac (21 ha) of private lands are managed by the USDA–NRCS Emergency Waters Protection Program.

(ii) Map of Unit 7 is provided at paragraph (10)(ii) of this entry.

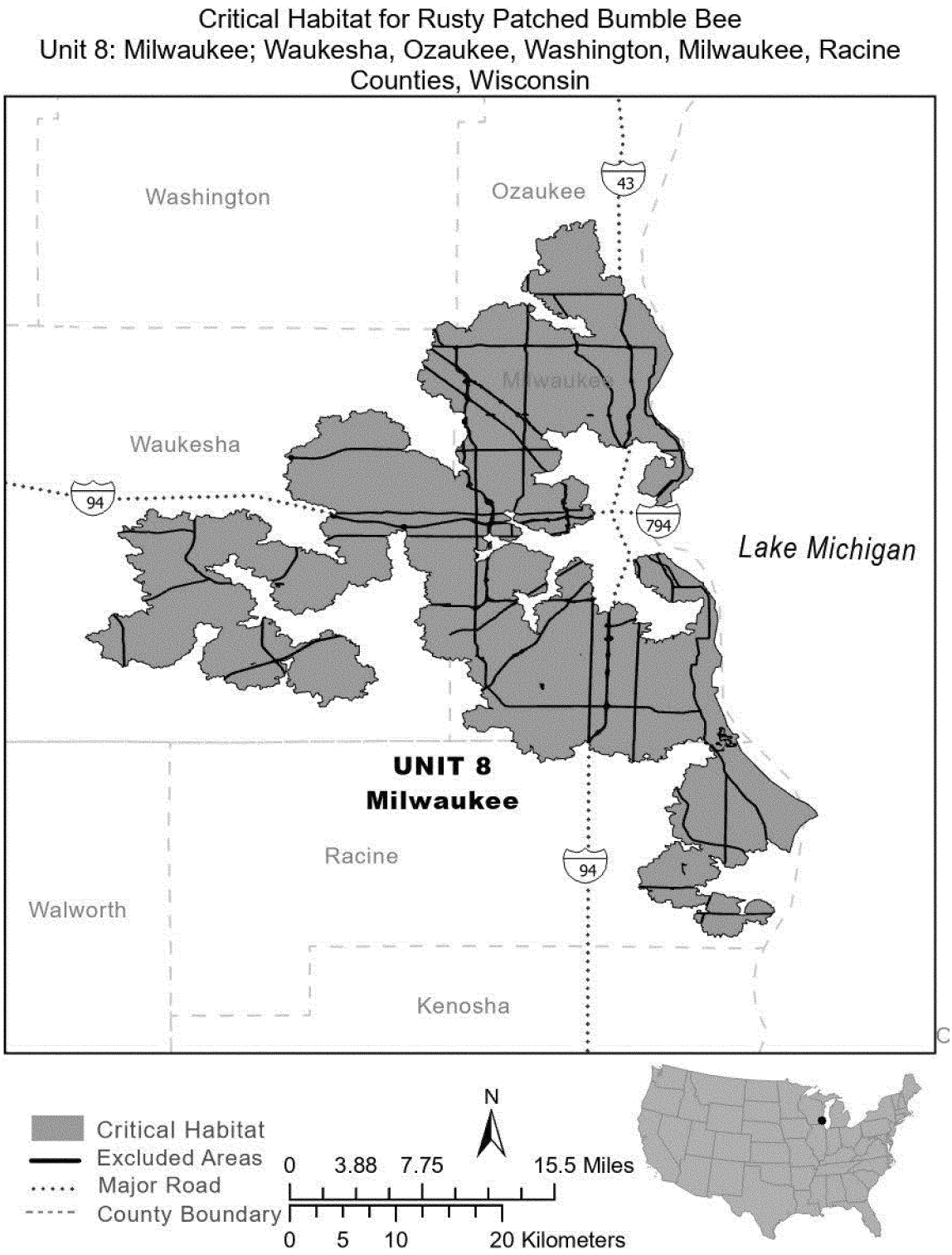
(13) Unit 8: Milwaukee; Waukesha, Ozaukee, Washington, Milwaukee, and Racine Counties, Wisconsin.

(i) Unit 8 consists of 238,928 acres (96,691 hectares) in Waukesha, Ozaukee, Washington, Milwaukee, and Racine Counties. This unit includes primarily private lands (225,865 ac (91,404 ha)), and Wisconsin State and local government-owned lands (12,927 ac (5,231 ha)). Tribal lands include the Forest County Potawatomi Off-Reservation Land Trust (10 ac (4 ha)). Federally owned lands include 5 ac (2 ha) owned by the Bureau of Land Management and 126 ac (51 ha)) of Department of Defense-owned lands. Approximately 66 ac (27 ha) of private lands in this unit are managed by USDA–NRCS Wetlands Reserve Program.

(ii) Map of Unit 8 follows:

Figure 5 to Rusty Patched Bumble Bee (*Bombus affinis*) paragraph (13)(ii)

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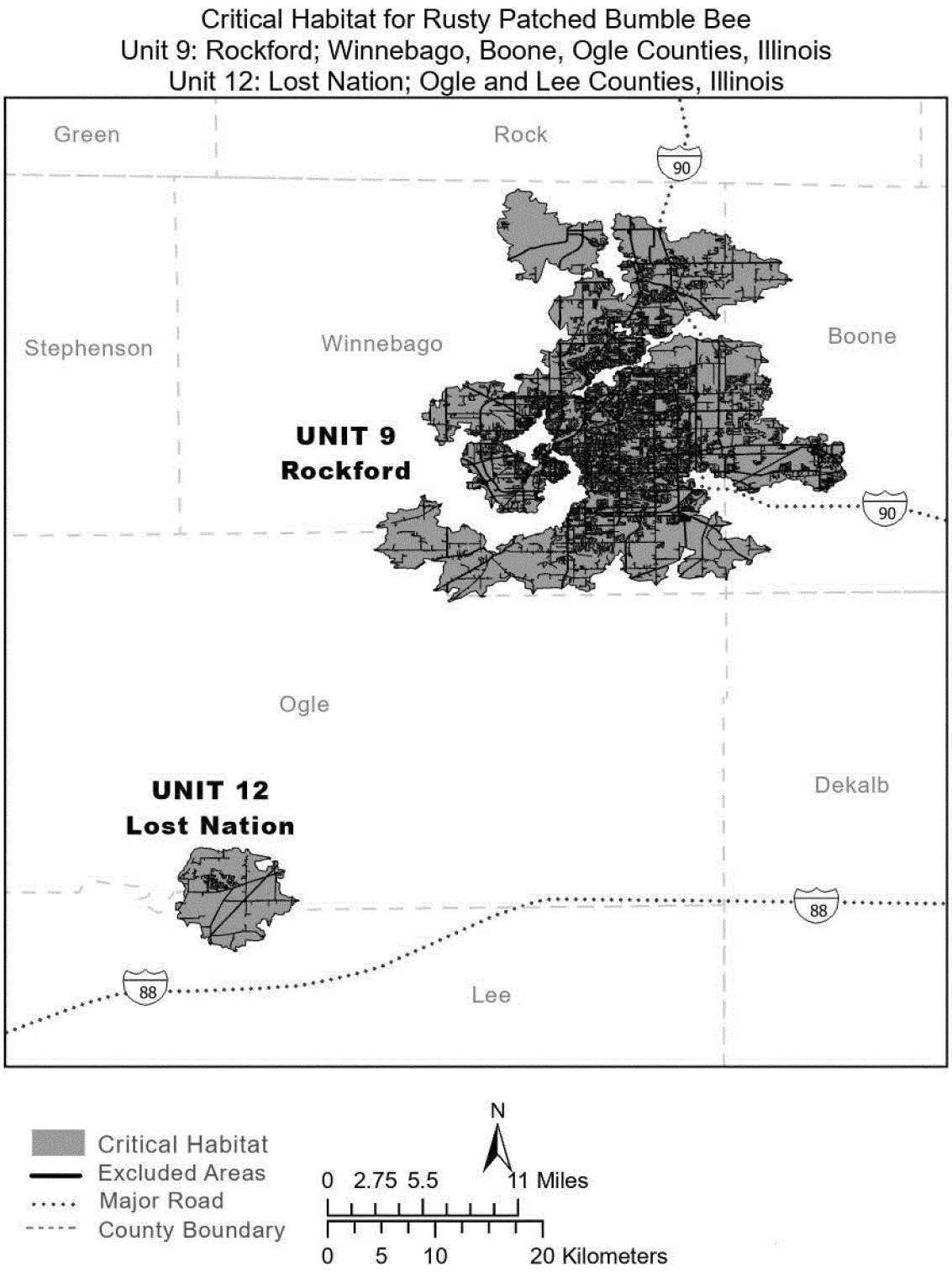


(14) Unit 9: Rockford; Winnebago, Boone, and Ogle Counties, Illinois.

(i) Unit 9 consists of 130,668 ac (52,879 ha) in Boone, Ogle, and Winnebago Counties. This unit includes primarily private lands (128,064 ac (51,826 ha)), and Illinois State and local government-owned lands (2,604 ac (1,054 ha)). Approximately 669 ac (271 ha) of private lands in this unit are managed by the USDA–NRCS Wetlands Reserve Program.

(ii) Map of Unit 9 and 12 follows:

Figure 6 to Rusty Patched Bumble Bee (*Bombus affinis*) paragraph (14)(ii)



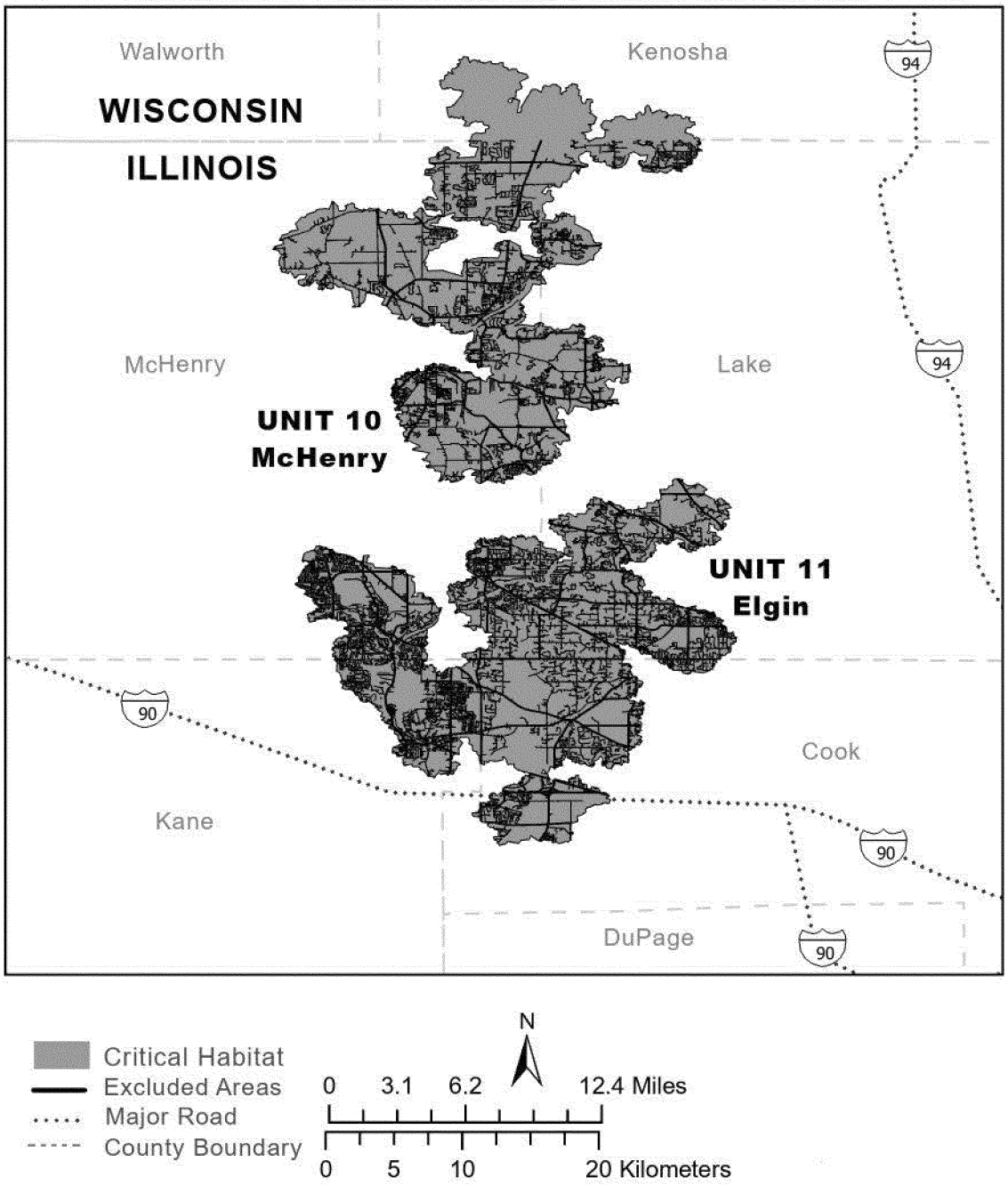
(15) Unit 10: McHenry; McHenry and Lake Counties, Illinois, and Kenosha County, Wisconsin.

(i) Unit 10 consists of 65,464 ac (26,492 ha) in McHenry and Lake Counties, Illinois, and Kenosha County, Wisconsin. This unit includes primarily private lands (58,601 ac (23,715 ha)), and Illinois State and local government-owned lands (6,861 ac (2,777 ha)). The Bureau of Land Management owns 2 ac (1 ha) of land in this unit. A conservation easement within the Hackmatack National Wildlife Refuge, managed by the Service, falls partially (39 ac (16 ha)) within this unit. Approximately 412 ac (167 ha) of private lands within this unit are managed by the USDA–NRCS Wetlands Reserve Program.

(ii) Map of Units 10 and 11 follows:

Figure 7 to Rusty Patched Bumble Bee (*Bombus affinis*) paragraph (15)(ii)

Critical Habitat for Rusty Patched Bumble Bee
Unit 10: McHenry; McHenry and Lake County, Illinois; Kenosha County, Wisconsin
Unit 11: Elgin; Lake, Cook, Kane, McHenry Counties, Illinois



(16) Unit 11: Elgin; Lake, Cook, Kane, and McHenry Counties, Illinois.

(i) Unit 11 consists of 69,761 ac (28,231 ha) in Cook, Kane, Lake, and McHenry Counties. This unit includes primarily private lands (57,285 ac (23,182 ha)), and Illinois State and local government-owned lands (12,494 ac (5,056 ha)).

(ii) Map of Unit 11 is provided at paragraph (15)(ii) of this entry.

(17) Unit 12: Lost Nation; Ogle and Lee Counties, Illinois.

(i) Unit 12 consists of 12,643 ac (5,116 ha) in Lee and Ogle Counties. This unit is composed of private lands (12,046 ac (4,875 ha)), and State lands owned by Iowa Department of Natural Resources (597 ac (242 ha)).

(ii) Map of Unit 12 is provided at paragraph (14)(ii) of this entry.

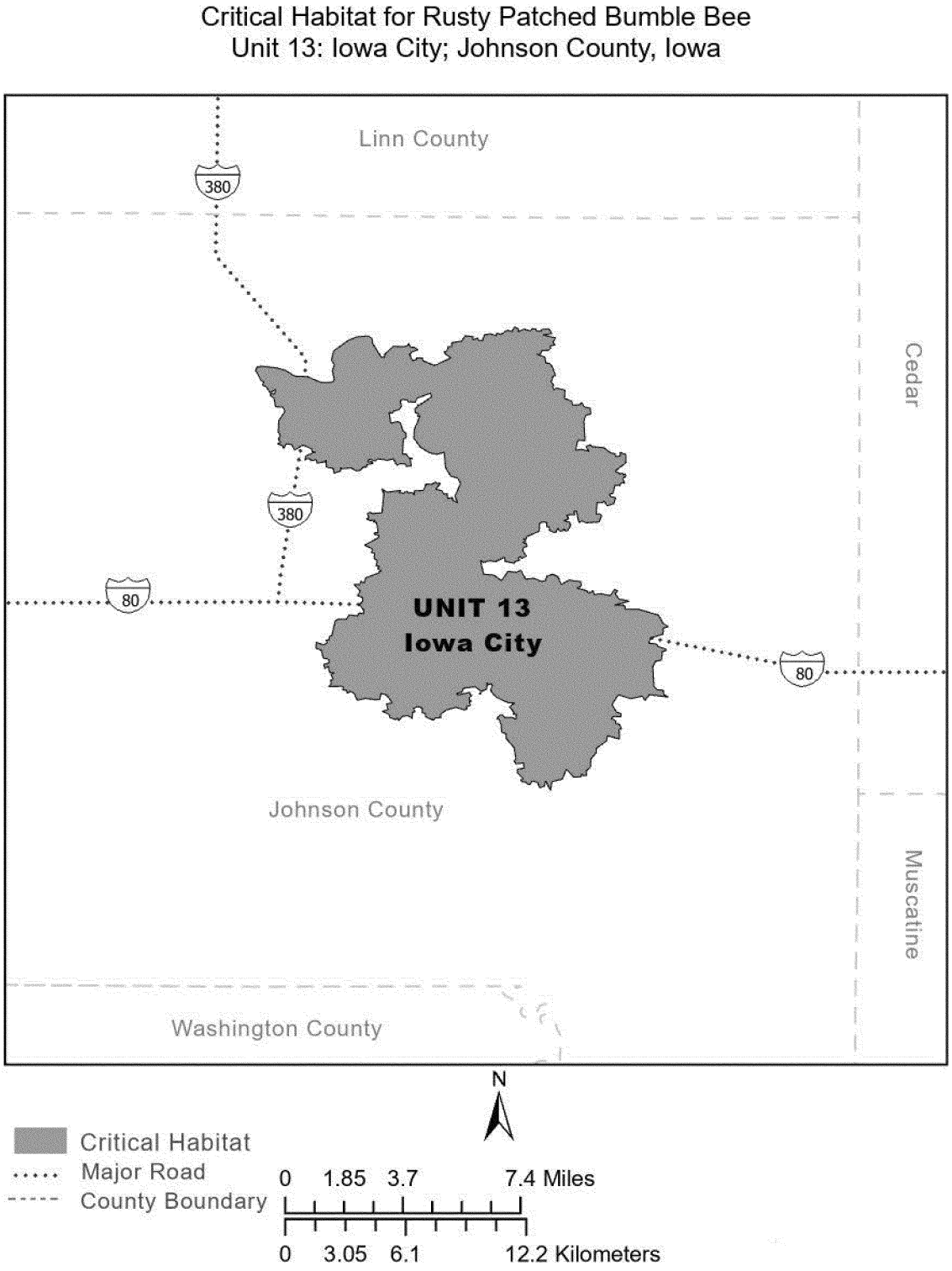
(18) Unit 13: Iowa City; Johnson County, Iowa.

(i) Unit 13 consists of 45,631 ac (18,466 ha) in Johnson County. This unit includes primarily private lands (30,500 ac (12,343 ha)), Iowa State and local government-owned lands (3,922 ac (1,587 ha)). Federal lands (11,209 ac

(4,536 ha)) in this unit include U.S. Army Corps of Engineers' Coralville Lake and the Coralville Reservoir. A portion of the U.S. Army Corps of Engineers' land in this unit is managed by the State of Iowa (1,333 ac (539 ha)) and the University of Iowa (421 ac (170 ha)).

(ii) Map of Unit 13 follows:

Figure 8 to Rusty Patched Bumble Bee (*Bombus affinis*) paragraph (18)(ii)



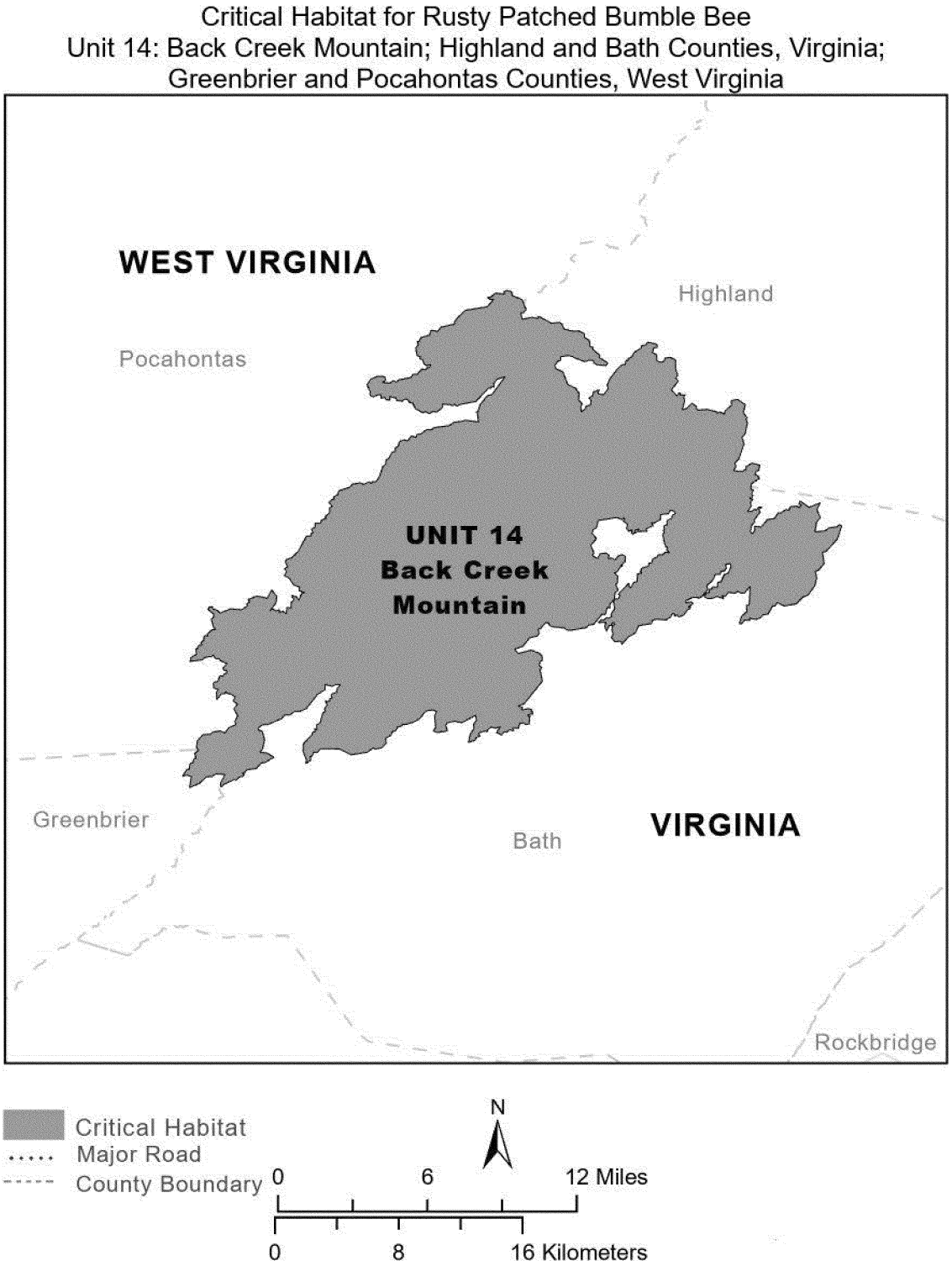
(19) Unit 14: Back Creek Mountain; Highland and Bath Counties, Virginia, and Greenbrier and Pocahontas Counties, West Virginia.

(i) Unit 14 consists of 118,589 ac (47,991 ha) in Highland and Bath Counties, Virginia, and Greenbrier and Pocahontas Counties, West Virginia. This unit includes Federal lands (105,551 ac (42,715 ha)), private lands (11,193 ac (4,530 ha)), and Virginia State lands (1,845 ac (747 ha)). Federal lands

include the Monongahela and the George Washington–Jefferson National Forests.

(ii) Map of Unit 14 follows:

Figure 9 to Rusty Patched Bumble Bee (*Bombus affinis*) paragraph (19)(ii)



* * * * *

Brian R. Nesvik,

Director, U.S. Fish and Wildlife Service.

[FR Doc. 2026–10846 Filed 5–29–26; 8:45 am]

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Part III

Department of Labor

Office of Labor-Management Standards

29 CFR Parts 402, 403, and 408
Labor Organization Annual Financial Reports; Final Rule

DEPARTMENT OF LABOR

Office of Labor-Management Standards

29 CFR Parts 402, 403, and 408

RIN 1245–AA10

Labor Organization Annual Financial Reports

AGENCY: Office of Labor-Management Standards, Department of Labor.

ACTION: Final rule.

SUMMARY: The Department of Labor (Department) publishes this combined final rule to its regulations to improve its LM Labor Organization Annual Financial Reports by establishing a longer LM form for the largest labor organizations (Form LM–2 Long Form), revising a slightly shorter form for most labor organizations at and above the $350,000 threshold (Form LM–2), making a parallel revision to Form LM–3, and updating reporting thresholds for Forms LM–3 and LM–4 to promote financial integrity and transparency. The final rule applies prospectively under section 208 of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA).

DATES: *Effective Date:* This rule is effective July 1, 2026. *Applicability Date:* This rule will apply prospectively to labor organizations whose fiscal years begin on or after July 1, 2026.

FOR FURTHER INFORMATION CONTACT: Andrew C. Hasty, Chief of the Division of Interpretations and Regulations, Office of Labor-Management Standards, U.S. Department of Labor, 200 Constitution Avenue NW, Room N–5609, Washington, DC 20210, by telephone at (202) 693–0123 (this is not a toll-free number), 711 (TTY/TDD), or by email at *olms-public@dol.gov.*

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I. Statutory Authority

The Department's statutory authority to issue this final rule is set forth in sections 201 and 208 of the Labor-Management Reporting and Disclosure Act of 1959, as amended (LMRDA or Act), 29 U.S.C. 431, 438. Section 208 of the LMRDA provides that the Secretary of Labor (Secretary) shall have authority to issue, amend, and rescind rules and regulations prescribing the form and publication of reports required to be filed under Title II of the Act and such other reasonable rules and regulations as she may find necessary to prevent the circumvention or evasion of the reporting requirements. 29 U.S.C. 438. This rule implements section 201 of the LMRDA, which requires covered labor organizations to file annual, public reports with the Department, identifying the labor organization's assets and liabilities, receipts, salaries and other direct or indirect disbursements to each officer and all employees receiving $10,000 or more in aggregate from the labor organization, direct or indirect loans (in excess of $250 aggregate) to any officer, employee, or member, loans (of any amount) to any business enterprise, and other disbursements during the reporting period. 29 U.S.C. 431(b). The statute further requires that such information shall be filed ''in such detail as may be necessary accurately to disclose [a labor organization's] financial condition and operations[.]'' *Id.*

The Secretary has delegated the authority under the LMRDA to the Director of the Office of Labor-Management Standards and permitted redelegation of such authority. *See* Secretary's Order 03–2012 (Oct. 19, 2012), published at 77 FR 69376 (Nov. 16, 2012).

II. Background

a. Introduction

On October 13, 2020, the Department proposed to introduce a new form titled, Form LM–2 Long Form, and update and revise the prior version of the Form LM–2 labor organization annual financial disclosure report (prior Form LM–2), which had not had major revisions since 2003. The Department has made some changes to its 2020 proposal to reduce burden. Overall, today's final rule will provide additional valuable information about the nation's largest labor organizations to union members, the Department, and the public. *See* 85 FR 64726 (Oct. 13, 2020) (2020 NPRM). As noted in the 2020 NPRM, the Form LM–2 Long Form and the revisions to the prior Form LM–2 are part of the Department's continuing efforts to better effectuate the reporting requirements of the LMRDA.

The Department provided for a 60-day comment period that closed on December 14, 2020. The Department received 99 comments, of which 97 were unique and posted. The Department received comments from labor organizations, public interest groups, employer associations, certified public accountants, as well as current and former labor organization members and other individuals.

On July 1, 2025, the Department issued a notice of proposed rulemaking (NPRM) to update the filing thresholds in 29 CFR 403.4(a) for Forms LM–2, LM–3, and LM–4 Labor Organization Annual Reports. 90 FR 28251 (July 1, 2025) (2025 NPRM). The comment period was open through July 31, 2025. The Department received a total of 299 comment submissions. Eleven were unique, substantive comments filed by labor organizations, employer associations, policy institutes, other stakeholder groups, and private individuals; the remainder were form letters.

The Department views the 2020 and 2025 NPRMs as distinct regulatory proposals that operate in the same reporting framework. The Department's introduction of the new LM–2 Long Form as well as its proposed revisions to the Form LM–2, as set forth in the 2020 NPRM, 85 FR 64726 (Oct. 13, 2020), and the Department's interest in

moderating the burden on reporting labor organizations, as set forth in the 2025 NPRM, 90 FR 28251 (July 1, 2025), are distinct but related policy choices. The Department concludes that these proposals will function in coordination once effective. Accordingly, for efficiency, this rulemaking finalizes the proposals in both the 2020 NPRM regarding the Form LM–2 Long Form and revised Form LM–2 and the 2025 NPRM regarding the filing thresholds for Forms LM–2, LM–3 and LM–4.

After careful consideration of the comments to the 2020 and 2025 NPRMs, and as explained in this rulemaking, the Department has modified elements of the new Form LM–2 Long Form and the revised Form LM–2 from the formats initially proposed. We further note that the LM–2 reporting updates now include a revision that, for consistency with accounting practices, results in a parallel change to Form LM–3. In response to the comments on the 2020 and 2025 NPRMs, the Department has also updated the thresholds for Forms LM–2, LM–3, and LM–4 to account for inflation.

This combined final rule supports the LMRDA's various reporting provisions which are designed to empower labor organization members by providing them with the means and information to maintain democratic control over their labor organizations and ensure proper accounting of labor organization funds. Labor organization members are better able to monitor their labor organization's financial affairs and to make informed choices about the leadership of their labor organization and its direction when labor organizations disclose financial information required by the LMRDA in an easily accessible way. By reviewing the LM annual financial reports, a member may ascertain the labor organization's priorities and whether they are in accord with the union's constitution, the organization's purpose, the member's own priorities, and those of fellow members. At the same time, this transparency promotes the labor organization's own interests as a democratic institution as well as the interests of the public and the government. Furthermore, the LMRDA's reporting and disclosure provisions, together with the fiduciary duty provision, 29 U.S.C. 501, which directly regulates the primary conduct of labor organization officials, operate to safeguard a labor organization's funds from depletion by improper or illegal means. Timely and complete reporting also helps deter labor organization officers or employees from embezzling or otherwise making improper use of such funds.

The Department issues this final rule to bring the reporting requirements for labor organizations in line with contemporary expectations for the disclosure of financial information. The next section discusses the statutory and regulatory background for this rule. Subsequent sections discuss the new Form LM–2 Long Form, specific changes to the revised Form LM–2, and a parallel change to Form LM–3, as well as the regulatory analysis, the filing threshold changes, and the revised regulatory text.

b. Statutory Background

In enacting the LMRDA in 1959, a bipartisan Congress found that ''there have been a number of instances of breach of trust, corruption, disregard of the rights of individual employees, and other failures to observe high standards of responsibility and ethical conduct which require further and supplementary legislation that will afford necessary protection of the rights and interests of employees and the public generally as they relate to the activities of labor organizations, employers, labor relations consultants, and their officers and representatives.'' 29 U.S.C. 401(b).

The LMRDA was designed to remedy these various ills through a set of integrated provisions aimed largely at labor organization governance and management. These include a ''bill of rights'' for labor organization members, which provides for equal voting rights, freedom of speech and assembly, and other basic safeguards for labor organization democracy, *see* 29 U.S.C. 411–415; financial reporting and disclosure requirements for labor organizations, their officers and employees, employers, labor relations consultants, and surety companies, *see* 29 U.S.C. 431–436, 441; detailed procedural, substantive, and reporting requirements relating to labor organization trusteeships, *see* 29 U.S.C. 461–466; detailed procedural requirements for the conduct of elections of labor organization officers, *see* 29 U.S.C. 481–483; safeguards for labor organizations, including bonding requirements, the establishment of fiduciary responsibilities for labor organization officials and other representatives, criminal penalties for embezzlement from a labor organization, a prohibition on certain loans by a labor organization to officers or employees, prohibitions on individuals convicted of certain crimes from holding union office or employment or serving in other prohibited capacities, and prohibitions on payments for prohibited purposes by an employer or labor relations consultant to employees, labor organizations, and labor organization officers and employees, *see* 29 U.S.C. 501–505; and prohibitions against extortionate picketing, retaliation for exercising protected rights, and deprivation of LMRDA rights by violence, *see* 29 U.S.C. 522, 529, 530.

The LMRDA was the direct outgrowth of a congressional investigation conducted by the Select Committee on Improper Activities in the Labor or Management Field, commonly known as the McClellan Committee, chaired by Senator John McClellan of Arkansas. In 1957, the committee began a highly publicized investigation of labor organization racketeering and corruption. Its findings of financial abuse, mismanagement of labor organization funds, and unethical conduct provided much of the impetus for the bipartisan enactment of the LMRDA's remedial provisions. *See generally* Benjamin Aaron, *The Labor-Management Reporting and Disclosure Act of 1959,* 73 Harv. L. Rev. 851, 851–55 (1960). During the investigation, the committee uncovered a host of improper financial arrangements between officials of several international and local labor organizations and employers whose employees were represented or may have been organized by the labor organizations in question. The committee found similar arrangements between labor organization officials and the companies that handled matters relating to the administration of labor organization benefit funds. *See generally* Interim Report of the Select Committee on Improper Activities in the Labor or Management Field, S. Report No. 85–1417 (1957); *see also* William J. Isaacson, *Employee Welfare and Benefit Plans: Regulation and Protection of Employee Rights,* 59 Colum. L. Rev. 96 (1959).

Financial reporting and disclosure were conceived as a partial remedy for these improper practices. As noted in a key Senate Report on the legislation, disclosure would discourage questionable practices (''The searchlight of publicity is a strong deterrent.''); aid labor organization governance (Labor organizations will be able ''to better regulate their own affairs. The members may vote out of office any individual whose personal financial interests conflict with his duties to the members.''); facilitate legal action by members against ''officers who violate their duty of loyalty to the members;'' and create a record (The reports will furnish a ''sound factual basis for

further action in the event that other legislation is required.''). S. Rep. No. 187, at 412 (1959), reprinted in 1 NLRB Legislative History of the Labor-Management Reporting and Disclosure Act of 1959.

As the House Report disclosed, ''It is the purpose of this bill to insure that full information concerning the financial and internal administrative practices and procedures of labor organizations shall be, in the first instance available to the members of such organizations. In addition, this information is to be made available to the Government, and through the Secretary of Labor, is to be open to inspection by the general public. By such disclosure, and by relying on voluntary action by members of labor organizations, it is hoped that a deterrent to abuses will be established.'' House Report No. 741, at 766 (86th Cong., 1st Sess., 2 U.S. Code Cong. & Admin. News, 1959, p. 2424).

c. Regulatory Background

Section 201 of the Act requires labor organizations to file annual public reports with the Department, detailing the labor organization's financial conditions and operations. 29 U.S.C. 431(b). After Congress enacted the LMRDA, the Department developed forms for implementing the LMRDA's financial reporting requirements. Those annual report forms (Form LM–2, Form LM–3, and Form LM–4) required information about a labor organization's assets, liabilities, receipts, disbursements, loans to officers and employees and business enterprises, payments to each officer, and payments to each employee of the labor organization paid more than $10,000 during the fiscal year. The Department required reporting details about labor organizations that varied depending on the amount of the labor organization's annual receipts. 29 CFR 403.4.

Before today's final rule, labor organizations with annual receipts of $250,000 or more, and all labor organizations in trusteeship (regardless of the amount of their annual receipts), were required to file Form LM–2—and there was only one version of that form. 29 CFR 403.2–403.4 (2025). The form could also be filed voluntarily by any labor organization with less than $250,000 in annual receipts. Form LM–2 required certain receipts and disbursements to be reported by functional categories, such as representational activities; political activities and lobbying; contributions, gifts, and grants; union administration; and benefits. Further, the form required labor organizations to allocate the time their officers and employees spent according to functional categories, as well as the payments that each of these officers and employees received, and it compelled the itemization of certain transactions totaling $5,000 or more.

Using filing data for federal fiscal year ending September 30, 2025, Form LM–2 was filed by 23.6 percent of the reporting labor organizations. If a labor organization had less than $250,000 in total annual receipts, it could file either a Form LM–3 or Form LM–4, both of which required significantly less detail than Form LM–2. Form LM–3 was filed by 44.5 percent of the reporting labor organizations (*i.e.,* those with less than $250,000 in total annual receipts but $10,000 or more). Labor organizations with receipts of less than $10,000 were permitted to file Form LM–4. They constituted 27.8 percent of the filers. The remaining 4.1 percent were allowed to file a simplified report, which was available to labor organizations with no assets, liabilities, receipts, or disbursements.

As remains the case under this final rule, the LM Labor Organization Annual Report forms must be signed and filed electronically with the Department within 90 days of the end of the labor organization's fiscal year. The labor organization's president and treasurer (or its corresponding officers) are personally responsible for filing the reports and for any statement in the reports known by them to be false. 29 CFR 403.6. These officers are also responsible for maintaining records in sufficient detail to verify, explain, or clarify the accuracy and completeness of the reports for not less than five years after the filing of the forms. 29 CFR 403.7. A labor organization ''shall make available to all its members the information required to be contained in such reports'' and ''shall . . . permit such member[s] for just cause to examine any books, records, and accounts necessary to verify such report[s].'' 29 CFR 403.8(a). The reports are public information. 29 U.S.C. 435(a). The Secretary is charged with providing for the inspection and examination of the financial reports, 29 U.S.C. 435(b). For this purpose, OLMS maintains an Online Public Disclosure Room (*see https://olmsapps.dol.gov/olpdr/*) on its public-facing website, *www.dol.gov/agencies/olms,* where reports filed since the year 2000 are available for the public's review and download.

The format of Form LM–2 remained essentially unchanged from the early 1960s until October 2003, when revisions created the prior version of Form LM–2 through the rulemaking chronology detailed below.

On December 27, 2002, the Department issued an NPRM proposing revisions of Form LM–2 (and other proposals for reforms of reports), expanding LMRDA coverage, and a newly created form. 67 FR 79280 (Dec. 27, 2002).

On October 9, 2003, the Department issued a final rule with an effective date of January 4, 2004. 68 FR 58373 (Oct. 9, 2003) (2003 final rule). The rule put into effect the NPRM-proposed changes to Form LM–2 with modifications. The key changes made by that final rule were as follows:

1. *$5,000 Itemization Threshold:* Form LM–2 filers itemized certain categories of receipts and disbursements of $5,000 or more, as well as receipts and disbursements to a single entity that totaled $5,000 or more in the reporting year.

2. *Confidentiality Exemption:* Labor organizations (hereinafter also referred to as ''labor unions'' or ''unions'') could take advantage of special procedures for reporting confidential information, such as information that would expose the reporting union's prospective organizing strategy and information that would provide a tactical advantage to parties with whom the union engages in contract negotiations. Such information was not specifically reported or publicly disclosed.

3. *Functional Reporting:* Disbursements were reported in five specified categories (Representational Activities; Political Activities and Lobbying; Contributions, Gifts and Grants; General Overhead; and Union Administration).

4. *Functional Reporting of Work Time:* Form LM–2 required unions to estimate the time spent by each union officer and union employee (collectively, ''union officials'') on different duties, based on the categories of activities represented by Form LM–2 schedules and represented as a percentage of work time totaling 100 percent. Unions then reported the portion of gross salaries for each schedule based on the percentage of time estimates.

5. *Accounts Payable/Receivable:* Form LM–2 included schedules designed for reporting delinquent accounts payable and receivable (with the typical Form LM–2 itemization threshold of $5,000).

6. *Reporting of Investments:* Form LM–2 required unions to report all investments that both had a book value greater than $5,000 and represented five percent or more of the union's investments.

7. *Membership Categories:* Form LM–2 required unions to report their number of members by category. The union was permitted to determine the categories.

Common categories included active members, retirees, full retirees, apprentices, etc.

Approximately four and a half years later, the Department issued a notice of proposed rulemaking, 73 FR 27346 (May 12, 2008), to further revise Form LM–2 in several ways. The Department proposed a major modification that would require an expanded number of schedules to further itemize receipts. The Department subsequently issued a final rule, 74 FR 3678 (Jan. 21, 2009) (2009 final rule), with an effective date of February 20, 2009, and an applicability date of July 1, 2009. The rule was ultimately rescinded before any reports were filed. The three key changes in the 2009 rule were:

1. *Additional information on Schedules 3 and 4:* Had it become applicable, the rule would have required additional information on the Form LM–2 Schedule 3—Sales of Investments and Fixed Assets, and Schedule 4—Purchase of Investments and Fixed Assets, disclosing the party buying or selling union assets.

2. *Additional information on Schedules 11 and 12:* The rule would have required additional information on the Form LM–2 Schedule 11—All Officers and Disbursements to Officers, and Schedule 12—Disbursements to Employees, disclosing the total value of the benefits received by union officers and union employees (*i.e.,* it would have required unions to include the value of union officer and employee benefits in Schedules 11 and 12, respectively, rather than aggregated in a lump sum figure in Schedule 20).

3. *Itemization of Receipts:* The rule would have added itemization schedules corresponding to additional categories of receipts.

On April 21, 2009, the Department issued a notice of proposed rulemaking to rescind the Form LM–2 changes made by the January 2009 final rule. 74 FR 18172 (Apr. 21, 2009). The NPRM expressed concern that the January 2009 final rule failed to consider the value of increased reporting and its attendant burdens, which may have resulted in a reporting regime that lacked what the NPRM stated was a required balance between the need for transparency in union financial reporting and the need to protect unions from excessive burdens attendant to such reporting. *Id.* at 18175.

On October 13, 2009, the Department issued a final rule, which rescinded the Form LM–2 changes made by the January 2009 final rule. 74 FR 52401 (Oct. 13, 2009).[1] As to the perceived failure to adequately balance burden with benefit, the Department concluded that the annual reports need not disclose ''every bit of probative financial information.'' *Id.* at 52406 (internal quotation marks omitted).

Another basis for the Department's rescission of the January 2009 rule was the view that it had promulgated the rule ''too soon after the 2003 changes'' and ''without an adequate review of the benefits and costs of the changes.'' *Id.* The Department stated that ''a more comprehensive review'' was needed to measure the benefits of the 2003 revisions against their costs; the Department suggested as two potential options ''a survey of all Department investigators or a documented review of the thousands of filings received by the Department under the 2003 rule.'' *Id.* at 52408.

i. 2020 NPRM

On October 13, 2020, the Department issued a notice of proposed rulemaking to revise and update the Form LM–2 (revised Form LM–2) and establish a new Form LM–2 Long Form in the interest of labor organization financial integrity and transparency. 85 FR 64726 (Oct. 13, 2020). The 2020 NPRM incorporated findings the Department collected by canvassing OLMS field investigators on their experiences and insights on the 2003 changes to Form LM–2, as well as their views on what further improvements, if any, could be made.

The Department proposed a series of amendments to reporting requirements addressing multiple subject areas relevant to labor organization financial disclosure and transparency. The 2020 NPRM was intended to reassess existing reporting thresholds, clarify reporting obligations, and enhance the utility of disclosed information for members, the public, and the Department. To provide a clear understanding of the scope of that rulemaking, the Department summarizes here the principal subject areas addressed in the 2020 NPRM, which together define the range of issues on which the Department sought comment and from which any final regulatory provisions must logically derive.

The 2020 NPRM included proposals concerning reporting thresholds applicable to the prior Form LM–2 and its accompanying itemization schedules filed by labor organizations. Specifically, the Department proposed revisions to the $250,000 filing threshold for prior Form LM–2, which was required of labor organizations with higher annual receipts. The NPRM sought comment on whether that threshold continued to strike an appropriate balance between ensuring transparency and minimizing unnecessary reporting burdens, and whether adjustments to that threshold would improve the effectiveness of the reporting regime. The Department also proposed raising the $5,000 itemization threshold to $7,500 for various schedules filed with prior Form LM–2.

For the largest labor organizations, the Department proposed to create a new financial disclosure form, the Form LM–2 Long Form. The agency sought comment on an $8,000,000 filing threshold for that form.

In addition to threshold-related proposals, the 2020 NPRM addressed several specific categories of financial reporting. The Department proposed revisions concerning the reporting of strike funds, including whether such funds should be more clearly identified or separately disclosed in annual reports to improve transparency regarding their use and administration. The NPRM also included proposals related to foreign transactions, with a focus on enhancing disclosure of financial interactions involving foreign entities, accounts, or interests. These proposals were intended to ensure that members and the public have a clearer understanding of the scope and nature of labor organization financial activities that extend beyond domestic operations.

The 2020 NPRM further considered the scope and application of confidentiality provisions within the reporting framework. The Department requested comment on modifications to existing confidentiality exemptions that permit labor organizations to withhold certain sensitive information, and it sought comment on whether such exemptions should be modified, narrowed, or eliminated to better balance transparency with legitimate privacy and security concerns. The 2020 NPRM also addressed whistleblower protections, proposing measures intended to strengthen protections against retaliation and to encourage individuals to report potential violations of the LMRDA. These provisions reflected the Department's interest in ensuring that reporting and compliance mechanisms are supported by adequate safeguards for individuals who come forward with information.

[1] On February 20, 2009, OLMS extended the effective date of the January 2009 final rule to April 21, 2009. 74 FR 7814 (Feb. 20, 2009). The April 2009 final rule delayed the effective date of the January 2009 final rule until October 19, 2009, and the applicability date until January 1, 2010. 74 FR 18132 (Apr. 21, 2009).

Finally, the 2020 NPRM proposed requirements for additional identifying information to be included in labor organization reports. These proposals were intended to improve the ability of the Department, union members, and the public to identify reporting entities and related individuals or organizations, thereby enhancing the overall transparency and usability of the reported data. The Department solicited public comment on its proposals, their economic justification, their anticipated effects on reporting burden and transparency, and any alternatives that would better achieve the stated objectives.

The Department received comments on the 2020 NPRM. As of March 17, 2021, the Department withdrew the 2020 NPRM as listed on the regulatory agenda and classified the state of rulemaking as completed.[2] The Department retained the comments and preserved the record related to the 2020 NPRM. In formulating this final rule in 2026, the Department reviewed, considered, and addressed all substantive comments received on the 2020 NPRM. Those comments are not stale, and the Department found them informative when making its determinations discussed below. While the rulemaking was listed as ''withdrawn'' and ''completed'' on the regulatory agenda, the Department has satisfied its obligation to provide notice and comment on the proposals in the 2020 NPRM before issuing this final rule. As discussed below, the Department determined that it need not seek further public comments on its proposals, although it chose to do so solely regarding the proposal to adjust the prior Form LM–2 filing threshold for inflation.

ii. 2025 NPRM

On July 1, 2025, the Department issued a notice of proposed rulemaking to update the filing thresholds in 29 CFR 403.4(a) for Forms LM–2, LM–3, and LM–4 Labor Organization Annual Reports. 90 FR 28251 (July 1, 2025) (2025 NPRM). The comment period was open through July 31, 2025.

In the 2025 NPRM, the Department proposed targeted amendments to the reporting requirements, with a primary focus on revising the filing thresholds applicable to labor organization annual financial reports. The 2025 NPRM was designed to reassess longstanding filing thresholds in light of significant inflation since their last revision and to reduce unnecessary reporting burdens on labor organizations whose receipts no longer justify more detailed reporting. As with prior rulemakings, the Department summarizes here the principal subject areas addressed in the 2025 NPRM in order to clarify the scope of the proposals and identify the issues on which the Department solicited public comment.

The central focus of the 2025 NPRM was the revision of filing thresholds for Forms LM–2, LM–3, and LM–4. The Department proposed to increase the threshold for filing Form LM–2 from $250,000 to $450,000 in total annual receipts, reflecting the erosion of the threshold's real value due to inflation since its last adjustment in 2003. The 2025 NPRM explained that, over that period, overall price levels increased substantially, such that the $250,000 threshold captured labor organizations with comparatively modest receipts that would not have been subject to the most detailed reporting requirements under earlier economic conditions. By proposing a rise in the Form LM–2 threshold, the Department sought to better align reporting obligations with economic realities while preserving detailed disclosure for the largest labor organizations.

Consistent with this proposal, the Department also proposed corresponding revisions to the Form LM–3 and Form LM–4 thresholds. Specifically, the NPRM proposed increasing the upper threshold for Form LM–3 eligibility from $250,000 to $450,000 and raising the Form LM–4 threshold from $10,000 to $25,000. These proposed changes were intended to maintain the structure of the tiered reporting system while ensuring that each reporting category reflected inflation-adjusted distinctions among labor organizations. The Department emphasized that these adjustments would not eliminate reporting obligations but would instead allow certain labor organizations to file forms appropriate to their size and financial activity.

The 2025 NPRM also addressed conforming changes to regulatory text, forms, and instructions associated with these thresholds. The Department proposed revisions to 29 CFR 403.4(a) and to Forms LM–2, LM–3, and LM–4 and their instructions to reflect the updated thresholds and ensure internal consistency across reporting materials. These conforming amendments were intended to provide clarity to filers regarding which form must be used based on total annual receipts.

In addition, the NPRM discussed the anticipated effects of the proposed threshold changes, including reductions in reporting burden and associated compliance costs. The Department estimated that a substantial number of labor organizations would become eligible to file less detailed forms, resulting in significant reductions in reporting hours and costs while maintaining transparency for larger labor organizations that would continue to file Form LM–2. The NPRM emphasized that the proposal was deregulatory in nature, as it did not propose new reporting requirements but instead sought to reduce existing burdens by adjusting thresholds to reflect economic conditions.

The 2025 NPRM did not propose revisions to other aspects of the reporting regime addressed in prior rulemakings, such as strike funds, foreign transactions, confidentiality exemptions, whistleblower protections, or additional identifying information. Rather, the scope of the 2025 NPRM was limited to filing thresholds for annual reports that existed when the 2025 NPRM was issued and related conforming changes. Accordingly, the Department solicited public comment on the proposed threshold adjustments, their economic justification, their anticipated effects on reporting burden and transparency, and any alternatives that would better achieve the stated objectives.

Taken together, the proposals in the 2025 NPRM were confined to the adjustment of filing thresholds for prior Forms LM–2, LM–3, and LM–4, along with associated conforming amendments and analysis of their economic impact.

The Department received comments on the 2025 NPRM. In formulating this final rule in 2026, the Department reviewed, considered, and addressed all substantive comments received on the 2025 NPRM.

d. The Agency Has Satisfied the Administrative Procedure Act's Notice and Comment Requirements

Section 553 of the Administrative Procedure Act (APA) establishes the notice and comment requirements that apply to rules such as this one. *Perez* v. *Mortgage Bankers Ass'n,* 575 U.S. 92, 96 (2015). First, the agency must provide notice of the proposed rulemaking by publishing, in the **Federal Register**, a notice that includes ''either the terms or substance of the proposed rule or a description of the subjects and issues involved.'' 5 U.S.C. 553(b)(3). Second, the agency must give the public an opportunity to comment on the

[2] *Reginfo.gov*, Spring 2021, RIN 1245–AA10, *https://www.reginfo.gov/public/do/eAgendaViewRule?pubId=202104&RIN=1245-AA10.*

proposed rule ''through submission of written data, views, or arguments,'' and the agency must consider ''the relevant matter presented'' in the public comments. *Id.* 553(c). To comply with the APA's notice and comment requirements, the agency's NPRM must provide ''fair notice'' of the final rule that is ultimately adopted. *Long Island Care at Home, Ltd.* v. *Coke,* 551 U.S. 158, 174 (2007). The Department has complied with these requirements regarding the agency's 2020 proposals because OLMS has already provided a full opportunity for public comment through the 2020 NPRM, 85 FR 64726 (Oct. 13, 2020), and the core circumstances underlying that proposal have not materially changed.[3]

i. Procedural History and Preservation of the Administrative Record

On October 13, 2020, the Department published the 2020 NPRM. The comment period closed on December 14, 2020, and the agency received approximately 100 public comments. Docket No. LMSO–2020–0002. The Fall 2020 Unified Agenda projected a final rule date of January 2021. However, the Spring 2021 Unified Agenda classified the NPRM as ''withdrawn'' as of March 17, 2021, and designated the rulemaking as a ''Completed Action.'' No final rule was published.[4]

OLMS retained the complete administrative record from the 2020 NPRM, including the notice of proposed rulemaking; the canvassing of OLMS field investigators conducted in two phases in July and September 2019, including the questionnaire and responses thereto (*see* 85 FR 64734 (Oct. 13, 2020)); the economic analysis and regulatory impact assessment; the approximately 100 public comments, and all supporting materials. In promulgating this final rule, OLMS has reviewed this record in its entirety and finds no new evidence that would warrant altering the proposed rule.

ii. Legal Framework

The APA does not establish a ''useful life'' for a notice-and-comment record, and there is no set time limit between closure of a comment period and publication of a final rule. *Action on Smoking & Health* v. *Civil Aeronautics Bd.,* 713 F.2d 795, 800 (D.C. Cir. 1983); *see also Sanofi Aventis,* 58 F.4th at 707 (upholding rule notwithstanding ''long delay between the notice of proposed rulemaking and finalizing the rule''); *Am. Mining Cong.* v. *EPA,* 907 F.2d 1179, 1191–92 (D.C. Cir. 1990) (finding no need for new notice and comment prior to promulgating a 1988 rule that relied on data acquired in a 1980 notice-and-comment process). However, ''the life of such a record is not infinite.'' *Action on Smoking,* 713 F.2d at 800. Courts have recognized that additional notice and comment may be required when ''circumstances have changed so much'' since the original proceedings that the agency ''would wish to write a different rule.'' *Am. Optometric Ass'n* v. *FTC,* 626 F.2d 896, 907 (D.C. Cir. 1980). This ''new evidence'' must amount to ''a change in 'core' circumstances, the kind of change that goes to the very heart of the case.'' *Id.* (quoting *Greater Boston Television Corp.* v. *FCC,* 463 F.2d 268, 283 (D.C. Cir. 1971)).

iii. Core Circumstances Have Not Materially Changed

If the information the Department relied on for its proposal has not changed to such a significant degree that it would lead to a change in the rule, the notice and opportunity for comment that the Department originally provided will likely satisfy the APA's requirements. *See Am. Optometric Ass'n,* 626 F.2d at 907. The Department has reviewed the entire administrative record and finds that the core circumstances have not materially changed.

The largest labor organizations continue to present heightened transparency and enforcement concerns. Findings from the canvassing study regarding indirect disbursements for travel-related expenses for officers and employees, opacity of certain foreign transactions, and limited enforcement utility of functional time-allocation reporting remain valid and uncontradicted by any subsequent study, audit finding, or enforcement trend.

The LMRDA, 29 U.S.C. 401–531, and the Secretary's rulemaking authority under sections 431 and 438 remain unchanged. No intervening judicial decisions have altered the statutory basis for this rulemaking. The Supreme Court's decision in *Loper Bright Enterprises* v. *Raimondo,* 603 U.S. 369 (2024), overturning *Chevron* deference, does not affect the Secretary's express statutory authority to prescribe the form and content of financial reports under 29 U.S.C. 431. Unlike the intervening Supreme Court decision in *American Optometric,* which altered the state-law landscape underlying the FTC's rule and prompted remand, *Loper Bright* does not bear on the substance of the reporting requirements at issue here.

Moreover, prior Forms LM–2, LM–3, and LM–4 remained structurally unchanged since the 2003 rulemaking. No other agency regulations conflicted with or superseded the proposals in the 2020 NPRM. The results of the canvassing study, economic analysis, and approximately 100 public comments continue to provide a sufficient evidentiary basis for this final rule. The record fully tests the regulation through diverse public input, provides fairness to affected parties, and supports judicial review. *See Small Refiner Lead Phase-Down Task Force* v. *EPA,* 705 F.2d 506, 519 (D.C. Cir. 1983) (identifying these three purposes of notice-and-comment).

iv. 2025 NPRM on Filing Thresholds Does Not Alter Core Circumstances

The 2025 NPRM proposed only inflation adjustments to the Forms LM–2, LM–3, and LM–4 thresholds, without altering form content or creating new reporting tiers. The 2025 and 2020 NPRMs address distinct regulatory questions: the former concerns dollar values at which organizations transition between existing tiers; the latter concerns enhanced reporting requirements for the largest organizations through a new tier with additional schedules (Form LM–2 Long Form) and revisions to expand reporting on Form LM–2. The one exception is that both NPRMs proposed changing prior Form LM–2's $250,000 threshold. To the extent core circumstances regarding inflation had changed from 2020 regarding that threshold, the Department provided new notice and an opportunity for public comment on that issue in the 2025 NPRM.

The Department reviewed the 2025 NPRM record, including 299 comments, and finds nothing that materially alters the core circumstances of the 2020 NPRM. One non-profit expressly urged the Department to consider the 2020 NPRM's approach of pairing a threshold adjustment to prior Form LM–2 with enhanced reporting for the largest filers. A labor relations consultant noted that hundreds of organizations representing over one million union members would

[3] Alternatively, the Department invokes the Good Cause exception to forego notice and comment. The Department has already provided a full opportunity for notice and comment through the 2020 NPRM, 85 FR 64726, and the 60-day comment period that closed on December 14, 2020. Providing a further period would be unnecessary as the core circumstances, including factual predicates, legal authority, regulatory environment, and evidentiary basis, have not materially changed since the close of the comment period, and the original record remains fresh. OLMS has affirmatively determined, through contemporaneous review supported in the administrative record, that the record continues to serve the APA's purposes.

[4] Characterizing a rule as ''withdrawn'' in the Unified Agenda does not nullify the NPRM such that the agency must start over with a new NPRM before finalizing. *See Sanofi Aventis U.S. LLC* v. *United States Dep't of Health & Hum. Servs.,* 58 F.4th 696, 706–07 (3d Cir. 2023).

lose detailed itemized reporting under the 2025 NPRM, identifying representational spending as the category of greatest interest to dues-paying members. These comments do not identify changed conditions, rather, they speak directly to the transparency deficiencies the 2020 NPRM was designed to address and reaffirm the continuing need for enhanced reporting. Far from evidencing a change in core circumstances, the comment record from the 2025 NPRM reinforces the factual predicates underlying this final rule.

v. Exclusion of Form LM–2 Long Form Threshold From 2025 NPRM

The 2025 NPRM did not seek comment on the proposed $8,000,000 Form LM–2 Long Form threshold because it is a new threshold proposed in 2020 that has never been in effect. The 2025 NPRM adjusted previous thresholds for inflation: the Form LM–2 threshold of $250,000, in effect since 2003, and the Form LM–3 threshold of $10,000, in effect since 1992.[5] Because the Form LM–2 Long Form threshold has never been adopted, there was no threshold to recalibrate. Including it in the 2025 NPRM would have been inconsistent with that rulemaking's limited purpose. This omission does not reflect a change in agency position or core circumstances.

vi. The Original Administrative Record Remains Fresh

OLMS has determined that the original record remains sufficiently fresh to support the final rule. *Mobil Oil Corp.,* 35 F.3d at 584 (''If the original record is still fresh, a new round of notice and comment might be unnecessary. Such a finding . . . must be made by the agency and supported in the record; it is not self-evident.'').

Over five years have elapsed since publication of the 2020 NPRM. The passage of time alone, however, does not render a record stale; the APA establishes no fixed deadline. *Action on Smoking,* 713 F.2d at 800. The relevant inquiry is whether the original record continues to serve the APA's purposes of ensuring that the regulation has been tested by diverse public comment, that affected parties have been afforded fairness, and that the record supports judicial review. *Small Refiner,* 705 F.2d at 519.

OLMS finds each purpose satisfied. The 2020 NPRM generated approximately 100 substantive comments addressing the full range of issues presented, including creation of the new Form LM–2 Long Form, the proposed $8,000,000 threshold for the Form LM–2 Long Form, the 12 additional schedules for the Form LM–2 Long Form, revisions to the Form LM–2, and estimated compliance burden. The 60-day comment period was not truncated, and no commenter has suggested it was procedurally deficient.

The subject matter of this rulemaking further supports a finding of continued freshness. The regulatory framework governing labor organization reporting has remained largely unchanged for decades. The basic LMRDA reporting framework has been in place since 1959. The most recent significant revision to LM form content occurred in 2003, and the reporting structure remained unchanged for seventeen years before the 2020 NPRM. The institutional structures of labor organizations, the nature of the financial transactions the proposed schedules are designed to capture, and the enforcement challenges identified in the canvassing study are not circumstances that fluctuate materially over several years. This rulemaking does not involve the type of rapidly evolving scientific data, volatile market conditions, or shifting state-law landscape that prompted remand in *American Optometric Association,* 626 F.2d at 907.

OLMS has conducted a thorough contemporaneous review of the record against current conditions. To the extent any external changes have occurred since 2020, such as general inflation, changes in the number of filers, or developments in electronic filing technology, these do not constitute changes in core circumstances ''that go[ ] to the very heart of the case.'' *Am. Optometric Ass'n,* 626 F.2d at 907. The core rationale for the Form LM–2 Long Form—that the largest labor organizations require more detailed financial reporting to serve the interests of union members and the public and to support effective enforcement—remains unchanged. Nothing in the administrative record or in the intervening years suggests otherwise.

OLMS satisfied the APA's notice and comment requirements by issuing the 2020 NPRM, providing the public an opportunity to comment on the NPRM, and considering the relevant matters presented in the public comments. As the core circumstances for promulgating the proposals from the 2020 NPRM have not changed, the Department now finalizes those proposals after considering the comments received.

III. Adopted Proposals

a. Introduction

On October 13, 2020, the Department proposed changes to enhance Form LM–2 reporting by requiring labor organizations to disclose additional information about their financial activities to their members, this Department, and the public. With this final rulemaking, the Department now introduces a new Form LM–2 Long Form and a revised Form LM–2. Most of the changes proposed in the 2020 NPRM, including new schedules, have been adopted in the final rule and will be identified and discussed below. In response to public comments received, the Department modified the initial proposal and decided not to incorporate several items on which it sought comments. With this final rule, the Department presents its rationale for adopting specific changes to Form LM–2 reporting, including creating the new Form LM–2 Long Form for the largest and most complex labor organizations. Additionally, the Department shares its reasoning for modifying or not implementing changes initially proposed. It is worth noting that the revisions to the Form LM–2 necessitate a parallel change to the Form LM–3, specifically the revision eliminating the reporting distinction between certain indirect and direct disbursements to officers and employees. Concurrently, and to moderate the burden on smaller labor organizations to comply with their annual financial reporting obligation under the LMRDA, this rule also finalizes the 2025 NPRM by updating the filing thresholds (annual receipts) for Forms LM–2, LM–3 and LM–4.

The primary purpose of this rule is in furtherance of labor organization transparency. Today's national and international labor organizations operate more like sophisticated modern corporations in their structure, scope, and complexity than the labor organizations in existence when the LMRDA became law more than 65 years ago. As evidence of this, Fiscal Year 2025 filing data, the most recent year of complete filing data at the time of this rule, shows that three labor organizations reported holding over $1 billion in assets. As benefits have become a larger component of compensation, information about benefits paid to union officers and employees has become more important to union members. The proportion of wages and salaries paid to workers compared to their ''other compensation'' has changed significantly in this time span. In 1966, more than 80 percent of total compensation consisted of wages

[5] The Form LM–4 was introduced in the 1992 final rule that established the Form LM–3 threshold of $10,000. 57 FR 49356 (Oct. 30, 1992).

and salaries, with less than 20 percent representing benefits. U.S. Department of Labor, ''Report on the American Workforce'' 76, 87 (2001). By 2025, private sector worker wages and salaries dropped to 70.3 percent of total compensation and benefits grew to 29.7 percent of the compensation package. Bureau of Labor Statistics, U.S. Department of Labor, ''The Economics Daily'', Compensation costs for private industry in March 2025.

Moreover, labor organization members, like consumers, citizens, or creditors, expect access to relevant and useful information to make basic investment, career, retirement decisions, and exercise legally guaranteed rights.

In 2003, the Department revised Form LM–2, and those changes helped further the LMRDA's reporting mandate. However, based on the Department's experience since 2003, along with valuable input from OLMS field personnel whose day-to-day work responsibilities center around LMRDA enforcement, the Department determined that additional enhancements to Form LM–2 reporting are necessary.

When the Department proposed revising Form LM–2 in 2020, it had just expended considerable resources on investigating widespread corruption involving high-level officials in the automotive industry. The corruption schemes involved the United Auto Workers International Union (UAW) in Detroit, Michigan, and a Detroit automaker. Those investigations produced multiple criminal convictions in the U.S. District Court for the Eastern District of Michigan.

The joint investigations conducted by OLMS, the Department's Office of Inspector General, the Federal Bureau of Investigation (FBI), and the Internal Revenue Service centered around a conspiracy involving Fiat Chrysler executives bribing labor officials to influence labor negotiations. Violations included conspiracy to violate the Labor Management Relations Act by paying and delivering more than $1.5 million in prohibited payments and things of value to UAW officials, receiving prohibited payments and things of value from others acting in the interest of Fiat Chrysler, failing to report income on individual tax returns, conspiring to defraud the United States by preparing and filing false tax returns for the UAW-Chrysler National Training Center that concealed millions of dollars in prohibited payments directed to UAW officials, and deliberately providing misleading and incomplete testimony in the federal grand jury.

When individuals trusted to safeguard labor union funds abuse that trust by defrauding or embezzling from union members, the union is damaged as an institution. On January 29, 2021, the United States and the UAW entered a consent decree subjecting the union to federal oversight for six years. Under the consent decree, an independent monitor was tasked with overseeing the UAW's operations to address fraud, corruption, and misconduct within the UAW.[6]

The aforementioned OLMS cases illustrate that reporting and disclosure helps uncover criminal conduct. A rigorous and strictly enforced reporting regime deters and reveals legal violations and aids OLMS in the enforcement of the LMRDA's civil and criminal penalties. When proposing revisions to Form LM–2 reporting, the Department cited multiple examples of large-scale labor organization fraud and embezzlement cases that OLMS had investigated. OLMS continues to uncover misconduct and criminal activity involving labor organization funds based on information reported on union LM forms. For example, OLMS conducts audits through its Compliance Audit Program and other investigations to ensure that unions comply with the LMRDA. When selecting a union for an audit or investigation, OLMS considers a risk-based analysis of Form LM–2 filing data.

In the period since the 2020 NPRM was published, OLMS investigators have uncovered evidence of numerous embezzlement schemes, based at least in part on LM reports, that led to criminal convictions. In one example, International Alliance of Theatrical Stage Employees (IATSE) Local 306, a former officer was sentenced to three years of probation and was ordered to pay restitution in the amount of $65,843.[7] In another example, a former President of United Steelworkers (USW) Local 513 was sentenced to six months of imprisonment, followed by two years of probation, and was also ordered to pay restitution in the amount of $56,014.[8] Moreover, from the period spanning October 1, 2020, through September 30, 2025, OLMS used information from LM reporting and other sources to obtain convictions of 255 individuals responsible for fraud, embezzlement, or other criminal activity involving labor union funds. *See* OLMS Criminal Enforcement Actions, *www.dol.gov/agencies/olms/criminal-enforcement.*

The Form LM–2 reporting enhancements made in this rulemaking will help OLMS more effectively enforce the LMRDA and, in doing so, better safeguard union funds and assets, which helps strengthen the labor movement and protect American workers. Moreover, these enhancements will help ensure that information is reported consistent with LMRDA objectives by providing labor organization members with useful data that will enable them to be responsible and effective participants in the democratic governance of their labor organizations. The changes are designed to provide members of labor organizations with additional and more detailed information about the financial activities of their labor organization than is available through current reporting. The Department believes its concurrent adjustments to the receipt filing thresholds for Forms LM–2, LM–3 and LM–4 in this rule, by finalizing its 2025 NPRM, 90 FR 28251 (July 1, 2025), are appropriate to moderate the burden on labor organizations that comes with more robust reporting and disclosure requirements.

As noted in the 2025 NPRM, the Department requires labor organizations to file their annual financial disclosure reports through the OLMS Electronic Forms System (EFS). The EFS, first introduced for Form LM–2 filers in 2005, has made it easier than ever for the regulated community to file LM reports. The EFS is an internet-based system that enables labor organizations, their officials, employers, and labor relations consultants to complete and electronically submit LM reports to OLMS. When previous updates to Form LM–2 were made in the 2003 rulemaking, the EFS was not available to LM filers. Today the EFS must be used by the labor organization filers of LM reports. The filer accesses EFS to register for an EFS User ID and password to obtain a User PIN, as well as edit account information or retrieve existing passwords or User IDs. By accessing the EFS, the filer can also obtain, work on, or sign and submit an LM form. EFS allows anyone with an internet-connected computer to complete, sign, and electronically file an LM form without purchasing a digital signature or downloading special software. EFS performs all calculations for the LM reports and completes a form error validation check prior to submission. EFS also allows labor

[6] *United States* v. *Int'l Union, United Auto., Aerospace & Agric. Implement Workers of Am.,* Consent Decree, No. 2:20–cv–13293 (E.D. Mich. Jan. 29, 2021).

[7] *See https://www.dol.gov/agencies/olms/criminal-enforcement/2025#:~:text=On%20March%207,York%20District%20Office.*

[8] *See https://www.justice.gov/usao-edmi/pr/former-president-ypsilanti-steelworkers-union-sentenced-stealing-58000-union-funds.*

organizations that maintain electronic accounting records to import financial data from their accounting programs directly into the Form LM–2 or LM–3 they are completing. The EFS's import functionality will be available to labor organizations required to file the new Form LM–2 Long Form.

The enhancements adopted in this final rule, as more fully described below, will ensure that information is reported in such a way as to meet the objectives of the LMRDA. This rule builds on the LM reporting changes made over 20 years ago with the Department's 2002 NPRM and 2003 Final Rule, as well as the 2008 NPRM and 2009 Final Rule, which ultimately did not go into effect but put forward similar revisions.

The core circumstances supporting the need for this rule today do not differ from those in 2020, when the Department issued the 2020 NPRM proposing the Form LM–2 Long Form as well as changes to the Form LM–2, and received comments on those proposals. As of the promulgation of this final rule, the LM reporting forms, the types of information submitted, the gaps in reported information, and the types and scope of identified labor organization corruption all continued to resemble the environment in 2020. Further, while there have been technological changes in the ensuing years, those are not substantial changes in circumstances such that the Department would wish to issue a different rule. OLMS maintains the same electronic reporting system, and labor organizations file via similar software. Moreover, as explained below, the needs identified by OLMS field investigators remain today.

Today, the Department finalizes both the 2020 NPRM and the 2025 NPRM in one combined final rule. The Department views the 2020 and 2025 NPRMs as distinct but related regulatory proposals that will function in coordination once effective. For efficiency, the Department issues a joint final rule that revises the Department's LM Labor Organization Annual Financial Reports in one document after addressing significant comments on both proposals.

b. Canvassing OLMS Field Investigators

In July and September 2019, the Department canvassed OLMS field investigators about the benefits and drawbacks of key changes made to Form LM–2 by the 2003 rulemaking. It also asked field investigators for specific changes that could be made to Form LM–2 to increase transparency and aid in investigations. The Department undertook this canvassing in response to the 2009 proposed rule's suggestion for additional study of the 2003 changes, such as reviewing them with OLMS field investigators and district directors who regularly work with Form LM–2 data and interact with stakeholders within the regulated community. The insights obtained through canvassing OLMS field staff helped confirm how disclosure requirements play an invaluable role in ensuring union democracy and transparency under the LMRDA. Drawing from their firsthand investigative experiences, field staff commented that many of the reforms accomplished in 2003 had been helpful in uncovering financial wrongdoing in the labor organizations subject to LMRDA reporting requirements. Field staff also provided candid feedback on changes regarded as less helpful. Staff also offered suggestions and comments on additional reforms that, if implemented, could further protect union members' rights and enhance LMRDA compliance.

The Department presented this information in the 2020 NPRM. It was not included in the 2025 NPRM which addressed only Form LM–2, LM–3, and LM–4 filing thresholds. The Department determined that no further canvassing of OLMS field staff was necessary between 2019 and 2026 because Form LM–2 reporting requirements had not changed, nor had there been substantive changes in OLMS investigation practices or in the types of illegal conduct that LM reporting was designed to deter. OLMS leadership is in regular contact with the agency's field personnel, holding weekly meetings with field leadership and regularly scheduled calls with district offices. There have been no significant changes in investigative practices, nor in the types of illegal conduct investigated. The collective comments provided by OLMS field personnel, as well as public comments thereon, informed the Department's decisions on the specific revisions included in this final rule to the Form LM–2 Long Form and Form LM–2.

The purpose of this final rule is to implement the Department's interpretations of sections 201 and 208 of the LMRDA regarding labor organization reports, 29 U.S.C. 431, 438, to reflect the best reading of the statute as requiring the largest covered labor organizations to file more detailed annual public reports with the Department and to prevent the circumvention or evasion of the reporting requirements. The Department's October 2009 rule stated that the Department should consider the utility of increased reporting against the burdens it imposes, citing legislative history about the need for government to not impede union self-governance. The LMRDA weighs that balance heavily in favor of ''necessary protection of the rights and interests of employees and the public generally as they relate to the activities of labor organizations, employers, labor relations consultants, and their officers and representatives.'' 29 U.S.C. 401(b). The LMRDA ''is necessary to eliminate or prevent improper practices on the part of labor organizations'' and others. 29 U.S.C. 401(c). While this rule changes reporting requirements for certain labor organizations, the Department views those changes as necessary and appropriate to ensure transparency and deter malfeasance, in an effort to prevent misconduct before it happens. The Department views this as especially important given that labor union criminal misconduct persists, as noted in the section II.(a) *Introduction,* despite the Department's vigorous enforcement of the LMRDA. While this final rule requires additional union disclosures that may help deter misuse of union funds, we note that the rule also appropriately reduces reporting obligations in areas that have proved unhelpful in effectuating the LMRDA's purposes.

The Department also believes these changes will further union self-governance. When implemented, this final rule will give union members more granular information about how their elected leaders use their funds, allowing members to better hold union officials accountable and help ensure that the LMRDA is followed. Robust reporting regimes are the norm under laws that apply to securities, lobbying, contributions to political candidates, and in many other areas where voters select officials who are charged with their trust. Greater disclosure enhances transparency and fosters accountability. Over 100 years ago, the late U.S. Supreme Court Justice Louis D. Brandeis observed regarding transparency, ''Sunlight is said to be the best of disinfectants.'' Louis D. Brandeis, Other People's Money 92 (1914). Those words are as relevant today as a century ago. The Department intends that the heightened transparency that results from the implementation of these LM Labor Organization Annual Report revisions will deter misconduct to better safeguard union treasuries, helping to achieve the objectives of the LMRDA.

i. Field Investigators Responses on Benefits and Drawbacks of Form LM–2

In pursuing this rulemaking, and in recognition that OLMS field staff possess valuable knowledge of labor union financial recordkeeping and reporting, the agency developed a framework for the purpose of collecting field staff insights to help inform revisions to Form LM–2. The canvassing questionnaire framework and the responses to it have been made part of the administrative record.[9] The canvassing framework summarized the key changes to Form LM–2 made in 2003, and asked field staff ''whether the changes . . . have aided or hindered OLMS in its enforcement activities.'' *See* 85 FR 64731 (Oct. 13, 2020). OLMS leadership also provided context for undertaking the canvassing by informing field personnel that ''[w]e are looking to determine whether the changes OLMS made to the Form LM–2 in 2003 have proven beneficial. The document LM Form Benefits of 2003 Changes contains a description of the changes made in 2003. Please ask your district directors to meet with their staff. I envision each office holding a 30 minute brainstorming session. The idea is to determine whether the new parts of the Form LM–2, like itemization or functional categories, have helped with investigations.'' *See id.*

The 2019 canvassing questions included seven reporting elements on the version of the Form LM–2 that the Department used from 2003 until today without significant revisions. The questions addressed changes that were implemented with the 2003 rulemaking. OLMS asked its field investigators and managers to consider and comment on the value of these key changes:

1. $5,000 Itemization threshold. Form LM–2 filers itemize certain categories of receipts and disbursements of $5,000 or more, as well as receipts and disbursements to a single entity that total $5,000 or more in the reporting year.

2. Confidentiality Exemption. Provides labor organizations with a procedure to avoid itemizing disbursements that may disclose the following types of sensitive information that would:

- Identify individuals paid by the union to work in non-union bargaining units to assist the union in organizing employees;
- Expose the reporting union's prospective organizing strategies;
- Provide tactical advantages in negotiations;
- Reveal information pursuant to a confidentiality agreement, or that the union is otherwise prohibited by law from disclosing; and
- Endanger the health or safety of an individual.

3. Disbursement Categories. Disbursements are reported in five specific categories:

- Representational Activities;
- Political Activities and Lobbying;
- Contributions, Gifts, and Grants;
- General Overhead; and
- Union Administration.

4. Functional Reporting Work Time. Form LM–2 requires unions to estimate the time spent by each union officer and employee on different duties, based on the categories of activities represented by the Form LM–2 schedules and represented as a percentage of work time totaling 100%. Unions then report the portion of gross salaries for each schedule based on the percentage of time estimates.

5. Accounts Payable/Receivable. Form LM–2 includes schedules for reporting accounts payable and receivable, adhering to the $5,000 itemization threshold.

6. Reporting of Investments. Unions must report all investments with a book value greater than $5,000 and that represent 5% or more of their total investments.

7. Membership Categories. Unions are required to report the number of members by aggregated categories, which unions can define for reporting.

See id.

The 2020 NPRM included a summary of field personnel responses and comments on the benefits and hindrances of the seven key changes made to LM reporting with the 2003 rule. Neither the objectives of the LMRDA nor the work of an OLMS field investigator (including auditing and investigating union finances) have changed significantly since 2020. For those reasons, the Department believes the insights OLMS field personnel provided when canvassed in 2019 for the NPRM remain fresh and relevant today. *See Mobil Oil Corp.,* 35 F.3d at 584 (''If the original record is still fresh, a new round of notice and comment might be unnecessary.''). As such, the Department considered the results of the canvassing, as well as the public comments received, when developing this final rule. The Department summarizes the collective views and insights that the canvassing revealed on each of the seven key changes.

First, concerning the $5,000 itemization threshold, the field investigators viewed this change as extremely beneficial. They explained that itemization not only aided embezzlement investigations but served as a case targeting tool to help determine whether Form LM–30 and Form LM–10 cases should be opened. One field office stated that, ''[o]f the seven changes to the Form LM–2 in 2003, the consensus is that the $5,000 itemization threshold was the best of the seven as it provides more transparency to the membership and can be utilized for targeting special report investigations.'' 85 FR 64731 (Oct. 13, 2020). One investigator noted itemization can reveal conflicts of interest that are reportable on other LMRDA forms.[10] Notably, no field personnel viewed the itemization requirement as hindering OLMS investigations.

Second, the canvassing revealed mixed views regarding the confidentiality exemption. One investigator wrote that it ''has been a hindrance in case targeting because it allows unions to hide transactions under the guise that it will hurt their organizational strategy.'' *See id.* Others stated that while the confidentiality exemption likely primarily benefited only unions, they understood how some reporting might be harmful to the unions.

The third change involved disbursement categories, that is, the reporting of disbursements in five specified functional categories: Representational Activities, Political Activities and Lobbying; Contributions, Gifts and Grants; General Overhead; and Union Administration. The canvassing revealed that field staff saw benefits of this change but also commented on its limitations. Investigators offered examples of being able to target audits ''based on unusual categorization patterns.'' *See id.* The categories allowed them to trace ''categorized transfers between affiliates that indicated reporting or other potential

[9] *See* DOL Canvas of Investigators, *Regulations.gov* (Oct. 14, 2020), *https://www.regulations.gov/document/LMSO-2020-0002-0004.*

[10] Pursuant to the instructions for the Form LM–10 Employer Report, employers must file annual reports to disclose certain specified financial dealings with their employees, unions, union agents, and labor relations consultants. Pursuant to the instructions for the Form LM–30 Union Officer and Employee Report, labor organization officers or employees (other than exclusively clerical or custodial employees) who have directly or indirectly held any legal or equitable interest in, received any payments from, or engaged in any transactions or arrangements with certain employers or businesses must file a report with OLMS. This report is submitted on Form LM–30 and is required to make public any actual or likely conflict between the personal financial interests of union officers or employees and their obligations to the union and its members. OLMS refers to Form LM–10 and LM–30 cases, along with several other case types, as ''special reports'' cases.

LMRDA violations.'' *See id.* On the other hand, investigators noted that the $5,000 itemization occurs only within each category so that disbursements of more than $5,000 might not be itemized if the disbursement fell under more than one category. In general, field staff credited the functional reporting for aiding understanding of the purposes behind labor union spending but recognized that it can hinder investigations by concealing individual transactions because of the $5,000 itemization threshold.

Fourth, regarding union officers and employees allocating their time by functional categories, OLMS field personnel stated that this change added little to no value to their investigations. They explained that the reporting of staff time in functional categories could not be audited, could not be enforced, and did not lead to other enforcement activity. One field office stated, ''It provides unverifiable disclosure information to the public.'' *See id.* Another stated that ''this information offers no valuable insight for case targeting'' and ''provided no benefit in criminal investigations or compliance audits.'' *See id.* Another wrote, ''It is and will always be a ballpark guess and the categories are confusing to the union and to OLMS field staff.'' *See id.* at 64731–32.

Fifth, regarding accounts payable/receivable aging schedules, the canvassing revealed that investigators viewed this change favorably as aiding their investigations. One field office wrote that the information is ''necessary to determine how much the union is owed/owes'' while another believed it was ''useful to encounter embezzlements.'' *See id.* at 64732.

Sixth, regarding reporting of investments, one office found it necessary for tracking purposes on investments from year to year. Another stated that it ''can be useful to the field and to members.'' *See id.* Another said, ''[t]his is useful to the extent the unions are able to figure out how to report it. We have found corroborating information reported here that has been useful in a criminal investigation as well as a union officer reports case.'' *See id.* Another office concluded that the information was ''good for union members.'' *See id.*

The seventh change included in the canvassing was about membership categories. Investigators found categories helpful when filers included agency fee payers and stated categorization assists in determining the number of active dues paying members, as it corresponds to dues receipts. An investigator noted this is particularly helpful in trade unions where there are different levels of membership, *e.g.,* apprentices and journeymen, that pay different dues amounts. Another investigator felt that membership categories were helpful to estimate dues receipts and very useful in supervised election cases.

These field personnel insights helped the Department formulate this final rule. Information collected about the Form LM–2 revealed that OLMS field investigators favored itemization, agreeing that it both provides transparency and aids investigations. Investigators expressed some concern that the existing confidentiality exemption detracted from transparency. Yet they recognized that labor unions do have valid business needs for some confidentiality. As for the functional reporting categories, the field investigators believed that it helped in selecting unions for audit but reduced transparency by limiting the number of itemized transactions. The field discerned no value in union officers and union employees allocating their time by functional categories. The investigators believed the accounts payable/receivable aging schedules, as well as reporting of investments, aided in the enforcement of the LMRDA. As for the membership categories, the investigators found it helpful when targeting audits, estimating dues receipts, and in overseeing supervised elections of union officers.

ii. Field Investigators' Responses on Items That Could Be Added to the Reporting Forms

The investigators were also asked to identify any information that was not available on Form LM–2 but would be useful to OLMS in its mission or to union members. They were also asked to identify any unnecessary information required on the LM–2 or on other annual disclosure forms. The regional directors were directed to ''canvas your district directors to identify any changes that could be made to the Form LM–2/3/4 annual financial disclosure form. The idea is to consider what additional information would be useful to OLMS in its mission or to union members interested in their union's financial conditions, operations, and activities. Conversely, if you believe that certain information now reported on the annual disclosure forms is unnecessary, please let us know.'' *See id.*

Two responses advocated removing three of the special procedures for reporting confidential information. Under these procedures, the following information was subject to special reporting privileges under the confidentiality exception: (1) Information that would identify individuals paid by the union to work in a non-union facility in order to assist the union in organizing employees, provided that such individuals are not employees of the union who receive more than $10,000 in the aggregate from the union in the reporting year; (2) information that would expose the reporting union's prospective organizing strategy; (3) information that would provide a tactical advantage to parties with whom the reporting union or an affiliated union is engaged or would be engaged in contract negotiations; (4) information pursuant to a settlement that is subject to a confidentiality agreement, or that the union is otherwise prohibited by law from disclosing; and (5) information in those situations where disclosure would endanger the health or safety of an individual. The investigator would eliminate the first three of these exceptions.

A district director recommended that the forms identify whether the labor organization that is the subject of the report is under trusteeship. The district director concluded this would allow easy and immediate recognition of organizations in trusteeship.

A district director suggested adding a question that would identify officers and employees who were paid $10,000 or more by the filing labor organization and other labor organizations. Similarly, an investigator suggested that OLMS add the following question to Form LM–2: ''Has any officer who received $10,000 or more by your organization also received $10,000 or more as an officer or employee of another labor organization or of an employee benefit plan?'' If the answer is ''yes,'' the union would be required to complete a table listing the name of the officer, the amount paid, and the file number of any filing affiliate.

A regional director asked for a change in wording on a question on Form LM–2. Instead of asking whether the labor organization had ''discovered'' a shortage of funds, the labor organization would be asked whether the labor organization has ''experienced'' a shortage of funds. Specifically, Form LM–2, Item 13 asked, ''During the reporting period did the labor organization discover any loss or shortage of funds or other assets?'' The regional director recommended changing this sentence to read, ''[d]uring the reporting period did the labor organization experience any loss or shortage of funds or other assets?'' The regional director reasoned, ''Since the person embezzling funds is often the

same person that completes the LM report, to ensure [false reporting] can be used as an alternative violation/charge, these questions should ask if the union experienced and/or discovered a loss.'' *See id.* at 64733.

An investigator recommended revising Form LM–3 to add a schedule requiring the labor union to identify disbursements to employees. Similarly, the investigator recommended that Form LM–4 require the labor union to complete a schedule of all officers and disbursements to officers. An investigator stated that OLMS should add a column to the schedule of compensation to officers and employees. On the then-Form LM–2, this would affect Schedule 11—All Officers and Disbursements to Officers and Schedule 12—Disbursements to Employees. The column would identify disbursements for benefits paid to the officers. The investigator recommended that, considering these changes, then-Form LM–2, Schedule 20—Benefits, could be eliminated.

One investigator offered that labor organizations that file Form LM–4 should disclose the date of their next scheduled election of officers. At the time of the canvassing, Form LM–2 and Form LM–3 filers already reported election dates.

For then-Form LM–2, Schedule 4—Purchase of Investments and Fixed Assets, an investigator proposed adding a column to show credit received on purchases, such as a trade-in of an automobile.

Regarding then-Form LM–2, Item 46—On Behalf of Affiliates for Transmittal to Them and its counterpart Item 63—To Affiliates of Funds Collected on Their Behalf, one investigator proposed to require a description of the types of funds being withheld and transmitted. That investigator had the same suggestion with regard to Item 47—From Members for Disbursements on Their Behalf and Item 64—On Behalf of Individual Members.

A regional director recommended a number of changes, including (a) reporting the principal employers of the union members, along with each employer's city and state, (b) adjusting EFS so that the fiscal year appears on the top of each page of all annual reports, (c) reporting distributions to PAC funds and PAC fund payees, and (d) disclosing whether a union officer or employee received compensation from another labor union.

An investigator recommended that OLMS require reporting of transactions on the labor organization annual report if an officer or employee, or a spouse or minor child of the officer or employee, either directly or indirectly held any legal or equitable interest, received any payments, or engaged in transactions or arrangements (including loans) of the types described in the Form LM–30 instructions.

An investigator endorsed using the IRS Principal Business or Professional Activities Codes to answer the ''Type or Classification (B)'' column on Schedules 14 through 19 on then-Form LM–2. As background, the instructions for then-Form LM–2 required labor organizations to ''[e]nter in Column (B) the type of business or job classification of the entity or individual.'' The instructions for the Annual Report Form 5500 included a chart of the codes which are available online. General Instructions to Form 5500–SF, p. 23. The investigator stated that these codes would help get more uniform answers and prevent some of the vague and deficient answers.

An investigator recommended that union vendors should be listed with their Employer Identification Number (EIN), a nine-digit number that the IRS assigns to identify the tax accounts of employers and certain others who have no employees. EINs are used by employers, sole proprietors, corporations, partnerships, non-profit associations, trusts, estates of decedents, government agencies, and other business entities. The investigator explained that sham businesses often do not have an EIN. However, multiple investigators have indicated that they consider such sham business schemes exceedingly rare and had yet to encounter such ploys (rather than traditional schemes involving failures to report transactions or creating false records).

For Form LM–4, a supervisory investigator recommended requiring labor unions to list the names of officers, as well as identifying whether the officer is continuing in office, is a past officer, or is a new officer. The supervisory investigator stated this would allow OLMS to better be able to locate and contact officers of a union other than the signers of its previous LM–4, should both of those signers leave office. That supervisory investigator also recommended adding the date of the next election of officers to Form LM–4, allowing OLMS to determine any turnover in officers in a union and to aid in locating/contacting officers of a union. The supervisory investigator stated it would also enable OLMS to avoid scheduling an audit at a time close to a labor union officer election.

A district director recommended eliminating a reporting exception applicable to Item 24 of Form LM–3. The reporting exception was also applicable to then-Form LM–2, Schedule 11—All Officers and Disbursements to Officers and Schedule 12—Disbursements to Employees of Form LM–2. This exception covered ''indirect disbursements for temporary lodging (room rent charges only) or transportation by public carrier necessary for conducting official business while the officer is in travel status away from his or her home and principal place of employment with [the labor] organization if payment is made by [the] organization directly to the provider or through a credit arrangement.'' *See* 85 FR 64733–34 (Oct. 13, 2020). The district director explained that the exception is cumbersome to follow (and even for OLMS representatives to explain to the regulated community), unnecessary for accurate disclosure, and contrary to the procedures applied to disclosure for the remainder of transactions reportable in Item 24 and Schedules 11 and 12 on then-Form LM–2. By disclosing those transactions as payments to officers or employees (rather than in more general categories elsewhere on the reports), the public would know who really benefited from them, the district director concluded.

Regarding then-Form LM–2, Schedule 3—Sale of Investments and Fixed Assets and Schedule 4—Purchase of Investments and Fixed Assets, a regional director proposed separation into two different schedules. The regional director stated this would more easily allow for a reconciliation of investments and fixed assets by using beginning of year figures plus sales, minus receipts, and comparing them to end of year figures. This could not be done using electronic data from Form LM–2s because investments and fixed assets were combined. Two different schedules may provide better transparency for evaluation of the performance of investments.

An investigator suggested that automobiles purchased and sold should be specifically identified either with a VIN or by detailed description, similar to the requirement for land and buildings. This would provide better transparency for vehicles as the 2003 forms require labor organizations to report only the cost, book value, sales price, and amount received. The investigator stated that any extraordinary handling of a vehicle such as, for example, a sale well below book value would be obvious.

A district director proposed removing Line (I) (estimated percentage of time spent by the officer/employee on

activities that fall within Schedules 15 through 19) from then-Form LM–2, Schedule 11—All Officers and Disbursements to Officers and Schedule 12—Disbursements to Employees. In lieu of these time estimates, the district director recommended the addition of a more detailed breakdown of disbursements reported to officers and employees in (1) the salaries reported in Column D; (2) the allowances reported in Column E; (3) the reimbursed expenses reported in Column F; and (4) other disbursements reported in Column G.

For example, the district director continued, the report of salaries paid to an officer/employee could be broken down and reported in the following categories: (1) Salary, (2) lost wages, and (3) bonuses. In another example, the reporting of reimbursed expenses paid to an officer/employee could be reported in the following categories: (1) Disbursements for meal expenses/entertainment, (2) disbursements for mileage, (3) disbursements for travel expenses, and (4) disbursements for union vehicle expenses. This additional information on salary, allowances, reimbursed expenses, and other disbursements would provide better transparency to union members and the public on how union funds are being spent. Further, it was asserted this would provide OLMS additional data for targeting potential compliance audits and/or criminal cases.

Other suggestions included a requirement that the union report contact phone numbers and/or email addresses for all executive officers, require Form LM–3 filers to list all employees, and require LM–4 filers to list all officers. An investigator recommended that a union should provide the date of the most recent constitution and bylaws.

Taking the OLMS field operation's observations under consideration, along with OLMS' experiences in the administration of the 2003 reporting requirements, the Department's 2020 NPRM proposed to establish a Form LM–2 Long Form and a revised Form LM–2.

c. Summary of Proposals

i. 2020 NPRM

Form LM–2 Long Form: New Form Proposed in 2020 NPRM

In the 2020 NPRM, the Department proposed a new Form LM–2 Long Form to be filed by the largest labor organizations. The proposed Long Form would track the items and schedules already established in the prior Form LM–2 with the following changes. In new Item 3(d), the union would report whether it was in trusteeship. New Item 10(b) would require the labor organization to report whether certain officers or employees received payment from another labor organization. New Item 11(c) would ask whether the union has a separate strike fund and, if so, provide information on the fund. A modified Item 13 would clarify that a yes response is also required if the filer is aware the labor organization has experienced a shortage of funds. New Item 18(b) would require reporting of the date of the labor organization's current constitution and bylaws.

Under the proposal, labor organizations would not be required to allocate disbursements to officers and employees under specific functional categories. Instead, disbursements to officers and employees would be reported in the aggregate on new line items in Statement B, Cash Disbursements. With this change, Statement B would include a new Item 70—Officers and a new Item 71—Employees. These new items would tie to Schedules 13 and 14, which are the renumbered Schedule 11—All Officers and Disbursements to Officers and Schedule 12—Disbursements to Employees.

For Schedule 1—Accounts Receivable and Schedule 10—Accounts Payable, the Department proposed to reduce the burden by raising the threshold to $7,500. Accounts below this threshold need not be individually reported.

Under the proposal, four schedules would be divided in two and become eight schedules. Specifically, the Department proposed to divide Schedule 3—Sale of Investments and Fixed Assets into two schedules. The first would be a new Schedule 3—Sale of Investments. The second would be new Schedule 4—Sale of Fixed Assets.

In the new Schedule 3—Sale of Investments, the Department proposed adding two new columns. The first new column, entitled ''Name and Address of Purchaser or Financial Management Firm (A),'' would disclose the purchasers of investments from the labor organization. A second column ''Date of Sale (C)'' would disclose the date of the sale. The other columns (Description (if land or buildings, give location); Cost; Book Value; Gross Sales Price; and Amount Received) would remain the same but would be designated with different letters, to accommodate the two new columns.

The second part of the divided schedule would be the new Schedule 4—Sale of Fixed Assets. As in the case of new Schedule 3, the Department proposed to add two new columns to the new Schedule 4—Sale of Fixed Assets. The first new column entitled ''Name and Address of Purchaser'' would disclose the purchasers of fixed assets from the labor organization. A second column ''Date of Sale (C)'' would disclose the date of the sale. In addition, the Department proposed that the union would be required to identify automobiles individually by make, model, year, and Vehicle Identification Number (VIN). This information would be listed under the newly renamed Column B (Description).

Schedule 4 would also be divided. Schedule 4—Purchase of Investments and Fixed Assets, required a labor organization to report details of the purchases by the labor organization of U.S. Treasury securities, marketable securities, other investments, and fixed assets, including those fixed assets that were expensed. As with sale of investments and fixed assets, the Department proposed to break this schedule into two: New Schedule 5—Purchase of Investments and new Schedule 6—Purchase of Fixed Assets.

In the new Schedule 5—Purchase of Investments, the Department proposed adding two new columns. The first new column entitled ''Name and Address of Seller or Financial Management Firm (A)'' would disclose the identity of the seller of investments to the labor organization. A second new column ''Date of Purchase (C)'' would disclose the date of the purchase.

Likewise, to new Schedule 6—Purchase of Fixed Assets, the Department proposed adding two new columns. The first new column entitled ''Name and Address of Seller (A)'' would disclose the identity of the seller of fixed assets to the labor organization. A second new column ''Date of Purchase (C)'' would disclose the date of the purchase. In addition, the Department proposed that the union would be required to identify automobiles individually by make, model, year, and VIN. This information would be listed under the newly renamed Column B (Description).

The Department proposed to divide Schedule 15—Representational Activities into two and renumber them Schedule 24 and Schedule 25. The first would be designated new Schedule 24—Contract Negotiation and Administration. The second would be new Schedule 25—Organizing.

In addition, Schedule 16—Political Activities and Lobbying would be renumbered and divided into two schedules. On new Schedule 26—Political Activities, labor organizations would report disbursements for political activities. On new Schedule 27—

Lobbying, the labor organization would report lobbying disbursements.

The Department proposed two revisions to Schedule 13 & 14. First, the Department proposed to eliminate functional reporting of union-employee time. This would increase the readability of the form and reduce burden on the regulated community. Second, the Department proposed to eliminate a currently available reporting exception. This exception is for indirect disbursements for temporary lodging or public transportation necessary for conducting official business while the employee is in travel status when payment is made by the labor organization directly to the provider or through a credit arrangement. This would provide a more accurate picture of total compensation received by labor organization employees.

As part of the new Schedule 31—Benefits, the Department additionally proposed that benefits information for union officers and employees would appear next to their names on the new Schedules 13 & 14 and would no longer appear in the benefits schedule.

For the new Schedule 15—Membership Status, the Department proposed to require reporting of retired members, as retired members do not necessarily share the same interests nor have the same voting rights as working members.

The Department proposed adding new schedules that coincided with the items of cash receipts listed on Statement B. Stated otherwise, on the prior Form LM–2, seven categories of receipts were reported as seven aggregate, lump sums. On the proposed Form LM–2 Long Form, reporting of those receipts would be supported by schedules. Those schedules would represent new requirements that labor organizations itemize the individual categories of receipts aggregated to $5,000 or more from any one source. The labor organization would be required to complete a separate itemization schedule for each individual or entity from which the labor organization has received $5,000 or more. Each transaction from that individual or entity would be accompanied by information about the individual, the purpose of the payment, the date of the payment, and the amount of the payment. The total amount received from the individual or entity, both itemized and non-itemized, would be included at the bottom of the itemized schedule. The totals from each itemized schedule would then be added together and that number would be entered in the appropriate item on Statement B.

Those additional schedules would correspond to the following categories of receipts:

- Dues and Agency Fees;
- Per Capita Tax;
- Fees, Fines, Assessments, Work Permits;
- Sales of Supplies;
- Rents;
- On Behalf of Affiliates for Transmittal to Them; and
- From Members for Disbursement on Their Behalf.

The Department sought comment on whether to require a Schedule 32—Foreign Transactions on Form LM–2 Long Form. It would require reporting if the labor union engaged in a transaction with a foreign entity or a foreign individual. The labor organization would report any individual transaction, receipt or disbursement, of $5,000 or more, or total receipts and/or disbursements from any single entity or individual that aggregated to $5,000 or more during the reporting period derived from a foreign entity or individual.

The Department proposed to retain its current itemization transaction threshold. Specifically, Schedules 14 through 19 on the prior Form LM–2 were subject to itemization. These schedules reflected various services provided to union members by the union. All ''major'' disbursements during the reporting period in the various schedules were separately itemized. A major disbursement included (1) any individual disbursement of $5,000 or more; or (2) total disbursements to any single entity or individual that aggregated to $5,000 or more during the reporting period. All other disbursements in these schedules were aggregated.

The Department proposed renumbering Schedules 14 through 19 as Schedules 23 through 30. (The two extra schedules were the result of dividing into two the schedules for Representational Activities and Political Activities and Lobbying.) As in the prior version of Form LM–2, under these newly renumbered schedules, all ''major'' disbursements during the reporting period in the various categories would be separately identified. As proposed, a major disbursement would include (1) any individual disbursement of $5,000 or more or (2) total disbursements to any single entity or individual that aggregated to $5,000 or more during the reporting period. All other disbursements in these schedules would continue to be aggregated.

The Department sought comment on whether to narrow, modify or eliminate a confidentiality exemption for reporting certain information. The Department also sought comment on whether to require the disclosure of EIN for vendors with payments that trigger itemized disclosure, and whether the Form LM–2 Long Form should include an item asking, ''Does the Organization have a written whistleblower policy?''

Revised Form LM–2: Changes Proposed in 2020 NPRM

The Department also proposed to revise the prior Form LM–2. The revised Form LM–2 would mirror the prior Form LM–2 except as follows. In new Item 3(d), the union would report whether it was in trusteeship. In new Item 10(b), the union would provide whether it has a trust and, if so, provide information on the trust. New Item 10(c) would require the labor organization to report whether certain officers or employees received payment from another labor organization. New 18(b) would require reporting of the date of the labor organization's constitution and bylaws. A modified Item 13 would clarify that a ''yes'' response is also required if the filer is aware the labor organization has experienced a shortage of funds.

Under the proposal, labor organizations would not be required to allocate disbursements to officers and employees under specific functional categories. Instead, disbursements to officers and employees would be reported in the aggregate on new line items in Statement B, Cash Disbursements. With this change, Statement B would include a new Item 70—Officers and a new Item 71—Employees. These new items would tie to Schedules 13 and 14, which are the renumbered Schedule 11—All Officers and Disbursements to Officers and Schedule 12—Disbursements to Employees.

For Schedule 1—Accounts Receivable and Schedule 10—Accounts Payable, the Department proposed as part of the revised Form LM–2 instructions to reduce the burden by raising the threshold to $7,500. Accounts below this threshold need not be individually reported.

Under this proposal, four schedules would be divided in two and become eight schedules. The Department proposed to divide Schedule 3—Sale of Investments and Fixed Assets into two schedules: New Schedule 3—Sale of Investments and new Schedule 4—Sale of Fixed Assets.

In the new Schedule 3—Sale of Investments, the Department proposed adding two new columns. The first new column, entitled ''Name and Address of

Purchaser or Financial Management Firm (A),'' would disclose the purchasers of investments from the labor organization. A second column ''Date of Sale (C)'' would disclose the date of the sale. The other columns (Description (if land or buildings, give location); Cost; Book Value; Gross Sales Price; and Amount Received) would remain the same but would be designated with different letters, to accommodate the two new columns. The other columns (Description (if land or buildings, give location) (A); Cost (B); Book Value (C); Gross Sales Price (D); and Amount Received (E)) would remain the same but would be designated with different letters, to accommodate the two new columns.

The second of the two divided schedules would be the new Schedule 4—Sale of Fixed Assets. As in the case of new Schedule 3, the Department proposed to add two new columns to the new Schedule 4—Sale of Fixed Assets. The first new column entitled ''Name and Address of Purchaser (A)'' would disclose the purchasers of fixed assets from the labor organization. A second column ''Date of Sale (C)'' would disclose the date of the sale. In addition, the Department proposed that the union would be required to identify automobiles individually by make, model, year, and VIN. This information would be listed under the newly renamed Column B (Description).

Schedule 4 would also be divided. As with sale of investments and fixed assets, the Department proposed to divide Schedule 4—Purchase of Investments and Fixed Assets into two schedules: New Schedule 5—Purchase of Investments and new Schedule 6—Purchase of Fixed Assets. Schedule 4—Purchase of Investments and Fixed Assets, required a labor organization to report details of the purchases of U.S. Treasury securities, marketable securities, other investments, and fixed assets, including those fixed assets that were expensed.

In the new Schedule 5—Purchase of Investments, the Department proposed adding two new columns. The first new column entitled ''Name and Address of Seller or Financial Management Firm (A)'' would disclose the identity of the seller of investments to the labor organization. A second new column ''Date of Purchase (C)'' would disclose the date of the purchase.

Likewise, to new Schedule 6—Purchase of Fixed Assets, the Department proposed adding two new columns. The first new column entitled ''Name and Address of Seller (A)'' would disclose the identity of the seller of fixed assets to the labor organization. A second new column ''Date of Purchase (C)'' would disclose the date of the purchase. In addition, the Department proposed that the union would be required to identify automobiles individually by make, model, year, and VIN. This information would be listed under the newly renamed Column B (Description).

The Department proposed to divide Schedule 15—Representational Activities into two schedules and renumber them Schedule 24 and Schedule 25. The first would be designated new Schedule 24—Contract Negotiation and Administration. The second would be new Schedule 25—Organizing.

In addition, Schedule 16—Political Activities and Lobbying would be renumbered and divided into two schedules. On new Schedule 26, labor organizations would report disbursements for political activities. On new Schedule 27, the labor organization would report lobbying disbursements.

For Schedules 13 & 14, the Department, as part of the revised Form LM–2 instructions, proposed to eliminate a currently available reporting exception. This exception is for indirect disbursements for temporary lodging or public transportation necessary for conducting official business while the employee is in travel status when payment is made by the labor organization directly to the provider or through a credit arrangement.

For the new Schedule 15—Membership Status, the Department proposed to require reporting of retired members, as retired members do not necessarily share the same interests nor have the same voting rights as working members.

Finally, the Department sought comment on whether to raise the threshold for filing the revised Form LM–2 from $250,000 to $300,000.

ii. 2025 NPRM

In the 2025 NPRM, the Department proposed a change in the filing thresholds for the Forms LM–2, LM–3, and LM–4, which would be reflected in 29 CFR 403.4(a) and on each of the Forms and their instructions. The Department proposed that labor organizations with $450,000 or more in annual receipts would need to file the Form LM–2, an increase from the previous $250,000 threshold, and labor organizations with less than $25,000 may choose to file the Form LM–4, an increase from the previous $10,000.

d. Comments Received

i. Comments Overview

As part of both the 2020 NPRM and the 2025 NPRM, the Department solicited and received numerous public comments on the proposals. The Department provided for a 60-day comment period which began upon the publishing of the 2020 NPRM. 85 FR 64726 (Oct. 13, 2020). The Department received 99 comments on that proposed rule. Of these 99 comments, 97 were unique and posted by the Department. Comments were received from numerous groups representing labor organizations, labor federations, public interest groups, employer associations, and state policy institutes, as well as from individuals with experience as former or current labor organization members, certified public accountants, and other concerned citizens.

Of the 97 unique comments received, the Department considers 48 of those comments as substantive. Thirty-three of these substantive comments expressed general support for the 2020 NPRM, while 15 of these substantive comments were generally opposed.

Substantive comments in support of the 2020 NPRM came from employer associations and other groups focused on labor organization accountability, as well as individuals who were members and officers of labor organizations and those without labor organization affiliations. Primarily, these comments supported the creation of the new Form LM–2 Long Form and the changes proposed to the Form LM–2 as ways to increase labor organization financial accountability and transparency towards its members. These comments generally viewed the proposed rule in line with the purposes of the LMRDA, and the new sections on the Form LM–2 Long Form and the adjusted sections on the revised Form LM–2 as necessary updates since the 2003 changes to the labor organization annual financial reports.

Substantive comments opposed to the 2020 NPRM came from labor organizations and labor-aligned institutions, as well as accounting firms and individual certified public accountants (CPA) concerned with the methodology of the LM Forms proposed in the rule. These comments stated the Form LM–2 was already burdensome, and that in their view the 2020 NPRM proposed unnecessary additions. These comments also expressed concern at the potential removal of protections for labor organizations and individuals in the new forms.

The Department also provided for a 30-day comment period upon the

publishing of the 2025 NPRM, ending July 31, 2025. The Department received a total of 299 comment submissions. Eleven were unique, substantive comments filed by labor organizations, employer associations, policy institutes, other stakeholder groups, and private individuals; the remainder were form-letters.

Support for adjusting the thresholds was expressed by labor organizations and associated entities. Opposition was voiced largely by employer associations and organizations focused on union accountability, as well as many individual commenters. Comments offering support for raising the filing thresholds for Forms LM–2, LM–3, and LM–4 argue that increasing the thresholds is a necessary adjustment to reflect economic realities and inflation since the last increase in 2003. Commenters stated that many unions, particularly smaller ones with limited resources and membership, find the current reporting requirements burdensome and complex, often requiring significant time and financial investment in compliance. Proponents believe that raising the thresholds would benefit labor organizations by allowing them to allocate more resources towards representation and collective bargaining, while still satisfying the need for transparency, as they stated that unions are committed to sharing financial information with their members. In addition, advocates propose automatically indexing the thresholds to inflation to prevent future discrepancies and reduce the likelihood of additional burdens being placed on unions whose receipts do not keep up with inflation.

Comments opposed to raising the thresholds assert that doing so would significantly undermine financial transparency and accountability within labor organizations. Commenters state that easing reporting requirements would diminish union members' ability to monitor how their dues are spent, potentially enabling mismanagement and corruption to flourish unchecked. These critics state that raising the thresholds would exempt numerous unions from detailed financial reports, thus obstructing OLMS' ability to identify financial misconduct, which could harm the interests of union members lacking access to essential financial disclosures. Opponents state that the current reporting regime is necessary for maintaining oversight and protecting the statutory rights of union members and view the proposal as a regression that could promote secrecy among union leaders rather than accountability.

ii. Policy Justification

In the 2020 NPRM, the Department sought specific comment on a number of topics. These included the threshold for the Form LM–2, strike funds, confidentiality exemptions, whistleblower protections, and other forms of identifying information. The 2020 NPRM also received numerous comments on the new Items, Schedules, and Instructions in Form LM–2 Long Form and revised Form LM–2, as well as other potential inclusions on both forms.

In the 2025 NPRM, the Department's proposal addressed only the filing thresholds for Forms LM–2, LM–3, and LM–4. The Department received numerous comments on these specific issues, as well as a few others on other changes commenters sought as part of the 2025 NPRM.

The Department considered all of the significant comments it received and is making targeted modifications to the final Form LM–2 Long Form and revised Form LM–2, changes to the thresholds for all Forms, as well as minor additional changes to Forms LM–3 and LM–4.

Form LM–2 Long Form Filing Threshold

In the 2020 NPRM, the Department proposed an $8 million filing threshold for the Form LM–2 Long Form. This threshold was based on the Small Business Administration's (SBA) definition of a small labor organization entity, as identified by North American Industry Classification System (NAICS) codes. 13 CFR 121.201. In determining the appropriate size standard for an industry, SBA considers economic characteristics, market shares, technological changes, and historical activity. 13 CFR 121.102. The SBA's definition of a small entity serves as an upper bound of a small entity's annual receipts. 13 CFR 121.201. In the 2020 NPRM, the Department proposed that filers reporting annual receipts in excess of the SBA definition would be required to file a Form LM–2 Long Form.

The monetary threshold in the SBA definition of a small labor organization entity has increased since the Department promulgated the 2020 NPRM. As of the most recent data, SBA identifies $16.5 million as the appropriate size standard for a ''small'' labor union or similar labor organization. 13 CFR 121.201. As discussed below, the Department does not view this as a change in core circumstances because the Department decided it was more appropriate to rely upon a study of itemized annual receipts in lieu of the SBA definition.

During the public comment period, the Department received two comments supporting a higher Form LM–2 Long Form filing threshold, eight comments supporting a lower Form LM–2 Long Form filing threshold, and two comments supporting using the SBA definition as the threshold.

Two commenters, both labor organizations, expressed support for increasing the Form LM–2 Long Form threshold. One commenter noted that the ''extensive reporting requirements for organizations below [this] limit would consume a good portion of available resources and would not be a valuable use of resources or provide a useful source of information'' for union members. The commenter suggested increasing the $8 million threshold to ''at least $20,000,000 and then index[ing] for inflation.'' Another labor organization supporting a higher Form LM–2 Long Form threshold reasoned that the SBA definition of a ''small'' labor organization serving as the Form LM–2 Long Form filing threshold does not match with the Department's goal of bringing transparency to the largest and most prominent labor organizations. The commenter reasoned that using the SBA definition of a ''small'' labor organization as the Form LM–2 Long Form threshold would capture several mid-sized labor organizations rather than the largest and most prominent. The commenter suggested that the Form LM–2 Long Form threshold should be ''magnitudes of order higher than $8M so as to truly capture only the largest organizations'' and suggested indexing the threshold to inflation.

The Department agrees with the comments in favor of a higher filing threshold. In creating a disclosure form for the largest and most prominent labor organizations, the Department does not intend to overburden mid-sized labor organizations with reporting requirements that would require them to divert resources from core functions. However, the Department determined that the additional transparency brought by the Form LM–2 Long Form should be of interest and value to members of the largest labor organizations. The Department believes that the SBA provides an appropriate definition of a ''small'' labor organization, but recognizes, as one commenter notes, that using the definition of a ''small'' labor organization as the threshold for Form LM–2 Long Form filers would capture several medium sized labor organizations. In other words, the fact that a labor organization is not ''small'' does not mean that the labor organization is ''large.'' In the 2020 NPRM, the Department explicitly sought

to capture the ''largest and most prominent'' labor organizations. 85 FR 64734 (Oct. 13, 2020). For this reason, the Department determined that the Form LM–2 Long Form filing threshold, designed to capture the largest organizations, must be higher than the SBA definition.

The Department does not believe that indexing the Form LM–2 Long Form filing threshold for purely inflation is appropriate. Attaching filing thresholds to constantly changing measures like inflation will only create additional regulatory burden on labor organizations, as it increases the chances that filing requirements will change from year-to-year. This means labor organizations may have to change their reporting and recordkeeping practices from year-to-year. Setting a fixed threshold provides clarity and predictability for regulated labor organizations.[11]

The eight commenters supporting a lower Form LM–2 Long Form filing threshold generally stated that members of small to mid-sized labor organizations deserve the same level of transparency that members of larger unions would have with the Form LM–2 Long Form. For this reason, five of these commenters suggested the Department should integrate the Form LM–2 Long Form into the revised Form LM–2.

The Department disagrees with these comments. In creating the Form LM–2 Long Form, the Department seeks to bring additional transparency to America's largest labor organizations. While the Department recognizes the significant benefits of transparency for members of any sized labor organization, it also recognizes the burden imposed on labor organizations that would be required to file a more comprehensive form. Congress recognized the importance of balancing burden and reporting detail when it granted the Secretary the authority to prescribe simplified reports for labor organizations whose size would make more detailed reporting requirements unduly burdensome. 29 U.S.C. 438. The Department believes that replacing the revised Form LM–2 with the Form LM–2 Long Form is not aligned with the stated goal of the 2020 NPRM or the LMRDA and would create undue burden on small to medium sized labor organizations.

A different commenter suggested that the Department should replace all labor organization annual financial reports with the LM–2 Long Form, reasoning that requiring different disclosure forms is burdensome on labor organizations and those investigating union finances.

The Department also disagrees with this comment. As the commenter recognized, ''the LM–4 form for labor organizations with less than $10,000 in total annual receipts generally uses the same reporting categories as the LM–2 form'' but features less detailed information. As such, the Department disagrees that an individual investigating union finances is under any sort of burden from differences in disclosure forms. For a labor organization, completing a Form LM–2 Long Form, which requires much more detailed information than the revised Form LM–2, Form LM–3, or Form LM–4, is per se more burdensome. The additional information reported on the Form LM–2 Long Form requires additional time for recordkeeping and reporting as compared to the revised Form LM–2, Form LM–3, and Form LM–4. As such, and in line with the Department's statutory authority under the LMRDA, the Department determined it is important to balance a labor organization's burden with its reporting requirements. The Department believes that requiring small labor organizations with limited resources to comply with additional reporting requirements would be unduly burdensome.

Two other commenters suggested the Department should use a lower threshold. One of these commenters suggested that half of Form LM–2 filers should file Form LM–2 Long Form, reasoning that small to mid-sized unions may be more vulnerable to fraud and thus could benefit from more transparency. The other commenter favored replacing revised Form LM–2 with Form LM–2 Long Form for reporting simplicity but suggested lowering the threshold to $1 million if the Department wanted to keep a separate Form LM–2 Long Form. This commenter reasoned that Form LM–2 already captures the largest labor organizations in the country and that Form LM–2 filers have the resources and ability to comply with the Form LM–2 Long Form reporting requirements.

The Department disagrees with these comments as well. The Department recognizes that smaller labor organizations with limited resources may be more impacted by fraud or abuse. However, the Department believes that requiring smaller labor organizations to divert resources from core functions to accommodate more complex reporting requirements is both harmful to labor organizations and out of line with the Department's clearly stated objective to bring additional transparency to the largest and most prominent labor organizations. Likewise, the Department disagrees with the notion that all Form LM–2 filers are the largest labor organizations and have the resources necessary to comply with the Form LM–2 Long Form's reporting requirements. Absent any data or analysis indicating otherwise, which the commenter did not provide, the Department believes that the SBA appropriately defines a ''small'' labor organization.

Two commenters expressed support for keeping the Form LM–2 Long Form filing threshold in line with the SBA definition. They stated that the threshold is consistent with the Department's goal to bring transparency to the largest and most prominent labor organizations without overburdening smaller labor organizations. Both commenters also noted the value of keeping consistent definitions across different government agencies.

While the Department recognizes the value of keeping consistent definitions across different government agencies, after considering the comments, the Department determined that the SBA definition is not the appropriate threshold for the Form LM–2 Long Form. While the Department believes that SBA accurately captures the definition of a ''small'' labor organization, relying on the SBA definition would require mid-sized labor organizations to file the Form LM–2 Long Form.[12] Doing so is out of line with the 2020 NPRM's stated goal.

With the understanding that Form LM–2 Long Form was designed to capture more detailed reporting from the largest labor organizations, the Department examined the differences in reportable information between Form LM–2 Long Form and Form LM–2 to identify the new schedules, items, and other categories of information that only the largest labor organizations will have to report. From this, the Department determined that the key distinctions between the two forms are the new itemization requirements. There are categories of information that may be reported in the aggregate on the revised Form LM–2 but must now be itemized by the largest unions on the Form LM–2 Long Form. Thus, it makes sense to

[11] The Department, in setting a fixed threshold for the Form LM–2 Long Form, maintains the ability to revise this threshold in the future based on updated circumstances.

[12] The Department relies upon its reasoning in the 2003 Final Rule in which the Department separated Form LM–2 filers into three categories based upon annual receipts. Tier 2 filers, or those who have annual receipts between $500,000 to $39,999,999, represent a large portion of the ''mid-size'' labor organizations referred to here.

measure the effects of that itemization on both transparency and reporting burdens when determining which organizations should be included as the largest organizations required to use the Form LM–2 Long Form.

The Department reasons that a labor organization gathering significant sums of receipts through rents, the sale of supplies, and per capita tax is likely to have a significant amount of investments, unallocated resources or affiliated unions that would allow it to generate significant receipts from these categories. The itemization of those types of receipts on the Form LM–2 Long Form is new and represents the largest change in both burden and transparency when comparing Form LM–2 Long Form and revised Form LM–2.[13] Since newly itemized receipts are an appropriate proxy for both size and burden, the Department believes it is the proper metric to inform its decision in determining the appropriate Form LM–2 Long Form threshold.

To better understand the additional burden on labor organizations who would have to itemize these receipt categories and the transparency benefit of itemizing these receipts, the Department calculated the total receipts each filer would have to itemize on the Form LM–2 Long Form. The Department excluded dues and agency fees from this analysis, as it is unlikely for most labor organizations to receive over $5,000 in dues or agency fees from a single source. The Department then identified the median amount of receipts that would be itemized on the Form LM–2 Long Form for filers at different filing thresholds to measure both the burden on the labor organization and the potential transparency benefit. Additionally, the Department calculated the median amount of receipts that would not have to be itemized if a filer were excluded from mandatory Form LM–2 Long Form filers as filing thresholds increased. The Department used this metric to measure ''lost'' transparency as the threshold increased.[14]

The Department conducted its analysis with publicly available Fiscal Year (FY) 2024 filing data, the most recent year of complete filing data at the time of its analysis.[15] This filing data is available at *https://www.dol.gov/agencies/olms/data.*

At the SBA ''small'' union threshold of $16.5 million, the median Form LM–2 Long Form filer would have to itemize an additional $4,650,241 in receipts, roughly 15.5 percent of median total receipts for filers reporting more than $16.5 million in annual receipts. The Department believes this demonstrates the median labor organization captured by a $16.5 million threshold is not generating a significant share of its receipts from the newly itemized receipt categories. From this, the Department reasons that a $16.5 million threshold would not appropriately capture the largest and most prominent filers. While this definition serves as an appropriate upper limit for a ''small'' labor organization, the Department determined that a $16.5 million threshold does not appropriately capture ''large'' labor organizations.

The Department examined these metrics at other thresholds, beginning with $20 million in annual receipts and then increasing by $10 million, up to $80 million in annual receipts. The Department's calculations are included in the table (Table 1) below.

[13] For reference, the following receipt categories are not itemized on the prior Form LM–2 or the revised Form LM–2 but would be itemized on the Form LM–2 Long Form: Dues and Agency Fees; Per Capita Tax; Fees, Fines, Assessments, Work Permits; Sale of Supplies; Rents; On Behalf of Affiliates for Transmittal to Them; and From Members for Disbursement on Their Behalf. Transactions in these categories will be subject to itemization if the receipts from one source total $5,000 or more.

[14] The Department references the median because annual receipts data is extremely positively skewed by labor organizations with high annual receipts. In 2024, annual receipts data had a skewness value of +23. Using median values rather than average values more accurately reflects the typical value in a heavily skewed dataset.

[15] Labor organizations must file their annual reports within ninety days after the end of each of its fiscal years. 29 U.S.C. 437. In 2024, 3,192 of 4,583 Form LM–2 filers reported a fiscal year ending in December, meaning their fiscal year 2025 reports would not be available until March 31, 2026.

TABLE 1 —FILING THRESHOLD ANALYSIS USING FORM LM-2 DATA, FY2024

Threshold	**Median Total Receipts**	**Median Receipts for Itemization**	**Itemized as a % of Total**	**Median Receipts for Itemization for Excluded Filers**
$16.5 million	$30,088,038	$4,650,241	15.46%	N/A
$20 million	$38,819,514	$5,366,740	13.82%	$1,502,485
$30 million	$64,579,974	$13,939,096	21.58%	$2,166,165
$40 million	$79,979,130	$24,266,493	30.34%	$2,498,004
$50 million	$109,182,477	$25,732,942	23.57%	$5,328,898
$60 million	$136,060,560	$27,549,253	20.25%	$9,730,616
$70 million	$150,756,860	$31,635,449	20.98%	$14,008,794
$80 million	$180,208,751	$67,597,025	37.51%	$9,698,963

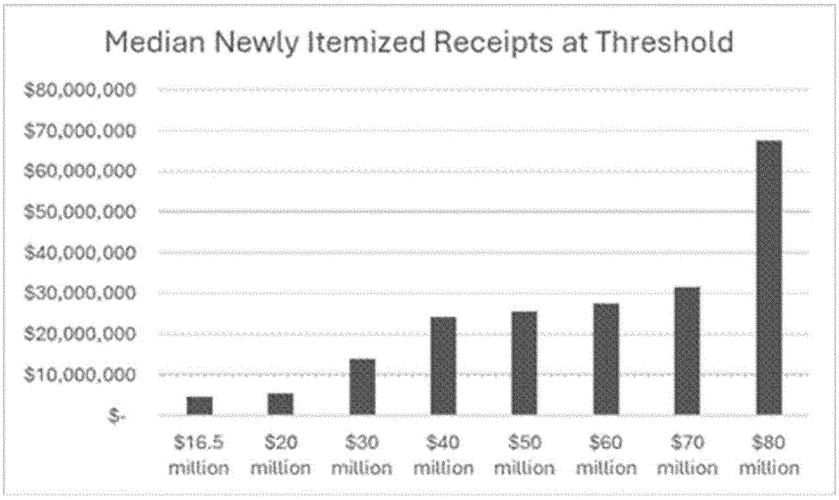
Using these metrics, the Department determined that $40 million in annual receipts is the appropriate filing threshold for the Form LM–2 Long Form. In its analysis of annual receipt data, the Department found that labor organizations with above $40 million in annual receipts report a much more significant sum of receipts from these newly itemized categories than at any lower threshold. At a $40 million threshold, the median filer reports $79,979,130 in total annual receipts and $24,266,493 (roughly 30 percent of median total receipts) in previously non-itemized receipts that would be itemized on the Form LM–2 Long Form.

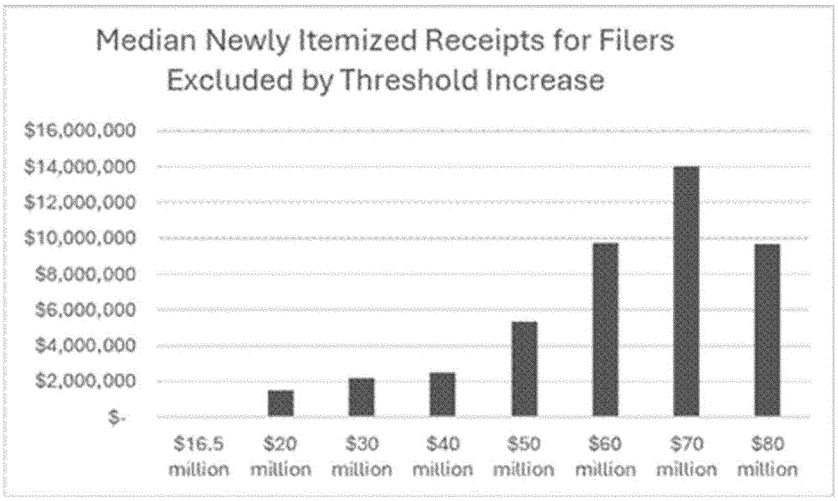
This $24.2 million figure represents a significant increase from the $13.9 million in newly itemized receipts for the median filer at $30 million. If the $40 million threshold were applied to 2024 filers, 99 labor organizations would have filed the Form LM–2 Long Form, approximately the top 2% of Form LM–2 filers. The Department determined that these metrics indicate that $40 million is the appropriate threshold to capture the ''largest and most prominent'' labor organizations, ensuring filing requirements are proportionate to available resources.

The table above demonstrates that there are relatively small transparency losses as the threshold increases from $16.5 million to $40 million. The median filer reporting between $16.5 million and $20 million in annual receipts would have had to itemize roughly $1.5 million in previously un-itemized receipts. This figure increases to roughly $2.2 million for filers between $20 and $30 million in annual receipts, and roughly $2.5 million for filers between $30 and $40 million in annual receipts.

The Department notes that there is a significant increase when the threshold is moved to $50 million. The median filer reporting between $40 and $50 million in annual receipts would have to itemize an additional $5.3 million in previously non-itemized receipts, more than double when compared to the jump between $30 and $40 million in annual receipts. This indicates that filers reporting above $40 million in

annual receipts are able to derive a significant amount of annual receipts from the receipt categories itemized on the Form LM–2 Long Form. This, combined with the significant increase in the median newly itemized receipts at $40 million, led the Department to determine that $40 million is the appropriate threshold for the Form LM–2 Long Form.





Form LM–2 Threshold

As part of the 2020 NPRM, the Department sought comment on whether to raise the threshold for filing the Form LM–2 from the 2003 $250,000 level to $300,000. 85 FR 64747 (Oct. 13, 2020). This is a continuation of the practice of periodically assessing the appropriateness of the filing threshold to ensure that it is relevant in terms of the current economy and universe of labor organizations. In addition, the Department also sought public comment in a separate 2025 NPRM for a proposal to raise the Form LM–2 threshold to $450,000. 90 FR 28251 (July 1, 2025). Given that both NPRMs address raising the threshold, the Department will address the public comments of both NPRMs here as part of the final rule.

The Department's 2003 rulemaking, which last adjusted the Form LM–2 threshold, explained that the increase to a threshold of $250,000 was intended to approximate inflation in the decade since the previous $200,000 level. Two decades have passed since that adjustment. Over longer horizons, inflation has substantially eroded the real value of earlier thresholds. For example, the first increase in 1963 raised the Form LM–2 threshold from $20,000 to $30,000. 28 FR 14383 (Dec. 27, 1963). Using the Bureau of Labor Statistic's Consumer Price Index (CPI) Calculator, $30,000 in 1963 equates to $320,972.37 in 2026 dollars.[16] That amount reflects a cumulative price increase of about 969.9 percent and an average inflation rate of 3.83 percent per year. Similarly, the $10,000 threshold established for Forms LM–3 and LM–4 in 1992 would be $23,551.92 today. These figures demonstrate that the 2003 thresholds of $250,000 and $10,000 required many unions with relatively modest buying power to complete the most detailed reporting form in recent years.

The purpose of the LMRDA's reporting requirements is to provide union members with sufficient information to hold their leaders accountable. Detailed financial disclosures deter misuse of union funds. It also enables union members to enforce the LMRDA's fiduciary provisions and OLMS to enforce the

[16] U.S. Bureau of Labor Statistics, ''CPI Inflation Calculator,'' *available at https://www.bls.gov/data/inflation_calculator.htm.*

criminal provisions applicable to misuse of such funds. However, the Department also recognizes that recordkeeping and reporting impose costs on labor organizations. Therefore, it authorizes simplified reports for those with comparatively small funds. As unions with smaller receipts typically have less complex finances, it is appropriate to relieve them of certain reporting obligations without sacrificing transparency.

The Department received numerous comments in support of increasing the Form LM–2 threshold. These comments from both the 2020 and 2025 NPRMs came primarily from labor organizations and accounting firms and stated that an increase would reduce the burden on smaller filers by responding to inflation. Opponents contended that any increase would reduce transparency and cited, inter alia, cases of fraud in smaller unions. On the 2020 NPRM, a few labor organizations and an accounting firm recommended that the Department increase the threshold to $500,000 with one labor organization recommending the threshold be tied to inflation. In response to the 2025 NPRM, a policy institute urged the Department to anchor any increase to historical inflation and to adopt a more moderate threshold ($350,000) than the $450,000 proposed. OLMS has carefully weighed these competing concerns as described by the commenters.

The 2020 NPRM sought comment on increasing the Form LM–2 threshold to $300,000. The Department estimated that such an increase would shift approximately 273 unions to Form LM–3 filer status at that time. The 2025 NPRM proposed a $450,000 threshold and estimated such an increase would shift approximately 868 unions to Form LM–3 filer status at that time. After reviewing the record, including the comments on both the 2020 and 2025 NPRMs, OLMS concludes that neither $300,000 nor $450,000 would meet the inflation-adjusted value of the 1963 threshold. Instead, the Department adopts a $350,000 threshold for the Form LM–2. In summary, the $350,000 figure is derived by adjusting the $30,000 threshold in 1963 to present-day dollars and rounding up to provide a modest buffer for future inflation. As noted above, $30,000 in 1963 equates to approximately $320,972.37 today. Rounding to $350,000 ensures that labor organizations remain on consistent footing with those that filed the first adjusted Form LM–2 in 1963 and avoids the need for immediate further adjustments.

Specifically, in determining how to modernize the thresholds, the Department selected the Form LM–2's 1963 threshold adjustment as a historical baseline. Congress' 1959 enactment of the LMRDA, and its subsequent implementing regulations of part 403 in 1960, set an initial $20,000 receipts threshold and authorized the Secretary in section 208 to prescribe simplified reporting for smaller labor organizations. 25 FR 433 (Jan. 20, 1960). The Department exercised this delegated authority in 1963, raising the Form LM–2 threshold to $30,000. 28 FR 14383 (Dec. 27, 1963). This was the first calibration since the LMRDA enactment that had been made with the benefit of implementation experience and that has reflected the Department's contemporaneous judgment about how best to balance transparency with administrative burden. By using the 1963 revision as the baseline, the Department preserves the equilibrium between disclosure and burden that Congress intended and avoids embedding later, policy-specific choices into the inflation calculation.

This approach also satisfies the administrative requirement that agencies provide a reasoned explanation when choosing among reasonable alternatives. *See Motor Vehicle Mfrs. Ass'n* v. *State Farm Mut. Auto. Ins. Co.,* 463 U.S. 29, 43 (1983) (requiring ''reasoned decision-making''); *see also FCC* v. *Fox Television Stations, Inc.,* 556 U.S. 502, 514 (2009) (upholding agency changes where the agency supplies a rational explanation). The Department's decision to use the 1963 Form LM–2 threshold as a baseline reflects a rational connection between the problem, erosion of earlier thresholds due to inflation, and the solution, an adjustment tied to the earliest exercise of delegated authority.

Inflation evidence confirms the appropriateness of this choice. According to the CPI, $30,000 in 1963 equals $320,972.37 in 2026 dollars.[17] To minimize the need for further near-term adjustments, the Department adopts a $350,000 Form LM–2 threshold rather than the lower $300,000 threshold, a modest rounding upward that maintains continuity with the scope of disclosure that Congress originally contemplated while ensuring that unions with substantial receipts continue to file the most detailed report. This level also responds to commenters who urged the Department to anchor increases to historical inflation while avoiding the broader reduction in transparency that would result from a $450,000 threshold.

The Department examined recent filing data and found that raising the Form LM–2 threshold to $350,000 will adjust coverage in a manner comparable to the 2003 revision. In 2003, raising the Form LM–2 threshold from $200,000 to $250,000 reduced recordkeeping and reporting burdens for roughly 500 labor organizations and left about 21 percent of unions filing the Form LM–2. 68 FR at 58433 (Oct. 9, 2003). Using FY 2024 filings, OLMS estimates that increasing the threshold to $350,000 will have a similar effect: approximately 511 labor organizations reported receipts between $250,000 and $350,000 and shifting these unions to Form LM–3 would reduce the total percentage of Form LM–2 Long Form and revised Form LM–2 filers from 23 percent to about 20 percent, closely paralleling the 2003 adjustment.

Comments From 2020 NPRM

Labor organizations and associated entities made comments in support of adjusting the Form LM–2 threshold in response to the 2020 NPRM. Opposition was voiced largely by employer associations and organizations focused on union accountability, as well as individual commenters.

Comments offering support for raising the filing threshold for the Form LM–2 argued that increasing the thresholds is a necessary adjustment to reflect economic realities and inflation since the last increase in 2003. Commenters contended that many unions, particularly smaller ones with limited resources and membership, have found reporting requirements burdensome and complex, often requiring significant time and financial investment in compliance. Proponents believed that raising the threshold would benefit labor organizations by allowing them to allocate more resources towards representation and collective bargaining, while still satisfying the need for transparency, as they stated that unions are committed to sharing financial information with their members. In addition, advocates of increasing the threshold proposed automatically indexing the thresholds to inflation to prevent future discrepancies and reduce the likelihood of additional burdens being placed on unions whose receipts do not keep up with inflation.

Opponents to the 2020 NPRM's proposal to increase the Form LM–2 threshold contended that any increase would reduce transparency for labor organization members who would see less detailed versions of their union's financial transactions and records. A few of these comments recommended the Department lower the $250,000 threshold, and one policy institute specifically pointed to the numerous

[17] *Id.*

enforcement actions taken by the Department as evidence of the need for increased reporting. A major advocacy group stated that with 78.5 percent of labor organizations not meeting the LM–2 threshold set in 2003, it is unnecessary to raise the LM–2 threshold to exempt more labor organizations. One public policy committee recommended that the Department eliminate the Form LM–2 threshold and require all labor organizations to file Form LM–2 and included an example form showing how a labor organization filing Form LM–4 could easily transfer that information to Form LM–2.

The Department has carefully considered these comments in response to the 2020 NPRM and acknowledges that increased transparency, resulting from detailed reporting, deters and helps detect wrongdoing. However, the purpose of the LMRDA's reporting requirements is to provide transparency commensurate with filers' size and financial complexity. All LMRDA filers must preserve underlying records sufficient to verify their reports and must permit members, for just cause, to examine records necessary to verify those reports. *See* 29 U.S.C. 431(b). These statutory and regulatory protections apply whether a union files a Form LM–2 Long Form, a revised Form LM–2, a Form LM–3, or a Form LM–4.

Administrative cost estimates submitted as part of this final rule indicated that preparing a full prior Form LM–2 required an estimated 344.20 hours of reporting and underlying recordkeeping. While some commenters claim that electronic systems reduce these hours, the burden remains for organizations with limited resources. The Department concludes that the increase in burden on those smallest filers outweighs the utility of those filers providing extra information to the Department. Eliminating thresholds would contravene Congress's intent to balance transparency with administrative feasibility, as demonstrated by the powers granted to the Secretary in section 208 to create simplified reports to reduce undue burden.[18] The Department thus concludes that a moderate threshold increase to $350,000 is warranted for the revised Form LM–2 to prevent smaller unions from diverting disproportionate resources toward reporting compliance.

Comments From 2025 NPRM

Numerous large labor organizations stated that the Form LM–2 threshold has not been adjusted since 2003 and thus fails to accurately reflect inflation. These commenters stated that smaller unions often have limited staff and resources and that preparing a Form LM–2 requires more time and accounting expertise than preparing Forms LM–3 or LM–4. Supporters also note that unions with receipts just above the then-current thresholds often spend a substantial share of their budgets on compliance rather than member services. Some commenters stated that many unions already provide detailed financial information to their members through internal newsletters, IRS Form 990 filings, or audited financial statements, so a modest increase in the Form LM–2 threshold would not materially reduce transparency.

The LMRDA authorizes the Secretary to require ''[e]very labor organization'' to file reports but also grants discretion to ''prescribe such simplified and different reports'' for organizations who by ''virtue of their size'' a ''detailed report would be unduly burdensome.'' 29 U.S.C. 438. The size of a union for whom a simplified report is appropriate may be identified by a comparatively small number of members or comparatively small amount of funds. The previous three-tier reporting system (Forms LM–2, LM–3, and LM–4) reflected that discretion; it permitted detailed Form LM–2 filings for larger unions and simplified forms for smaller ones. Supporters of the proposed rule correctly observed that the Form LM–2 threshold of $250,000 in receipts was last revised in 2003. Consumer price index data show that $250,000 in 2003 dollars is roughly equivalent to about $449,621 in 2026 dollars. Inflation therefore supports an increase.

Nonetheless, one of the LMRDA's primary purposes is to ''eliminate or prevent improper practices'' by ensuring financial transparency. An overly large increase in threshold would ill serve this purpose. It might excuse the reporting of transactions that indicate improper practices. On the other hand, the statute contains an express provision that enables the Secretary to avoid imposing undue burden on unions of small size. By imposing a threshold that imposes undue burden, the Secretary would ill serve this second purpose. In selecting a $350,000 threshold rather than the proposed $450,000 threshold for the revised Form LM–2, the Department balances these two prongs of the statute's objectives.[19]

An analysis of FY 2024 OLMS filing data indicates that a $350,000 threshold reduces the number of Form LM–2 filers by approximately 511 labor organizations (instead of about 868 at $450,000) and increases the number of Form LM–3 filers by the same amount. Even with 511 fewer labor organizations filing the Form LM–2 at the $350,000 threshold, approximately 90 percent of all annual receipts reported to OLMS would still be reported on the more detailed revised Form LM–2. The Department also notes that some unions, approximately 161 filers,[20] file Form LM–2 voluntarily, despite not reaching that form's thresholds, either because it is required by their constitutions and bylaws or otherwise preferable for informing their members. Similarly, unions under trusteeship are required to file Form LM–2, no matter whether their receipts meet the threshold. 29 CFR 403.5(c). Further, the Department presumes that many unions on the cusp of the threshold will choose, for planning purposes throughout the year, to maintain recordkeeping and reporting systems so that they are able to complete the more complex form. This would prevent an unexpected increase in receipts, which would elevate the union above the revised Form LM–2 threshold, from requiring the union to recover or reconstruct records that could have been maintained in the first instance. And unions are permitted by law to file more detailed reports than the threshold levels dictate. Unions still subject to revised Form LM–2 reporting will continue to itemize receipts and disbursements, ensuring the availability of detailed financial information, and unions with fewer receipts have fewer transactions to report, thus reducing the need for added reporting detail.

Two large labor organizations urged the Department to raise the Form LM–2 threshold above $450,000 or to index the threshold automatically to account for inflation. Commenters argue that without automatic indexing, the threshold will again erode over time and require repeated rulemaking. One of the commenters suggests a Form LM–2 threshold of $600,000 to reflect the roughly 75 percent increase in price levels since 2003. Another commenter supports indexing but did not specify a higher amount. In contrast, several

[18] *See* 29 U.S.C. 438.

[19] *See generally* 29 U.S.C. 438 (''The Secretary shall have authority to issue, amend, and rescind rules and regulations prescribing the form and publication of reports required to be filed under this title . . . as he may find necessary to prevent the circumvention or evasion of such reporting requirements . . . [T]he Secretary shall prescribe by general rule simplified reports for labor organizations or employers for whom he finds that by virtue of their size a detailed report would be unduly burdensome'').

[20] This estimate is based on fiscal year 2025 data from Form LM–2s received from labor organizations with less than $249,999 but more than $0 in receipts.

opponents contend that automatic indexing would lead to unmanageable increases and erode transparency.

The Department declines to adopt automatic indexing, as it does not reflect a careful balancing between the twin goals of union transparency and prevention of undue burden on unions. As to the level of the threshold, the Department agrees that inflation warrants an increase but remains mindful of the transparency concerns expressed by other commenters. A $600,000 threshold would exempt an additional 377 unions beyond those 868 captured by a $450,000 threshold (totaling 1,245 labor organizations) from filing the revised Form LM–2, which would constitute a quarter of all LM–2 filers, based on FY 2024 data. A $350,000 threshold better balances the reduction in burden with the need for public oversight.

In opposition to raising this threshold, numerous public policy organizations, state policy institutes, business-side labor entities, and individual commenters argued that raising the threshold will reduce oversight and risk more fraud. Commenters point to the LMRDA's history as a response to corruption uncovered by the McClellan Committee and cited recent criminal cases where union officers embezzled funds. One national institute stated that raising the Form LM–2 threshold to $450,000 could impact over 1.25 million union members. Two commenters argued that electronic filing and accounting software have reduced burdens, making a higher threshold unnecessary. Some commenters suggest that raising the threshold would shield misappropriation of union assets; others claim it would contravene congressional intent.

The Department has carefully considered commenters' transparency concerns. The Department acknowledges that, as a general matter, increased transparency, resulting from detailed reporting, deters and helps detect wrongdoing. It has thus taken the comments into account by selecting a lower threshold than proposed, ensuring that a majority of unions cited in these examples remain subject to Form LM–2 reporting. However, additional reporting detail provides little benefit to smaller unions that have few, if any, transactions.

Additionally, the LMRDA grants the Secretary authorization to provide labor organization transparency commensurate with the organization's size and financial complexity. Administrative cost estimates submitted as part of the rulemaking, including those cited in the 2024 information collection request (ICR) supporting statement, indicate that preparing a full prior Form LM–2 required an estimated 530 hours of reporting hours of reporting and underlying recordkeeping. While some commenters claim that electronic systems reduce these hours, the burden remains significant for organizations with limited staff. The Department thus concludes that a moderate increase in the Form LM–2 reporting threshold is warranted to prevent small unions from diverting disproportionate resources toward reporting compliance.

A few of these national policy institutes and legal defense foundations advocated for eliminating thresholds entirely, contending that every union should file a Form LM–2 report because small unions can also experience fraud. Commenters argue that electronic filing has reduced burdens to the point where the distinction between LM forms is unnecessary. Several commenters asked the Department to adopt a zero threshold or uniform reporting.

The LMRDA authorizes the Secretary to prescribe simplified reports for smaller unions. Eliminating thresholds would contravene Congress's intent to balance transparency with administrative feasibility, as demonstrated by the powers granted to the Secretary in section 208 to create simplified reports to reduce undue burden.[21] Evidence in the comment record indicates that even with electronic filing, preparing a Form LM–2 report can impose burdens that may be disproportionate for small unions. Although small unions would have very little information to report in the revised Form LM–2, and would necessarily leave many entries and schedules blank, the burden of reviewing the instructions and completing the report would remain. It would also fall on the officers of the union to do this work, as they would not have the resources to hire outside attorneys and accountants. *See* Labor Organization Annual Financial Reports: LM Form Revisions, 85 FR 64726, 64748 fn. 25 (Nov. 13, 2020) (discussing use of accountants and attorneys in completing the Form LM–2). The final $350,000 threshold ensures that unions with substantial receipts, those most susceptible to mismanagement of member funds and in which the more detailed reporting can better provide transparency, remain subject to detailed reporting, while smaller unions can use simplified forms. The Department therefore declines to adopt a uniform or zero threshold reporting requirement.

Form LM–3 Threshold

The 2025 NPRM also sought comment on raising the Form LM–3 threshold from $10,000 to $25,000. 90 FR 28251 (July 1, 2025). Several unions supported an increase, noting that the $10,000 level has remained unchanged since 1992 and that inflation would justify a far higher amount. Conversely, opponents cautioned that raising the threshold could permit more substantial unions to file the Form LM–4, limiting the amount of information available to the public. The Department adopts the proposed $25,000 threshold for two reasons.

First, the Department must balance paperwork and recordkeeping burden with transparency in union operations. The simpler the form, the less information is available. The more information that is made available, the more paperwork and recordkeeping unions must manage. In balancing these two interests, the Department concludes that increasing the Form LM–3 threshold to the full inflation-adjusted value from 1992 would not unduly reduce transparency. While exempting more small unions that maintain marginal financial operations, a threshold increase to $25,000 alleviates burden on the smallest unions, while also ensuring organizations with more than $25,000 in receipts continue to file at least Form LM–3.

Second, the comment record reflects that submissions focused overwhelmingly on the Form LM–2 threshold; comparatively few commenters addressed the Form LM–3 threshold, and those that opposed any increase generally did so on broad transparency grounds rather than identifying defects specific to Form LM–3. The $10,000 Form LM–3 threshold has remained unchanged since Form LM–4 was established in 1992.[22] Adjusting that figure for inflation yields a present-day value of approximately $22,500. Setting the threshold at $25,000 therefore represents a modest rounding that relieves reporting burdens on the smallest labor organizations which may file the Form LM–4 while ensuring that entities with more than modest receipts continue to file Form LM–3. Adopting this threshold aligns with the Department's rationale to modernize thresholds in proportion to inflation, reducing burden without materially affecting public disclosure.

[21] *See* 29 U.S.C. 438.

[22] *See supra* note 3.

Form LM–4 Threshold

The 2025 NPRM also sought comment on raising the Form LM–4 threshold from receipts less than $10,000 to less than $25,000. 90 FR 28251 (July 1, 2025). The Department did not receive any substantive comments related to raising the Form LM–4 filing threshold.

Strike Funds

In the 2020 NPRM, the Department proposed that the Form LM–2 Long Form would include a new and distinct question about strike funds in Item 11. The Department proposed Item 11(c), which would ask, ''During the reporting period did the labor organization have a separate strike fund?'' Filers would need to answer either ''Yes'' or ''No'', and those labor organizations that answered ''Yes'' would be required to provide, in Item 75—Additional Information, the amount of funds in the strike fund as of the close of the reporting period.

Many commenters expressed support for requiring disclosure of a strike fund's existence and balance. One commenter emphasized that ''fundamentally something that goes to the very heart of the collective'' should be disclosed to members. A policy organization explained that ''employees should not be used simply as unwitting pawns in negotiations; they deserve to be able to make informed decisions when voting on a strike.'' Another public policy organization noted that without this disclosure, ''union members could vote to strike, only to discover that their union lacks the funding to financially support them.'' Several commenters cited a UAW strike against General Motors, where workers received only $250 per week in strike pay (equivalent to $6.25 per hour), despite the union holding a strike fund exceeding $760 million. Other commenters recommended this disclosure should apply to all Form LM–2 filers, not just those filing the Form LM–2 Long Form, as workers in smaller unions have equal need for this information.

Several commenters opposed the inclusion of this question in the Form LM–2 Long Form. Several labor organizations and accounting firms, as well as a labor-aligned public policy group, offered arguments against Item 11(c) and the requirements around reporting a separate strike fund. These commenters emphasized that the disclosure of a strike fund would benefit employers who would have information on the labor organization during bargaining negotiations or any other disagreement with a labor organization. Commenters stated that this could lead to employers simply waiting out a strike if they knew the strike fund would not last or using the knowledge of the strike fund to force a collective bargaining agreement that was more advantageous to the employer. Some further argued that this would disincentivize labor organizations and their members from voting to strike, and overall hurt members who may work under a worse negotiated contract.

Two accounting firms additionally noted that strike funds, whether a part of the general treasury or maintained separately, are already accounted for in Form LM–2 as part of a larger pool of funds. The firms stated the requirement to disclose a separate account would lead to inconsistent application based on the location of the strike fund, as those kept in the general treasury would not require disclosure. Overall, commenters in opposition felt that the Department lacked justification for breaking out the strike fund since the funds would already be considered in an OLMS investigation. The commenters stated the Department could not explain when this would be helpful. Some commenters disagreed with the Department's conclusion that this would help with investigations, while others stated that any help it would provide to OLMS investigators was outweighed by the cost it bore on labor organizations.

After a review of the comments from the 2020 NPRM, the Department has decided to eliminate proposed Item 11(c) from the Form LM–2 Long Form and will not require the disclosure of the amount in the strike fund in the additional information section. The Department concludes that Item 11(c) would not properly balance the need for transparency with a labor organization's interests during collective bargaining.

In the 2020 NPRM, the Department noted two instances in which labor organization officers embezzled money from the union's strike fund. Commenters in support of Item 11(c) provided additional examples in which union strike funds were misappropriated and stated that strike funds can be a source of, and may obscure, potential fraud or embezzlement. While the Department agrees this is a concern, the Department concludes that requiring disclosure of the total funds in a separate strike fund would not meaningfully address this issue.

Numerous commenters stated that the disclosure of a strike fund is a benefit to the labor organization members, as they would understand the potential implications of a strike on their pay and benefits, as well as being able to know if the union has a large strike fund that is not going to members. The Department recognizes the importance of transparency for members of labor organizations, but it also notes that the potential benefits to a member are outweighed by the harm a publicly disclosed strike fund would cause. As previously noted, an employer's knowledge of a strike fund could easily influence negotiation strategy with a labor organization, and the knowledge of a poorly funded strike fund could lead to more aggressive tactics that result in a less-beneficial contract for union members. In this instance, the Department concludes the harm to members at the bargaining table outweighs the additional transparency benefit.

Another common comment requested that Item 11(c) on strike funds also be extended to revised Form LM–2. One commenter raised the proposition of more detailed questions to Item 11(c), including the number of strikers compensated, the length of the strike, and the use of the strike fund in compensation. The Department did not propose this change to Form LM–2. Further, since the Department is already removing Item 11(c) from Form LM–2 Long Form for the reasons stated above, there is no reason for it to be included on revised Form LM–2 or to expand the number of disclosure requirements for a strike fund.

Foreign Transactions

As part of the 2020 NPRM, the Department sought comment on establishing a Schedule 32—Foreign Transactions on Form LM–2 Long Form if the labor organization engaged in a transaction with a foreign entity or a foreign individual. The labor organization would be required to report any individual transaction of $5,000 or more from a foreign entity or foreign individual, and total receipts and/or total disbursements from any single foreign entity or foreign individual that aggregates to $5,000 or more during the reporting period.

The Department received numerous comments supporting the inclusion of a foreign transactions schedule into Form LM–2 Long Form. Most of these comments emphasized the importance of this schedule for transparency and greater understanding of where the funds a labor organization may have or spend originate from. One supportive comment also agreed with the Department's reasoning that this information would help highlight potential outsourcing. Outsourcing remains a vital concern for American

workers, and labor organization members deserve full knowledge of any transactions that may put their jobs at risk.

Given these supportive comments, and the continued need to allow members of labor organizations to monitor their union's transactions with foreign entities and individuals, the Department will include Schedule 32—Foreign Transactions in the newly created Form LM–2 Long Form. It was very difficult to find itemized transactions with foreign entities or individuals on the prior Form LM–2. The largest labor organizations that are most likely to engage in foreign transactions traditionally filed prior Form LM–2, which contained, at times, thousands of transactions with different businesses, labor organizations, entities, and individuals. When a large labor organization filed its prior Form LM–2 in EFS, there was a requirement to provide the name and address of any entity or individual with whom the labor organization had a single transaction of $5,000 or more, or transactions that aggregated $5,000 or more. However, if that entity or individual was in a foreign country, the labor organization only needed to report the street address and city for that entity or individual. Because of the differences in format between addresses in the United States and addresses in foreign nations, the prior Form LM–2 did not ask for the actual country in which the address was located. This made it difficult for the average member to find a transaction with a foreign entity or individual without combing through thousands of transactions or knowing the exact city in which the entity or individual was located.

Though the Department proposed this itemization requirement for receipts of $5,000 or more or receipts that aggregated to $5,000 or more, the Department is requiring a labor organization to report itemized transactions for both disbursements and receipts. The 2020 NPRM asked for comments on overall transactions and referenced the importance of both, as it noted these transactions would appear in the functional disbursement Schedules 24–30, and shared examples of large labor organizations sending funds to outside unions, law firms, and consultants at foreign addresses. The Department believes both disbursements and receipts of the labor organization are important for a member's understanding and thus requires a labor organization to track both in Schedule 32.

The Department received comments from labor organizations and accounting firms that stated Schedule 32—Foreign Transactions is unnecessary because it reports transactions already covered by the Form LM–2 Long Form in the functional categories. The Department disagrees. While Schedule 32 would cover transactions already reported, this schedule is meant to highlight those transactions rather than introduce entirely new categories. This schedule is necessary to ensure that union members can clearly and easily find these foreign transactions and overall increases the transparency of the labor organization. The labor organization that is transacting with a foreign entity or individual is much more capable of separating these transactions in the new Form LM–2 Long Form, and ensuring its members have a full view of the relationship between their collective bargaining representative and any foreign entities or individuals.

A few international labor organizations commented that a foreign transactions schedule would be burdensome because they are a parent international union to Canadian locals. They also noted specific difficulty in recording these transactions as they may be conducted with a foreign currency. The Department disagrees that this would be burdensome, given that this schedule does not cover any transactions a labor organization would not already record. International labor organizations with Canadian locals or other locals based in a foreign nation would not need to conduct any excess bookkeeping to track these transactions besides separating them from transactions with domestic vendors, as these transactions are already necessary for a complete and accurate Form LM–2 Long Form.

The interest in these foreign transactions to labor organization members also outweighs any potential burden. For instance, a large international labor organization reported receipts of over $240,000 to an affiliated Canadian labor organization for organizing efforts on its most recent Form LM–2, which proved difficult for a member to track amongst the numerous other transactions. Union members deserve to know the amount sent to a foreign labor organization and should not need to dig through hundreds of pages to see where those funds originated or gain more context on those transactions. Here, members' interest in union transparency outweighs any minimal increase in burden on labor organizations.

Some commenters also proposed lowering the threshold of $5,000 for receipts from a foreign entity or foreign individual, and one commenter suggested that this foreign transaction schedule apply to the revised Form LM–2 as well. While the Department understands that this could increase transparency for members of labor organizations, it would be too burdensome to include these transactions in lower amounts or force smaller labor organizations to separate out these foreign transactions. These smaller labor organizations are also far less likely to deal with foreign entities or individuals and may have less capacity to ensure that relevant transactions are included in a foreign transactions schedule.

Confidentiality Exemption

Another major consideration of the 2020 NPRM was whether to modify, narrow, or eliminate the confidentiality exemptions for the Form LM–2 Long Form and revised Form LM–2. Specifically, the Department sought comment on this for all five confidentiality exemptions: (1) information that would identify individuals paid by the union to work in a non-union facility in order to assist the union in organizing employees, provided that such individuals are not employees of the union who receive more than $10,000 in the aggregate from the union in the reporting year; (2) information that would expose the reporting union's prospective organizing strategy; (3) information that would provide a tactical advantage to parties with whom the reporting union or an affiliated union is engaged or would be engaged in contract negotiations; (4) information pursuant to a settlement that is subject to a confidentiality agreement, or that the union is otherwise prohibited by law from disclosing; and (5) information in those situations where disclosure would endanger the health or safety of an individual. These provisions allow for a labor organization to not provide any itemization for a receipt or disbursement but rather count the transactions only in the aggregate for its respective schedule.

Several commenters recommended eliminating or narrowing confidentiality exemptions. One public policy organization stated, ''[w]e recommend the Department require labor organizations to itemize all expenditures above the $5000 reporting threshold'' and noted that Department investigators found the confidentiality exemption ''has been a hindrance in case targeting because it allows unions to hide transactions under the guise that it will hurt their organizational strategy.'' Another policy foundation recommended retaining only

exemptions for information prohibited by law or a settlement agreement or that would endanger individual safety. A separate commenter noted at least two labor organizations operating a political fund failed to disclose them on their prior Form LM–2s.

Several commenters objected specifically to exemptions for confidential settlements, arguing that members have a right to know when their dues are used to settle claims of sexual harassment, discrimination, employment law violations, or unfair labor practice charges. One public policy organization recommended requiring unions to disclose the nature and amount of such settlements, noting that unions can protect individual identities while still disclosing relevant financial information. Multiple commenters recommended requiring disclosure of settlement amounts, even if party names remain confidential, particularly for settlements involving allegations against the union as an employer. Another commenter recommended requiring ''an itemized summary like a credit card's end of year summary'' showing all purchases by category to provide maximum transparency regarding union credit card use.

These confidentiality exceptions were originally included in the Department's October 3, 2003, final rule in response to comments from labor organizations on the Department's 2002 proposal. These exceptions were created in 2003 in recognition that some privacy concerns outweighed the benefit of additional transparency for itemized disbursements. The comments on the 2020 NPRM from both large and small labor organizations made clear that these exemptions are important to labor organizations. These commenters expressed concern about losing any of the five confidentiality exemptions, stating their removal would harm a labor organization's operations.

A few comments from labor organizations stated the Department lacked evidence to demonstrate the need to eliminate confidentiality exemptions. A large labor organization specifically stated that there was no specific evidence provided by the Department on widespread abuse. However, the Department included the opinions from a few investigators as reasoning for eliminating the exemptions, as well as instances in which a labor organization reported high disbursement totals while claiming confidentiality in the additional information section. Similarly, a comment from a public policy group in opposition to the confidentiality exemption noted cases against Boilermakers Local 154 and SEIU Local 434B in which each labor organization did not itemize large transactions. This commenter argued that this was proof that union officials have hidden questionable spending. However, as noted in comments from two labor organizations, the Department can investigate these specific expenditures claimed under confidentiality exemptions while protecting the interests that unions have in maintaining the transaction's confidentiality.

Numerous comments provided varying opinions on the Department's exemption for information that would identify individuals working for labor organizations in a non-union facility for organizing efforts, often known as ''salts.'' Many labor organizations emphasized the importance of this confidentiality, as it relates to their ability to organize workplaces. Two labor organizations went further in the defense of this exemption by stating that disclosing salts could lead to physical danger for salts that deal with businesses tied to criminal efforts or labor trafficking. Comments from several policy organizations differed in opinion and determined that labor organization members had a right to understand how much was spent on salts. Specifically, many of these comments found this confidentiality exemption creates transparency issues for the labor organization, both in the potential for labor organizations to misapply this rule to hide otherwise reportable transactions, and in preventing membership from understanding how much the labor organization spends on organizing efforts.

The Department has decided to maintain the confidentiality exemption for salts. The Department believes that its investigators have sufficient tools to investigate misuse of this exemption as demonstrated by the Boilermakers Local 154 and SEIU Local 434B cases identified above. The Department concludes that it is able to effectively enforce its statutory duties related to the use of this exemption without itemization. Further, the Department concludes that removing this confidentiality exemption could have a negative impact on a labor organization's business practices and organizing strategy. At this time, the Department has decided to maintain its conclusion in the 2003 Final Rule that labor organizations have a legitimate interest in keeping transactions related to organizing strategy, including salting, confidential. However, the Department notes the Secretary's authority under section 208 of the LMRDA to modify reporting requirements to strike the appropriate balance between transparency and confidentiality as it relates to this exemption and reserves its right to reevaluate this balance in the future.

Many comments also focused on the Department's exemptions for information that would expose organizing strategy and for information that would provide a tactical advantage in negotiations. Comments from labor organizations were protective of this exemption, noting how vital the ability to protect organizing strategy and other potential bargaining advantages are to labor organizations. One international labor organization stated the elimination of protections for organizing strategies is detrimental to a labor organization's lawful and protected organizing efforts. Comments from those opposed to this exemption are focused on the need for transparency for members and concerns that labor organizations may use this to exempt non-organizing strategy transactions.

While recognizing the potential transparency benefit, the Department determined that its reasoning in the 2003 Final Rule is sound that organizing strategies deserve some level of protection. Maintaining this confidentiality exemption ensures that an employer is likely to be able to identify any potential organizing strategies. In addition, the protection of information related to bargaining strategies helps provide fairer contracts between an employer and labor organization to the benefit of that labor organization's members.

On the fourth confidentiality exemption, many policy organizations stated that confidential settlement agreements should not be subject to a privacy exemption. One specific public policy organization argued that members deserve transparency on the terms and nature of all confidential settlement agreements, and that labor organizations should be required to disclose the nature of the charge and terms of settlement in the additional information section as well as the legal costs of fighting charges against the labor organization.

The Department has decided to maintain the confidentiality exemption for confidential settlement agreements. The Department notes that confidentiality clauses are legally binding, and the disclosure of the terms of settlements would likely force labor organizations out of compliance with a confidentiality clause. The Department recognizes that labor organizations have

legitimate uses for confidentiality settlements and does not seek to require them to violate these settlements.

Finally, the Department is reaffirming the confidentiality exemption for information relevant to health and safety. Although some policy organizations opposed all confidentiality exemptions, including this exemption, a few public policy organizations which opposed other confidentiality exemptions supported this exemption as necessary to protect health and safety. The Department has determined that any interest in transparency regarding membership does not outweigh the need to protect individuals in dangerous situations.

Given the clear importance of these privacy concerns and because there is no meaningful change to a labor organization's need to protect certain transactions, the Department has determined that all five confidentiality exemptions will remain without modification. The need for labor organizations to avoid specifically itemizing these transactions outweighs any benefits to labor organization members, the public and the Department. Additionally, members of a labor organization already have a method through which they can examine underlying union records to evaluate if labor organizations are appropriately using these exemptions. Section 201(c) of the LMRDA provides that every labor organization who submits an annual financial report is required to ''make available the information required to be contained in such report to all its members'' so long as the member has just cause. 29 U.S.C. 431(c). While the Department acknowledges the concern that members may have difficulty in finding potential issues without isolating themselves from their labor organization, this is still a right guaranteed to all members to exercise when they can prove just cause to examine union records.

One public policy organization suggested that the Department require an addendum listing all spending considered confidential due to its potential for exposing organizing strategy or providing a tactical advantage to an employer and add a new line item to the Form LM–2 Long Form and revised Form LM–2 labeled ''Confidential Spending.'' Similarly, a large business advocacy organization suggested that labor organizations claiming confidentiality should provide the Department with a detailed written justification. The Department has determined that both these proposals would violate Section 205(a) of the LMRDA, which requires that the contents of the reports and documents filed with the Department be public information. 29 U.S.C. 435(a). The Department cannot receive a report, addendum, or justification as part of its annual financial report without making it available to the public. This would defeat the purpose of the confidentiality exemptions, and these proposals are not feasible alternatives.

Whistleblower Protections

The Department sought comment in the 2020 NPRM on the inclusion of whistleblower provisions on Form LM–2 Long Form. 85 FR 6445 (Oct. 13, 2020). Specifically, the Department proposed an item on the Form LM–2 Long Form asking, ''Does the Organization have a written whistleblower policy?'' *Id.* In seeking comment on this, the Department asked whether good governance questions like this should be asked on Form LM–2 Long Form.

As part of this proposal, the Department noted a few challenges with this question that were also raised by comments on the 2020 NPRM from a labor organization and an accounting firm. Specifically, these groups stated that the question was redundant given the ample number of laws that protect whistleblowers from retaliation, as well as the required disclosure of whistleblower policies on the IRS Form 990. Under Federal law, it is illegal for non-profit organizations to retaliate against employees who expose wrongdoing regarding their employer's financial management and accounting practices. *See* 18 U.S.C. 1513(e). These comments also note that many states have passed laws protecting whistleblowers from retaliation, providing a double layer of protection for many labor organization whistleblowers. Both the 2020 NPRM and the comments thereon noted that in Form 990, the IRS asks if the organization has written policies on the handling of whistleblowers. *See* Return of Organization Exempt From Income Tax—Governance, Management, and Disclosure (Form 990, Part VI, Question 13). Though this question does not appear on Form 990–N or Form 990–EZ, Form 990 is required for all tax-exempt organizations with gross receipts greater than or equal to $200,000. *See* Instructions for Form 990 Return of Organization Exempt From Income Tax—General Instructions. Since all labor organizations with gross receipts above $40,000,000 are required to file the Form LM–2 Long Form, every labor organization who would answer this question would also have to do so on Form 990.

Several commenters supported requiring unions to disclose whether they maintain written whistleblower policies. One regional industry organization noted that ''union employees who belong to a separate union for union staff may be covered by a collective bargaining agreement. However, union management is not covered. A union president can legally fire these individuals for any reason-including reporting misconduct.''

Multiple commenters opposed the proposed whistleblower policy disclosure requirement. Two large unions expressed support for whistleblower protections in principle but stated that the Department should avoid duplicating information already disclosed on IRS Form 990 and stated that the proposed requirement should be withdrawn. Additionally, an accounting firm contended that existing federal and state whistleblower protections already prohibit retaliation and that incorporating such a requirement into the Department's reporting framework would constitute government overreach into internal union governance. Taken together, these commenters' objections centered on two primary themes: first, that the proposal is duplicative of reporting already mandated elsewhere, and second, that it would extend the Department's authority into areas traditionally left to unions' internal management.

In view of these comments, the Department has decided not to include a whistleblower policy question as part of Form LM–2 Long Form. While the Department certainly encourages every labor organization with employees to retain a clearly defined whistleblower protection policy, the Department does not see any major benefit to requiring the question on the Form LM–2 Long Form.

The Department also agrees with the comments noting the redundancy of this question and how it does not relate to the statutory authority the Department enforces through OLMS. The laws protecting whistleblowers from retaliation are not within the scope of the LMRDA, and any potential actions taken by a labor organization against an employee for reporting financial malfeasance would not be reviewed by OLMS. Numerous commenters supported the inclusion of a new question of a written whistleblower provision because they believe this policy would serve to protect whistleblowers and increase transparency. However, since there is already established law protecting whistleblowers and this question would not serve to add any additional

protection, it provides no additional legal value to potential whistleblowers.

While the Department encourages all labor organizations to have a whistleblower protection policy, asking for labor organizations to report whether it exists is redundant and can serve to confuse members and employees of a labor organization on whether they are protected if engaging in such activity. While many commenters hoped that an affirmative ''yes'' to the question of a written-out whistleblower policy would support increased reporting by employees, the Department is concerned that a ''no'' answer would have the opposite effect. A labor organization that answers ''no'' to the question of whether they have a written whistleblower policy is not exempt from any federal or state law protecting whistleblowers from retaliation, but an employee of a labor organization may read the ''no'' as the absence of any protection and may be more unwilling to report financial malfeasance on the part of the labor organization.

A few commenters supportive of this provision also argue that the inclusion of this question would have relatively little burden on Form LM–2 Long Form filers. Even if true, the fact that it has a small burden impact does not mean it is a necessary part of the form. The inclusion of this question may imply that OLMS has some sort of enforcement mechanism. The most that OLMS could investigate is whether an individual knowingly answered falsely the question of ''Does the Organization have a written whistleblower policy?'', and this investigation would have nothing to do with actual whistleblower retaliation. *See* 29 U.S.C. 439(b).

Following public comment, the Department has determined not to include a whistleblower policy disclosure question on Form LM–2 Long Form as the question could create unintended consequences without providing significant benefit.

Additional Identifying Information

The Department received additional comments on two proposals in the 2020 NPRM related to the collection of identifying information.

First, the Department proposed that as part of the new Schedule 4—Sale of Fixed Assets and the new Schedule 6—Purchase of Fixed Assets for both Form LM–2 Long Form and revised Form LM–2, a union would be required to identify automobiles individually by make, model, year, and vehicle identification number (VIN). The Department proposed this to allow union members to know, when considered with other available information, if the sale or purchase of the vehicle was consistent with fair market value.

The Department received a few comments from policy organizations in support of the inclusion of VINs. However, most of these comments supported the entirety of the new vehicle disclosure requirements for both the Form LM–2 Long Form and revised Form LM–2, arguing that it provides greater transparency to both members and investigators. The Department believes that even without the inclusion of VINs, members can still determine whether the labor organization sold or purchased a vehicle at a fair market value. Investigators who may require a vehicle's VIN as part of an investigation can receive that information directly. The Department has determined not to require the reporting of VINs on Form LM–2 Long Form and revised Form LM–2.

The Department also received comments from an accounting firm and labor organization which stated that the inclusion of an individual's name and address as part of an automobile purchase or sale could create privacy concerns. The Department disagrees, as it was already a requirement for labor organizations in prior Form LM–2 Schedules 14–19 to include the name and address of any individual for whom the labor organization made a disbursement or received a receipt subject to itemization requirements. Privacy interests for individuals are a serious concern, but the inclusion of these details is important for labor organization members to see any potential conflict of interest in the sales or purchases of these vehicles at an unfair value.

The Department also invited comments on whether to require the disclosure of the EIN for vendors that received payments of $5,000 or more on the new Schedules 24–30 of Form LM–2 Long Form. An EIN is a nine-digit number distributed by the IRS to any legal entity and is generally required for any business or organization that hires employees, operates as a partnership or corporation, or administers certain trusts. Several policy organizations supported the proposal. One explained this would prevent obfuscation through ''variations or abbreviations of the organization or vendor's name that change from year-to-year, making it difficult to track such expenditures over time.'' A Department investigator quoted in the proposed rule noted that ''sham businesses often do not have an EIN.'' 85 FR 64733 (Oct. 13, 2020).

The inclusion of EINs for every vendor on Schedule 24–30 of the Form LM–2 Long Form would be overly burdensome, and as such, the Department has decided not to include it in the final rule. An accounting firm commented on this proposal by noting the large amount of administrative burden this would create on labor organizations. Another accounting firm supported this notion and added that there is concern with the potential mismatch of EINs since there is no guarantee that a business transacting with the labor organization will provide a correct EIN. This comment, along with one from a labor organization, also raised concerns that the Department would require even more information than the IRS, which requires EINs from only select vendors on their relevant forms.

Several commenters in support of including EINs for vendors that meet the $5,000 transaction threshold emphasized that it would provide transparency to union membership on the transactions made by their labor organization. Several public policy organizations argued that EINs prevented confusion for members trying to track transactions year by year by creating a consistent vendor identifier rather than relying on a potentially changing name and address. Other comments went even further, stating that EINs could help labor organization members by allowing them to find potential conflicts of interest in transactions and discourage labor organizations from conducting them.

A few other organizations in support of requiring disclosures of EINs expressed belief that the use of these identifiers would prevent unions from reporting transactions with sham businesses. The Department is always concerned about potentially fraudulent activity but does not believe the inclusion of EINs for vendors would deter fraudulent activity. As noted in the discussion with field officers, the use of a sham business for a fraudulent transaction is very rare, and the inclusion of EINs for vendors may not stop a labor organization from trying to fraudulently report a transaction, especially given the number of entities that the labor organization may report. The Department concludes that the burden of reporting vendor EINs for potentially thousands of transactions outweighs any potential benefit.

Some comments also focused on extending out the use of EINs for vendors to all labor organizations, dropping the threshold for these transactions, or extending the requirement to all donations or charitable contributions. The Department concludes these ideas fall

outside the parameters of the 2020 NPRM.

A few comments from labor organizations and an accounting firm stated that the inclusion of EINs created privacy concerns. The Department disagrees with this assessment, as EINs are not considered personally identifiable information (PII) and are often public information. Even when businesses do not publish their EIN, there is still little risk involved in its disclosure. EINs are tied to organizations rather than individuals, which generally eliminates the risk of privacy violations. Additionally, EINs are already requested on labor management forms. Annual financial reports filed by unions are already required to include the EIN of any trust in which the labor organization is interested, and Forms LM–10, LM–20, and LM–21 require filers to provide their own EINs as well as the EINs of employers and consultants with which they enter into reportable persuader agreements. The Department requires EINs in those situations because they aid the government and public in ensuring companion reports are filed and to locate related reports, such as Form 5500 reports that labor organization trusts may also file. Those goals do not apply to the Form LM–2 Long Form disbursement schedules, where most vendors, service providers, and other payees would not have companion or related public submission forms. The burden of disclosure would outweigh any marginal benefit obtained from the disclosure. To be clear, the Department does not believe there are any privacy concerns with requiring disclosures of EINs; however, the Department is not requiring EINs for vendors in Schedule 24–30 of the Form LM–2 Long Form because it would be overly burdensome.

iii. Comments Based on Disclosure

The Department also received numerous comments on other 2020 NPRM proposals to change Form LM–2 and create Form LM–2 Long Form. The Department also received a few comments on similar topics as part of the 2025 NPRM. The Department will respond to these comments by topic.

Necessity of Rule—The Department received numerous comments supporting the 2020 NPRM from an array of organizations and individuals with expertise in labor policy, worker rights, and union operations. These commenters endorsed the Department's efforts to modernize union financial reporting requirements, noting that it had been over 15 years since the last substantive update to these forms. They emphasized that the LMRDA was enacted specifically to address ''breach of trust, corruption, disregard of the rights of individual employees, and other failures to observe high standards of responsibility and ethical conduct,'' and that enhanced transparency remains essential to achieving these statutory objectives. The Chamber of Commerce, quoting the court in *Alabama Education Ass'n* v. *Chao,* noted that it is ''difficult to argue against the proposition, which is the thrust and congressional purpose behind the LMRDA, that if detailed financial reports will keep leaders honest and help those they lead to choose their leaders, the more the merrier.'' [23]

Numerous commenters cited high-profile corruption cases demonstrating the continued need for robust financial disclosure requirements. One policy organization provided extensive detail regarding the UAW corruption investigation, in which twelve former UAW officials were convicted in 2020 of embezzling hundreds of thousands of dollars in member dues for personal luxuries, including golf outings, expensive cigars, luxury villas, and cosmetic surgery for relatives. The organization noted that ''much of the illegal conduct at issue in the UAW scandal was facilitated by or concealed through false and inadequate financial reporting by union officials.'' One commenter noted that between 2015 and 2020, there were 471 indictments resulting in 435 convictions for union corruption. A public interest group focused on labor organizations observed that according to a Wall Street Journal editorial, ''in 2016 nearly one in five Department audits of unions led to a criminal case.''

One public policy organization cited enforcement data showing that 86 of the enforcement actions pursued by the Department of Labor in 2020 alone resulted in jail time, home confinement, probation, fines, assessments and restitution payments. One commenter, who was a union member, described discovering financial irregularities in his own union that went unreported despite third-party audits, including questionable travel expenses for union officials and their companions.

Several commenters representing public sector workers noted unique transparency interests. One advocacy organization observed that ''the public sector union membership rate is 33.6 percent, which is five times higher than private sector workers'' and that public sector unions have grown substantially since the LMRDA's enactment. A state-based public policy organization noted that in Pennsylvania, approximately 20 lawsuits have been filed against unions over dues deduction issues, including cases where union leaders lied to workers about their rights. Another noted that some large state-level public sector unions act as ''bookkeeping'' intermediaries for local unions, combining receipts and disbursements in ways that make it ''difficult if not impossible for members to understand the relationship between their local union and its parents.''

Many comments demonstrated support for the Department's proposed reforms from organizations representing diverse perspectives, including worker advocacy groups, policy research institutions, business organizations, and individual union members. Commenters consistently stated that enhanced financial transparency serves the core purposes of the LMRDA: empowering union members through access to information, deterring corruption, and promoting democratic accountability within labor organizations.

Many labor organizations, related policy groups, and accounting firms stated that the 2020 NPRM proposed additional burdens, and that no changes were needed for the Department to sufficiently address labor organization reporting. For example, one large international labor organization stated the high level of disclosure required by the Department was greater than filings labor organizations submitted to other federal agencies such as the Securities and Exchange Commission (SEC). Many labor organizations stated the proposed changes to reporting requirements would unnecessarily complicate their administration.

While understanding the concerns of labor organizations, the Department determined that the creation of Form LM–2 Long Form and the changes to Form LM–2 are necessary to protect the overall interests of labor organizations and their members. Labor organization members are better able to monitor their labor organization's financial affairs and to make informed choices about the leadership of their labor organization and its direction when labor organizations provide financial information required by the LMRDA in an easily accessible way. As noted throughout the 2020 NPRM and this final rule, it has been shown through cases, investigations, and the experience of OLMS, that union and management corruption remain a problem plaguing some labor organizations. The creation of the Form LM–2 Long Form, and the changes to the Form LM–2, are vital to update large labor organization annual

[23] *See* 539 F. Supp. 2d 378, 384 (D.D.C. 2008).

financial reports that have lacked revitalization for over two decades.

Item 10(B)—As part of the 2020 NPRM, the Department proposed the addition of a new Item 10(b) in both the Form LM–2 Long Form and revised Form LM–2, asking whether an officer or employee who was paid $10,000 or more by the reporting organization also received $10,000 or more as an officer or employee of another labor organization in gross salaries, allowances, and other direct and indirect disbursements during the reporting period. If the answer is ''Yes,'' the labor organization would provide in Item 75—Additional Information the name of the officer or employee, the amount paid, the other labor organization which made the payment, and the file number of the other labor organization.

The Department received many supportive comments on this proposal. A public advocacy organization supported the proposal to disclose when officers receive $10,000 or more from multiple labor organizations, explaining this ''would allow members to determine for themselves whether the time and effort of union leadership is split between different organizations.'' One state-based public policy organization noted that without this disclosure, members must review multiple Form LM–2 reports to determine total compensation, citing the example of a union official who received $190,121 from one affiliate but an additional $18,900 from the international union.

An international labor organization in its comment offered a slight alternative to the disclosure of the amount paid in Item 75 as proposed. Because a labor organization may not have access to the actual amount paid to an officer or employee by another labor organization, the commenter recommended that the Department drop the requirement to list the amount paid to the officer or employee. The labor organization reasoned that this does not require a labor organization to rely on an outside party for financial disclosures, while still allowing an interested member to find the disbursement to the officer or employee on the other labor organization's annual financial report. The Department agrees with the alternative provided by this commenter and will not require a labor organization to report the amount paid to an officer or employee by another labor organization. Additionally, this approach would more closely align with Item 16 on Form LM–3 and would help ensure that a labor organization does not report financial information that is not recorded in its books or records.

Item 13—The proposed alteration to the question in Item 13 for Form LM–2 Long Form and revised Form LM–2 to read, ''During the reporting period did the labor organization experience and/or discover any loss or shortage of funds or other assets?'' brought comments from labor organizations and accounting firms. These commenters stated that answering ''No'' to this question when the signing officers and the labor organization do in fact have no knowledge of any loss or shortage of funds or other assets could technically be untrue if an unknown loss or shortage did occur. A labor organization stated that this situation could be used against the labor organization.

The purpose of this question is to ensure that all losses or shortages are reportable, even if the labor organization has yet to discover them. This puts labor organizations on inquiry notice to find and report losses and shortages and is closer to other financial certifications which require disclosure upon any knowledge. In response to these concerns, the Department assures all filing labor organizations that officers signing an annual financial report are not liable for answering ''No'' if they themselves did not have knowledge that any loss or shortage had occurred. This is consistent with the declaration before the signature line that provides in part, ''all of the information submitted in this report . . . is to the best of the undersigned's knowledge and belief, true, correct, and complete.'' The only consequence if OLMS determines that the signing officers had no knowledge of a shortage or loss would be that OLMS may pursue an amended report for the reporting period in which a loss or shortage occurred. The Department determined this question is appropriate as it ensures a labor organization's signing officer must report a loss or shortage if they themselves had knowledge of it.

Schedules 3–6: In the 2020 NPRM, the Department proposed that both the Form LM–2 Long Form and revised Form LM–2 would split the two schedules on the prior Form LM–2 for the purchase and sale of investments and fixed assets into four separate schedules. The Department proposed that the Form LM–2 Long Form and revised Form LM–2 would both include a new Schedule 3—Sale of Investments, new Schedule 4—Sale of Fixed Assets, new Schedule 5—Purchase of Investments, and new Schedule 6—Purchase of Fixed Assets. In addition, the Department proposed that each of these new schedules include two new columns: one for the name and address of the purchaser/seller, and one for the date of the purchase/sale. Though not specifically defined in the 2020 NPRM, the inclusion of these two columns creates a clear requirement for itemization of the sale and purchase of investments and fixed assets. As a result, the Department slightly alters the Form LM–2 Long Form and Form LM–2, as well as their corresponding instructions, to allow for these Schedules to properly account for and total these transactions.

Many labor organizations and accounting firms were concerned about the length and detail required by the itemization of each of these schedules. Some commenters raised concerns that all transactions under these schedules would require itemization, no matter the size, which would create long tables that members would have difficulty understanding. The Department understands this concern and has an interest in creating schedules easily understood by union members. Thus, the Department institutes a $5,000 threshold for the new Schedule 3—Sale of Investments, new Schedule 4—Sale of Fixed Assets, new Schedule 5—Purchase of Investments, and new Schedule 6—Purchase of Fixed Assets. For each of these schedules, a labor organization need only report the sale or purchase of an investment or fixed assets with a price of $5,000 or above, or if the total aggregate of sales or purchases to a single party is $5,000 or above. The total cost of all other transactions should be reported as part of the ''Total from all other'' sales or purchases on each Schedule in order to account for all non-itemized transactions. By doing this, the Department closely matches the thresholds for other schedules that require itemization in the Form LM–2 Long Form and revised Form LM–2 and ensures members can find large and potentially questionable transactions without reviewing hundreds of pages of small entries.

For the new Schedule 3—Sale of Investments and new Schedule 5—Purchase of Investments, a few labor organizations raised concerns on their ability to gather information on the purchase and sale of investments. These commenters suggested that the Department create an exception for the purchase and sale of publicly traded assets on a registered market exchange, since these types of transactions are not susceptible to conflicts of interest or nefarious dealing given the regulated nature of the markets. Further, these transactions or trades in the market would likely not have easily accessed

information on buyers and sellers beyond the name of a broker who conducted the transaction.

The Department agrees with the commenters, and notes that the 2020 NPRM proposed an exception for investments sold over a registered exchange. The 2020 NPRM stated that no purchaser identity be required for bona fide market transactions over a registered securities exchange. For this final rule, labor organizations will not be required to itemize the purchase or sale of marketable securities when the end seller or purchaser, (*i.e.,* the party transacting with the labor organization) is not known, such as sales of stock over a registered exchange. Instead, a labor organization need only aggregate the total of all sales or purchases of each type of investment conducted through a financial management firm, and list those with the name and address of that financial management firm and the date range in which those purchases or sales took place. OLMS Form LM–30, which covers the reporting of actual or potential conflicts of interests held by labor organization officers and employees, already provides an exception on disclosure for transactions involving securities on registered public exchanges. By changing this requirement, the Department maintains consistent practice in the types of transactions required for itemization while still ensuring members understand the total amount of investments purchased and sold each reporting period. One commenter suggested going beyond this and requiring only certain types of securities at unadjusted quote prices, but the Department determined the new exception better ensures investment purchases or sales potentially subject to conflict-of-interest concerns are addressed.

These changes, based on the comments received on itemization, also necessitate changes to Schedule 4—Sale of Fixed Assets and Schedule 6—Purchase of Fixed Assets. For transactions of less than $5,000 to a single source that aggregate to over $5,000 and do not involve the sale of land, buildings, or vehicles, a labor organization may aggregate the total and provide a range of dates over which those transactions took place. The sale or purchase of land, buildings, or vehicles for a cost under $5,000, but are part of transactions with a single source that aggregates to over $5,000, must be itemized individually in order to gather necessary information on the land, building, or vehicle in the description. These changes help provide the clarity many commenters sought for members to better understand who the labor organization is selling to or purchasing from, while also addressing the concerns of other commenters that found the reporting of all these transactions individually would be overly burdensome.

An international labor organization and an accounting firm also suggested the Department alter its accounting practices to more closely conform with Generally Accepted Accounting Principles (GAAP) and to align better with other filings such as IRS Form 990. These two entities argued that, without this change, labor organizations could not properly report on investments and fixed assets each year. The Department does not operate its annual financial reporting program for labor organizations based strictly upon GAAP. The Department uses a modified cash basis method when drafting, revising, and reviewing LM reporting forms, with a cash basis used for statements of receipts and disbursements and accrual basis used for statements of assets and liabilities, given the varying size of entities, complexity of operations, and the longstanding methods labor organizations use in reporting their annual financial reports. The Department believes that this modified cash method best suits the Department's statutory mandate under 29 U.S.C. 431(b). These OLMS accounting standards do not prevent labor organizations from reporting investments or fixed assets.

A few commenters were also concerned about the proposed requirement to gather information from the third party or custodian of their investments to report each year. Large labor organizations were particularly concerned about developing new methods to gather these transactions and the burden in converting them over to become accessible on the Form LM–2 Long Form and revised Form LM–2. The Department determined that the transparency that itemization provides is worth the development of new accounting requirements between labor organizations and the custodians/third parties through whom its investments and fixed assets are purchased or sold.

The changes to Schedule 6 would provide information that, coupled with publicly available information, can be used to determine that all such purchases were transacted at fair market value and at arm's length, thereby helping to prevent parties from unjustly enriching themselves by selling investments to a labor organization at above-market price. The Department's review of data filed on previous Form LM–2 forms demonstrated that the prior form did not provide labor organization members, the Department, or the public with a clear understanding of the entities that are receiving, in some cases, hundreds of thousands of dollars of the labor organization members' money. For instance, one labor organization listed on one line of its report disbursements of $259,173,494, another labor organization reported disbursements of $94,353,190, and another labor organization reported disbursements of $90,037,862. These reports provided only a description of the asset or investment, its cost, book value, and cash paid. None of the reports, however, disclosed the identity of the parties that sold these assets to these labor organizations. As a result, the members of these labor organizations are unable to know whether these sums of money were well spent. The changes implemented today will help ensure the disclosure of any potential conflicts of interest between the seller and the labor organization.

The new schedules will total all individually itemized transactions, will provide the sum of the purchases from itemized individual sellers and the sum of all other purchases of investments and fixed assets as well as the total of all purchases. This will allow the public, union members, and the Department to know if purchase of these assets is consistent with fair market value.

Schedules 13–14: The 2020 NPRM proposed three changes in Form LM–2 Long Form to the previously numbered Schedules 11 and 12 in prior Form LM–2, now numbered and titled Schedule 13—All Officers and Disbursements to Officers and Schedule 14—Disbursements to Employees. The first two of these changes also apply to revised Form LM–2, as discussed below. The first of these changes was the elimination of functional reporting of work time for both officers and employees under this schedule, which applies to both Form LM–2 Long Form and revised Form LM–2. Many comments from labor organizations opposed the elimination of this functional time reporting despite the reduced burden it would place on labor organizations. A labor advocacy organization stated this section provides important context and transparency to members on how officers and employees spend their time. One labor organization commented that transparency would be harmed by the proposal, since members would no longer understand how the money spent on officers and employees was split. Three international labor organizations stated that it would shroud the amount

spent on representation for employees by not allocating the disbursements to the proper schedule. These commenters indicated that many organizations invested significant resources to implement time-tracking systems and that members find this information valuable. However, OLMS field investigators consistently reported that time allocations cannot be meaningfully audited or verified, characterizing them as ''ballpark guesses'' that provide ''no valuable insight for case targeting'' and ''no benefit in criminal investigations or compliance audits.''

After consideration, the Department adopts its proposal to eliminate functional time reporting. The Department determined that time estimates are difficult to ascertain and verify: the estimates cannot be audited easily, if at all, against documentary evidence and therefore fail to serve the LMRDA's core purpose of ensuring reliable financial accountability. If a labor organization publishes information the Department cannot verify, then a member does not necessarily receive more transparency in how the labor organization operates. However, the Department agrees that members need clear information about how unions spend money on representational and other activities. The final rule addresses this by finalizing the substantial improvements proposed in the 2020 NPRM to verifiable financial disclosure in both Form LM–2 Long Form and revised Form LM–2: (1) new line items (Items 70–71) that for the first time show total officer and employee costs as distinct entries on Statement B, rather than scattering these costs across five functional categories; (2) retained individual compensation schedules (Schedules 13–14) showing what each officer and employee received; (3) expanded itemization of actual expenditures; and (4) more granular functional categories that separate organizing from contract administration and political from lobbying activities. These changes provide members with concrete, auditable evidence of organizational spending priorities rather than unverifiable estimates. When a union spends millions on outside organizers, negotiators, or representatives, members will see these actual expenditures itemized in the appropriate functional schedules—providing more reliable evidence of priorities than time estimates. Members seeking additional details about how specific individuals spend their time may examine union records under Section 201(c) of the LMRDA with a showing of just cause. For these reasons, the final rule's elimination of unverifiable time estimates, paired with substantial enhancements to verifiable financial transparency, better serves the LMRDA's goals of accountability and informed union democracy.

The second change proposed in the 2020 NPRM regarding Schedules 13 and 14 was the elimination of the exception for indirect disbursements for travel related expenses for officers and employees when payment is made by the labor organization directly to the provider or through a credit arrangement. The 2020 NPRM proposal eliminating this exception would require a union to include these transactions as part of the disbursements for a labor organization officer and employee. The 2020 NPRM preamble proposed this change for the Form LM–2 Long Form but inadvertently omitted this change for Form LM–2. Nevertheless, the appendix to the 2020 NPRM included a proposed Form LM–2 which removed this exception. As such, the Department provided adequate notice that the removal of this exception for indirect disbursements for travel-related expenses applied to both the Form LM–2 Long Form and to the revised Form LM–2.

Most labor organizations were generally opposed to the removal of this exception on Form LM–2 Long Form and revised Form LM–2. Two large labor organizations raised potential confusion for members to understand the actual disbursements granted to labor organization officers and employees, rather than reimbursements to these individuals. These organizations, as well as an accounting firm, claimed that the disbursements are almost always accounted for and itemized elsewhere on the form, and this elimination would significantly increase expenses for officers and employees over whom they have no control.

The Department also received numerous comments from policy organizations that almost universally supported requiring disclosure of indirect travel disbursements made directly by unions or through credit cards. One commenter explained that in the UAW scandal, ''travel expenses, including airline flights, hotel stays, and resort amenities, were some of the most egregious of the union's line items.'' Another noted that ''in the same way that our organization must be accountable to our board for actual spending on travel . . . unions should be expected to report indirect disbursements in a meaningful way.'' One policy organization recommended that unions should also be required to report travel expenses for guests of union officials to prevent loopholes. In addition, a large labor organization and accounting firm which generally disagreed with the new disclosure requirements supported this proposal to help avoid future confusion.

As a result, the Department determined to eliminate the exception for indirect disbursements for travel-related expenses for officers and employees made by credit as part of Form LM–2 Long Form and as part of revised Form LM–2. A member deserves to know the exact travel benefits an officer and employee received given the wide variation in travel costs, as well as the ability to review what may appear as exorbitant costs. The payment for an official's travel and lodging expenses made by credit card does not reduce the significance of the expense to a member, and the confusing nature of this exception to labor organization filings makes it necessary to remove this exception.

One large labor organization provided a comment requesting that this change also apply to Form LM–3. Otherwise, the commenter claimed this would ''create enormous hardship and lead to guaranteed confusion and inconsistency in filing.'' The Department agrees with this assessment for the same reasons listed above, as the rationale for removing this exception applies equally to smaller labor organizations. The Department will remove the exception for indirect disbursements for travel-related expenses for officers and employees in the Form LM–2 Long Form and the revised Form LM–2, as well as for Form LM–3 Item 24—All Officers and Disbursements to Officers.

The final change proposed to Schedules 13 and 14 in the 2020 NPRM for Form LM–2 Long Form is the requirement to include disbursements for benefits paid to labor organization officers and employees next to their name. The new column would appear as Column F on both Schedule 13 and Schedule 14, under the title ''Benefits.'' This change was not directly proposed as part of Schedule 13 and Schedule 14. However, the 2020 NPRM did directly state that Schedule 20—Benefits would no longer contain benefits information for union officers and employees, as that information would now be captured in the two disbursement schedules.

Thus, the Department provided proper notice of this provision in the preamble, as the multiple comments received by the Department on this topic demonstrate.

Several labor organizations and an accounting firm opposed the new requirement to include the benefits disbursed on behalf of labor organization officers and employees. A labor organization and accounting firm asked for clarification on this requirement from the Department, while also arguing that assigning the disbursements for benefits to employees and officers of a labor organization would be complicated without providing additional value or transparency. One large union stated that ''identifying costs based on various benefit levels offered (*i.e.,* family vs single health coverage) where rates are negotiated as a comprehensive group plan would be a misleading assignment of indirect disbursement to an employee.'' Additionally, some commenters raised privacy concerns related to the potential for identifying officers or employees with medical conditions.

The Department now includes the new Column F for benefits as part of the changes for Schedules 13 and 14 in the Form LM–2 Long Form and its corresponding instructions. The reporting changes adopted by this rule apply only to disbursements on behalf of labor organizations' officers and employees, and do not apply to any persons who are not required to be listed on Schedules 13 and 14 of the Form LM–2 Long Form. Benefits received by officers and employees for life insurance, health insurance, and pensions make up an important part of the total compensation package offered by a labor organization. As noted in section II(a) *Introduction,* BLS data shows that benefits encapsulate 29.7 percent of a private sector employee's total compensation package. The aggregated total compensation in the prior Form LM–2 Schedule 20—Benefits does not sufficiently provide this information to members. The transparency created by listing the disbursements for benefits will ensure members and even officers and employees know if benefits were evenly distributed and were fair compensation. The Department has also determined there is little concern regarding the privacy of these healthcare costs, because they are a part of the normal disbursements the labor organization would give to a provider as part of an insurance plan or through other healthcare coverage. Even if the implementation of this requirement may be burdensome, labor organizations can begin tracking and individualizing the exact disbursements made on behalf of each officer and labor organization during their next reporting period and are free to contact OLMS if any future questions arise.

Schedule 15: The Department received comments on the proposal to require the reporting of retired members in the newly renumbered Schedule 15—Membership Status Information on the Form LM–2 Long Form and revised Form LM–2. A labor organization stated that retired members often do not pay dues or vote, and that labor organizations may not even track these members, while an accounting firm determined this information is already found publicly in the Department's Employee Benefits Security Administration (EBSA) filings for union pension and annuity plans. However, the Department agrees with the comments that expressed support for requiring unions to separately report retired members. A state-based policy organization and others noted that retired members ''do not share the same interests as other members'' and typically pay reduced dues, yet some unions inflate membership numbers by including retirees without separate disclosure. A policy center explained that union members ''deserve to see how many workers are receiving representation from the union'' beyond just dues-paying members. A state policy institute noted this is particularly important in right-to-work states and the public sector post-*Janus,*[24] where workers can decline membership while still being represented. The Department agrees with these comments and finds that there is an important purpose for transparency concerning the number of retiree members in the labor organization.

Multiple commenters recommended adding a ''represented'' line to the newly renumbered Schedule 15—Membership Status. Additionally, one public policy organization recommended distinguishing between public and private sector members, noting that these groups may have fundamentally different interests, particularly regarding tax policy and government regulation. The Department does not incorporate these recommendations. Requiring a ''represented'' line could confuse the complex requirements unions have with represented workers on voting, dues, and other rights, and that the membership of a labor organization likely already understands the rules around representation. The commenter's proposal on distinguishing between public and private sector employees falls outside the scope of the 2020 NPRM.

Split of Receipt and Disbursement Schedules: Labor organizations, accounting firms, and policy organizations stated that splitting the prior Form LM–2 Schedule 15—Representational Activities into a Schedule on Contract Negotiation and Administration and a Schedule on Organizing is not necessary, and that it was not necessary to split the prior Form LM–2 Schedule 16—Political Activities and Lobbying into a Schedule on Political Activities and a Schedule on Lobbying. These new schedules for the Form LM–2 Long Form are Schedule 24—Contract Negotiation and Administration, Schedule 25—Organizing, Schedule 26—Political Activities, and Schedule 27—Lobbying. For the revised Form LM–2, these new schedules are Schedule 17—Contract Negotiation and Administration, Schedule 18—Organizing, Schedule 19—Political Activities, and Schedule 20—Lobbying. The proposed splits applied to both the Form LM–2 Long Form and the revised Form LM–2. Many of the comments stated that the rationale for the Department's 2003 Final Rule, 68 FR 58374 (Oct. 9, 2003), which had combined organizing activities and contract negotiation and administration into a single category, had not changed, and that the Department had not provided any reasonable rationale for splitting these schedules.

For the split of the prior Schedule 15—Representational Activities into two separate schedules on Contract Negotiation and Organizing, many commenters stated it is difficult to distinguish between the two. Two labor organizations argued that delineating transactions between the two categories is often unclear and will lead to confusing or wrongful filings. Another commenter noted an issue raised by a large trade department in the Department's 2003 Final Rule that it is not possible to separate out disbursements between organizing and contract negotiations and administration in the construction industry. Specifically, this commenter refers to section 8(f) of the NLRA, wherein a construction industry employer can enter into a pre-hire collective bargaining agreement with a labor organization whose majority status has not previously been established, and which agreement requires membership

[24] In *Janus,* the U.S. Supreme Court held that requiring nonconsenting public-sector employees to pay union agency (''fair-share'') fees violates the First Amendment, overruling *Abood* v. *Detroit Board of Education,* and requiring clear and affirmative consent before any such fees may be deducted. *See Janus* v. *Am. Fed'n of State, Cnty., & Mun. Emps., Council 31,* 585 U.S. 878 (2018).

in the union as a condition of employment.

Many commenters disagreed with the Department's assertion that these categories be separated because of the different interests each creates. A labor-side public policy organization stated that both activities represent a common goal for labor organizations. One accounting firm stated that organizing benefits currently organized members, as larger organized units would have greater negotiating power. A labor federation and labor organization stated that the long history of the labor movement has shown how closely organizing efforts and collective bargaining work is entwined in advancing the interests of all members of labor organizations.

The Department disagrees with the view that splitting Schedule 15—Representational Activities into two separate schedules is unnecessary or overly difficult. Splitting this schedule will allow members to view those separate expenditures for their specific interest. Contract negotiations are beneficial to those members at an organized worksite. While a larger union may have more influence on the public or at the negotiation table, a member of a labor organization is likely interested in how their labor organization balances the recruiting of new members against advancing current members' interests through collective bargaining.

Strong support was also expressed for splitting this schedule. One public policy organization noted that ''members have different interests in organizing events to gain new members versus the actual collective bargaining services provided in their workplace.'' Another commenter conducted a detailed analysis of six large union locals and found that organizing expenses often included items of questionable representational value, such as advertising, novelties, social events, and consultants. They also noted that one local spent $2.5 million on office overhead categorized as ''representational,'' while another spent money on items such as ''storytelling consultants'' and inspirational speakers, all classified under representation.

The Department concludes that separating transactions between contract negotiation and administration along with organizing should not be an overly difficult task for labor organizations. Transactions reportable under contract negotiation and administration are those directly related to preparing and negotiating CBAs and to administering and enforcing those agreements. Transactions reportable under organizing, by contrast, relate to efforts to become or remain the exclusive bargaining representative for a unit and to recruit new members. These describe different efforts by a labor organization. In the rare circumstances they do not, specifically the one raised for the construction industry, the Department adopts its proposal in the 2020 NPRM that unions list transactions related to negotiating section 8(f) pre-hire agreements as collective bargaining activity since they are agreed upon by unions and employers via the collective bargaining process. As such, expenditures associated with these agreements will be listed under the schedule for contract negotiation and administration.

Similarly, labor organizations and accounting firms opposed the split of Schedule 16—Political Activities and Lobbying, into two separate schedules—one for political activities and one for lobbying—on the Form LM–2 Long Form and revised Form LM–2. These comments stated that the change was unnecessary and stated there is a close relationship between these two activities, which, in the commenters' view, would make separation difficult. Similar to the split of Schedule 15, two labor organizations argued that delineating transactions between the two categories is often unclear and will lead to confusing or wrongful filings. These commenters pointed to the rationale laid out in the Department's 2003 final rule, which combined the two categories of transactions into a single schedule. A labor federation and labor-side public policy organization stated that labor organizations advance their interests and the interests of their members through lobbying and thus, that lobbying and political activities remain categorically similar.

A few commenters stated that specific disclosure on lobbying was unnecessary given existing requirements for labor organizations to file with separate federal agencies on these topics. Numerous labor organizations cited the requirement for labor organizations to file reports on a quarterly basis under the Lobbying Disclosure Act of 1995 (2 U.S.C. 1601, *et seq.*). One of these labor organizations also noted the requirement to file reports concerning certain political activity by a labor organization's political action committee (PAC) under Federal Election Commission (FEC) requirements.

The Department, in proposing to divide the prior Form LM–2 Schedule 16 into two distinct schedules, found that political activities differ considerably from lobbying in terms of their purpose and their significance to union members. The Department maintains this view and finds that splitting this schedule supports greater transparency for union members.

The amount spent on political activities and lobbying is substantial, and for major labor organizations may amount to millions or tens of millions of dollars, with little ability for members to discern between lobbying and other political activity. A member deserves to understand whether the labor organization's funds are used to support better working conditions through lobbying or used in connection with a political contribution with which the member may disagree. Neither members nor the public can make this distinction by reviewing reported disclosures on the prior version of the Form LM–2, making this change necessary.

Comments from other policy organizations supported this conclusion. A state-based policy organization reiterated the 2020 NPRM's reasoning that ''political activities differ considerably from lobbying in terms of their purpose and their significance to union members.'' Another commenter noted that this separation serves constitutional interests recognized in *Janus,* where the Supreme Court held that the government cannot compel workers to fund political speech with which they disagree.

In addition, the fact that some of this information is already captured by other federal agencies does not preclude the Department from requiring it. The LMRDA requires that a labor organization file information ''in such detail as may be necessary accurately to disclose its financial condition and operations,'' 29 U.S.C. 431(b), which should certainly include funds used for lobbying efforts, as well as all other disbursement types. The issue at hand concerns how to disclose on Form LM–2, not whether the disbursement is subject to disclosure. A member should easily be able to access all relevant information, and the fact that the Lobbying Disclosure Act requires a separate filing does not preclude the Department from including this information in an annual report.

One business-side research center recommended that the rule should further distinguish between spending from general treasury funds and spending from separate segregated funds, noting that, while federal law bars direct contributions from union treasuries to candidates, *Citizens United* v. *FEC* permits unions to use general treasury funds for certain electoral purposes. A state-based policy organization similarly recommended that the rule require unions to note

whether political expenditures are reflected on their IRS Form 990 filings, as it found significant discrepancies between unions' Form LM–2 and Form 990 political spending reports. The Department does not agree that either of these recommendations would increase transparency for members or provide OLMS with any greater ability to pursue a labor organization for wrongful spending. Accordingly, the Department declines to adopt these recommendations.

An international labor organization also noted in its comment that by splitting the schedule into two schedules, a labor organization that had previously itemized transactions with a vendor may no longer have to do so if the transactions are split between two separate categories. This is true of any separate schedules on the Form LM–2 Long Form and revised Form LM–2, but this does not change the Department's conclusion that splitting these schedules increases transparency by allowing members to better understand the category of transaction they are viewing. An itemized transaction is not helpful if a member cannot discern its purpose.

Privacy Concerns: The Department received comments on privacy concerns on both the 2020 NPRM and the 2025 NPRM. In the 2020 NPRM, some commenters raised potential privacy concerns for individuals who conduct investment or fixed asset transactions with the labor organization, or for members of the labor organization named in Schedules 16–23 of the Form LM–2 Long Form, particularly on Schedule 16—Dues and Agency Fees. The Department's proposal to require itemization for the sale and purchase of investments and fixed assets for both the Form LM–2 Long Form and revised Form LM–2, as well as the itemization of Schedules 16–23 on the Form LM–2 Long Form, would require that individuals provide their name and address for the labor organization to record the transaction. Commenters expressed concern that this disclosure was inappropriate for non-vendor individuals, and that in the case of the purchase of fixed assets or investments an individual may be less likely to deal with the labor organization due to privacy concerns. Two labor organizations expressed specific concern with Schedule 16—Dues and Agency Fees, stating that a labor organization with a member who pays over $5,000 in dues in a year would be required to publicly list the member's name and address on the Form LM–2 Long Form.

While one of the labor organizations recommends that these additional itemizations be eliminated, the Department instead is providing an exception for cases involving privacy concerns. On the prior version of Form LM–2, OLMS allowed a labor organization to omit the full street address of individuals with whom the union itemized transactions on Schedule 14–19. The Department extends this exception to Schedules 16–23 on the Form LM–2 Long Form and to the new Schedules 3–6 on both the Form LM–2 Long Form and revised Form LM–2, under which a labor organization need only provide the city and state of the individual in an itemized transaction. This will prevent the disclosure of PII, while still allowing members to see potential conflicts of interest and allowing investigators to identify potential financial misconduct. The Department will still require the itemization of members who pay more than $5,000 in dues annually directly to the labor organization. This will not affect most labor organizations given the level of dues required to meet the itemization threshold, but in the rare circumstances in which it applies, the membership and the dues-paying member have an interest in seeing the transaction reported and that the details of that transaction match exactly, which would require the disclosure of the member's name, city, and state. This ensures honesty by the reporting officers and the labor organization and helps avoid fraudulent conduct such as the conduct described in the 2020 NPRM involving a union treasurer converting union dues checks worth $18,720 to personal use. 85 FR 64726, 64774 (Oct. 13, 2020).

Further, requiring this limited disclosure on the labor organization report, rather than relying on the Department's subpoena authority to obtain it after the fact, is essential to the LMRDA's statutory design of union self-governance through an informed membership and to the Department's corresponding enforcement responsibilities. Publicly available itemization of members paying more than $5,000 in dues annually enables members to identify potential conflicts of interest and to surface irregulates that might otherwise never come to the Department's attention. Reliance on post hoc subpoenas presupposes that the Department already knows where to look for potential conflicts or embezzlement, but the itemized disclosures often provide the initial basis for suspicion that would justify a subpoena in the first place. Subpoena authority is therefore a complement to, not a substitute for, public disclosure.

In response to the 2025 NPRM, one labor organization asserted that publicly disclosing vendor names on Form LM–2 schedules can expose union vendors or employees to identity theft and phishing attacks. To address this, the labor organization suggests redacting individual names or increasing itemization thresholds. No other commenter raised substantial cybersecurity concerns.

The Department recognizes the increasing prevalence of cybercrime. However, the LMRDA and implementing regulations require that Form LM–2 filers disclose disbursements by the labor organization, including the purposes thereof, and sensitive PII such as Social Security numbers or bank account numbers are not required to be reported. Thus, the disclosure itself does not present any cybersecurity issues. Further, OLMS also has established a secure electronic filing system that prevents hacking, and the reporting requirements include confidentiality exemptions. The Department will continue to evaluate whether any additional protections are appropriate but declines to remove payee names at this time because doing so would severely limit the utility of the reports without any demonstrated cybersecurity issues. The Department encourages unions to implement cybersecurity best practices.

Itemization Threshold: The Department received numerous comments on both the 2020 NPRM and the 2025 NPRM regarding the $5,000 itemization threshold. The prior Form LM–2 mandates a union provide additional details of certain receipts and disbursements when they reach a threshold of $5,000 or more. First, any single receipt or disbursement of $5,000 or greater must be itemized. Second, if a union pays or receives money from a single individual or entity multiple times during the reporting period, and the aggregate total of those transactions reaches or exceeds $5,000, that individual or entity's activity must also be itemized. For every such itemized entity, the union is required to disclose the full name and business address of the payer or payee, along with their business type or job classification. The union must then provide a brief statement of the purpose, the date, and the amount for each individual transaction. If an entity meets the aggregate threshold but none of their individual transactions were $5,000, those smaller transactions are simply summed up and reported as a total figure for that itemized entity.

In response to the 2020 NPRM, commenters recommended lowering the $5,000 itemization threshold for receipts and disbursement schedules to $1,000 or $500. These commenters noted that modern accounting software makes detailed tracking feasible without significant effort. A public policy organization observed that ''given the explosion of technological advancements since 2003, a lower threshold reporting requirement could yield even more helpful information without significant additional administrative burden.'' Other comments from labor organizations proposed the opposite and recommended that the Department raise itemization thresholds and even tie them to inflation going forward.

In response to the 2025 NPRM, several large labor organizations proposed increasing the $5,000 itemization threshold for Form LM–2 schedules, with one union recommending $10,000 and indexing thereafter. These commenters asserted that the $5,000 figure, established in 2003, has lost much of its real value. A large union further argued that higher itemization thresholds would reduce the exposure of personal information that could be exploited by cybercriminals. A labor organization advocacy group supported adjusting itemization thresholds proportionally to the increase in the filing threshold.

The Department acknowledges that the itemization threshold has remained unchanged since 2003 and appreciates the commenters' concerns about administrative burden and cybersecurity. However, the itemization requirement serves a core transparency function by allowing members, OLMS investigators, and the public to examine significant transactions made by labor organizations. Raising the itemization threshold from $5,000 to $10,000 would eliminate the disclosure of many payments to vendors, consultants, and attorneys, which may be material to union members. Further, eliminating disclosure of these payments would hinder members' ability to assess the propriety of expenditures. Because this rulemaking already increases the filing threshold, further limiting disclosure could unduly diminish transparency.

Further, the Department concludes, the analogy to filing thresholds offered by the commenters is inapt. A change in threshold is accompanied by a substantial increase in a union's time and expense. A change in threshold—a union's moving, for example, from the Form LM–4 which requires no reporting of unions officers and cursory financial and other informational items, to the Form LM–3 requires a significant change to the union's recordkeeping practices. This shift is even more considerable when a union moves from the Form LM–3 to the revised Form LM–2 or Form LM–2 Long Form, which requires, for example, detailed schedules that do not exist on the Form LM–3. As compared to this potentially heavy annual burden determined by the filing thresholds, itemization of receipts and disbursements is a continuous, transaction-level recordkeeping burden. No changes need to be made to the recordkeeping systems as inflation rises. OLMS investigators report that unions large enough to file Form LM–2 already have sophisticated accounting systems to track payee/purpose/amount for $5,000 transactions. While inflation presumably requires their existing systems to record and report more transactions, the additional burden is minimal. The Department therefore declines to raise the itemization threshold at this time.

New Itemization Requirements: The Department also received comments regarding the new itemization requirements for Schedules 3–6 on both the Form LM–2 Long Form and revised Form LM–2, as well as the new Schedules 16–22 on the Form LM–2 Long Form. A labor organization and an accounting firm comment also raised concerns that itemization of certain transactions would lead to a competitive disadvantage for labor organizations. A large labor organization referenced this disadvantage for the purchase and sale of fixed assets in Schedules 4 and Schedule 6, while an accounting firm raised this issue for the new Schedule 20—Rents. These organizations were concerned that any future business, vendor, or individual that deals with the labor organization would have access to pricing data, which would become an issue if the labor organization attempted to sell a car or rent an apartment for an increased amount. The Department considered these comments and determined that itemization for these categories is vital to ensure that conflicts of interest can be identified and that the members of a labor organization have transparency into their union's dealings. These benefits outweigh the unsubstantiated issues raised by commenters. The prior Form LM–2's method of allowing the purchase and sale of investments and fixed assets, as well as receipts covered by the new Schedules 16–22, to be aggregated makes it extremely difficult for a member to see potential problems, and requiring a labor organization to itemize transactions over $5,000 or multiple transactions with the same vendor in total of over $5,000 will promote accountability and transparency.

Other Disclosure Comments: A public policy organization recommended replacing the minimum/maximum dues table from the prior version of Form LM–2 with ''a simple box where a labor organization must spell out how dues are calculated.'' The organization noted that ''presumably every labor organization has a clear formula for calculating dues'' yet ''the existing minimum/maximum table tells a prospective member nothing about how their dues will be determined.'' Several policy organizations recommended that state and national headquarters report average total dues for their affiliates (including local, state, and national portions) to help members understand their complete financial obligation.

While supporting the proposal to report the date of the union's current constitution and bylaws, a commenter recommended requiring unions to ''clearly highlight all changes made to the actual language'' in filed copies to prevent members from having to compare documents ''line-by-line.''

A public policy organization recommended that large unions should list all subordinate entities under trusteeship and provide a rationale for the trusteeship. In the commenter's view, ''when a trusteeship is imposed, members are effectively stripped of democratic control until the election of new local officials takes place.''

Other commenters supported requiring disclosure of when constitutions and bylaws were last amended to help members ensure they have current versions. Multiple commenters recommended requiring disclosure of how members can resign, including any restriction windows, to ensure workers can exercise their rights. Several commenters recommended that membership statistics be reported on a fiscal year basis for consistency and ease of comparison.

The Department declines to adopt these recommendations concerning disclosure of dues calculation methods, tracked constitution and bylaws changes, resignation procedures, and fiscal-year alignment of membership statistics. These proposals, while potentially of interest to some members, were not part of the proposed rule, and the Department has decided not to include them in the final rulemaking at this time. The Department may consider these suggestions in future rulemaking.

iv. Comments Opposing Based on General Burden

A number of commenters opposed the creation of a Form LM–2 Long Form on the grounds that it would impose administrative, financial, and operational burdens on reporting labor organizations, particularly large national and international unions. Several labor organizations and federations asserted that the prior Form LM–2 is already lengthy and complex, often extending to hundreds of pages, and that the proposed Form LM–2 Long Form would increase both the length of filings and the costs of compliance without providing commensurate benefits to union members.

After careful consideration of these comments, the Department has determined that the concerns raised do not outweigh the Department's, members', and the public's interest in promoting enhanced transparency, accountability, and effective enforcement of the LMRDA.

The Department recognizes that compliance with any version of Form LM–2 or Form LM–2 Long Form involves time and resources. However, Congress expressly authorized the Department under Sections 201 and 208 of the LMRDA to require reporting ''in such detail as may be necessary accurately to disclose [a labor organization's] financial condition and operations.'' 29 U.S.C. 431(b); *see also* 29 U.S.C. 438 (authorizing the Secretary to prescribe form and publication of required LM reporting). The Department concludes that the additional disclosure required by Form LM–2 Long Form is necessary to fulfill that statutory mandate, particularly for the largest labor organizations with substantial annual receipts and complex financial structures.

The Department recognizes that per capita tax itemization will add substantial length to the filings of large international unions but finds this information essential for verifying proper remittance, detecting potential diversion, and providing transparency. International unions should already maintain detailed records of per capita tax receipts for internal management purposes. In response to comments about increased burden, the Department has increased the itemization threshold from $5,000 to $7,500 to reduce burden for Schedule 1 and Schedule 10 on the Form LM–2 Long Form. The Department also increases the itemization threshold from $5,000 to $7,500 for Schedule 1 and Schedule 10 on the Form LM–2, as it was a part of the proposed form on the 2020 NPRM. Though this increase was not mentioned in the 2020 NPRM preamble, the Department considers its inclusion on the instructions for the proposed Form LM–2 instructions on the 2020 NPRM as giving proper notice to commenters and that it is finalized here. Though an international labor organization proposed increasing the threshold even further, to $20,000 for revised Form LM–2 filers and $50,000 for Form LM–2 Long Form filers, the Department determined that doing so would permit labor organizations to avoid itemizing transactions that could interest members.

Multiple commenters raised concerns about the proposal to split functional reporting categories, noting that it would increase burdens while potentially reducing transparency by creating separate itemization thresholds for each new category. One labor organization stated that this would require thousands of additional project codes in accounting systems.

The Department notes that the Form LM–2 Long Form applies only to labor organizations with annual receipts of $40,000,000 or more—which are the largest and most financially complex organizations with the greatest resources to devote to compliance. The Department has carefully calibrated the reporting requirements to apply the most extensive obligations to those organizations with the appropriate resources to meet them. These organizations typically employ professional financial staff, utilize sophisticated accounting systems, and have the institutional capacity to implement necessary system modifications.

With respect to claims that the prior Form LM–2 was already lengthy and difficult for members to understand, the Department disagrees that length alone renders the information unusable or unnecessary. On the contrary, the Department finds that greater itemization and clearer categorization of receipts and disbursements will improve the ability of members, the Department, and the public to understand how union funds are received, managed, and spent. The Department determined that the benefit of enhanced union transparency outweighs any obstacles this additional filing may pose. Finally, the Department rejects the argument that increased reporting will divert resources away from representational activities. The Department finds that ensuring accountability in the handling of union funds is itself a fundamental representational interest. Members are entitled to understand how their dues and other funds are used, particularly in large labor organizations where financial activity is extensive and complex. The LMRDA reflects Congress's determination that financial reporting and disclosure are sufficiently important to justify the compliance costs involved. Moreover, the resources devoted to Form LM–2 Long Form and revised Form LM–2 compliance should be viewed in proportion to organizations' overall budgets. For an organization with $50 million in annual receipts, even hundreds of hours and tens of thousands of dollars in compliance costs represent a small fraction of total resources and thus constitute a reasonable investment in transparency and accountability.

For these reasons, the Department concludes that the benefits of the rule justify the associated compliance costs and that the burden objections do not warrant withdrawal or substantial narrowing of the rule. The Department has carefully considered specific burden concerns and made appropriate modifications in the final rule as described above to address the most significant concerns while preserving core transparency and accountability objectives.

The Department recognizes that the Form LM–2 Long Form will require additional effort and expense from the largest reporting labor organizations. However, the Department finds that these burdens are justified by the transparency, accountability, and member protection benefits the enhanced reporting will provide. The Department concludes that the labor organizations subject to the Form LM–2 Long Form have the institutional capacity to comply with the reporting requirements. The Department remains committed to working with labor organizations during the implementation period to facilitate compliance and address specific questions or concerns that may arise.

v. Other Comments

A number of commenters opposed various aspects of the 2020 NPRM on grounds other than administrative burden or concerns about specific disclosure requirements.

Several commenters objected to the process by which the rule was developed. A large labor federation and international labor organization criticized the Department for a perceived failure to engage meaningfully with regulated unions or their members before proposing the rule. They stated that the Department relied primarily on a limited internal canvas of OLMS field staff conducted in July and September 2019. The

commenters stated that this cursory canvas was insufficient to support the extensive changes proposed and that the Department should have solicited input from the regulated community and union members before developing the proposal.

The labor federation further noted that the Department stated it did not ''view itself as restricted to these comments when deciding how to revise the LM forms,'' suggesting that staff feedback was selectively applied. The commenters characterized this approach as incompatible with the requirements of the Administrative Procedure Act and contrary to principles of sound rulemaking.

The Department considered these comments and determined that the process by which the rule was developed is sound, appropriate, compatible with the Administrative Procedure Act, and consistent with its mandate under the LMRDA. The criticisms regarding the development process, including the reliance on the OLMS staff canvas and the asserted lack of external engagement, do not accurately reflect the comprehensive approach taken by the Department. The revisions proposed were not solely based on a single canvas, but also on the Department's extensive experience and observations gained since the 2003 revisions to Form LM–2, including decades of reviewing LM reports, conducting audits, and investigating financial misconduct. The internal survey of OLMS field staff, conducted in July and September 2019, was simply a component of this broader review. These investigators provided crucial feedback, for example, that itemization provides transparency and aids investigations, while the functional reporting of officer and employee time offered little enforcement value. Their recommendations led to proposals such as identifying unions under trusteeship, disclosing payments from other labor organizations, and clarifying Item 13 of Form LM–2, which asked if, during the reporting period, the labor organization found any loss or shortage of funds or other assets. Several commenters specifically commended the Department for canvassing its field investigators, with one stating, ''[w]e commend the Department for the time it took to solicit feedback from the field investigators charged with rooting out union corruption on behalf of union workers across the country.''

The Department's statement that it did not consider itself ''restricted to these comments'' meant that while it valued and incorporated staff feedback, it also considered a broader spectrum of factors and its overall experience in administering the LMRDA. The Department also afforded unions, union members, and the public a 60-day comment period to provide feedback on the proposals in its 2020 NPRM as well as a 30-day comment period to provide feedback on thresholds in the 2025 NPRM and has carefully considered those comments along with its own experience and expertise. This comprehensive perspective is essential to fulfilling the LMRDA's purpose of ensuring financial integrity and transparency. The Department concludes that these rules are necessary to empower union members, prevent malfeasance, and ensure accountability, especially considering significant criminal misconduct OLMS continues to uncover.

Furthermore, the Department has considered commenters' objections to its burden analysis and concludes that the need for enhanced transparency, accountability, and effective enforcement of the LMRDA outweighs the stated administrative burden concerns. Having considered all of these factors, the Department determined that its burden estimates are accurate. They are informed by its extensive experience and understanding that modern accounting software and electronic filing tools significantly reduce the burden of producing itemized reports for large organizations. This approach ensures that the rule, as adopted, appropriately balances transparency, confidentiality, and administrative burden after considering a variety of comments and perspectives on the original proposals. The Department therefore rejects claims that the rulemaking process warrants the rule's withdrawal or substantial alteration.

One accounting firm stated that the Department should engage with industry representatives in revising the LM form instructions to ensure clarity and remove ambiguity. The firm noted that many labor organizations struggle with the then-current instructions and that a collaborative approach involving outreach to preparers, auditors, and filers would improve compliance and consistency.

A CPA submitted comments characterizing Form LM–2 reporting methodology as ''archaic'' and not reflective of generally accepted accounting principles. The CPA stated that ''the accounting system is set up to account for cash. It does not reflect any reasonable method of double entry bookkeeping'' and questioned ''how many colleges and universities offer classes on teaching this method of accounting.'' The CPA suggested that the Department should consider a complete overhaul of Form LM–2 to bring it into alignment with modern accounting standards.

An accounting firm raised similar concerns about Form LM–2 accounting methodology, particularly the requirement to report investments at the lower of cost or market value rather than fair value. The firm noted that ''[t]his method, called the lower of cost or market, was changed by the accounting community decades ago because it does not fairly present the fair value of investments'' and that ''the existing reporting rule no longer represents the way any organization in the United States reports their investments except those that keep their books on a cash basis.'' The accounting firm stated that this creates confusion and inconsistencies between Form LM–2 Statement A and many labor organizations' audited financial statements.

The firm recommended that if the Department wants to improve transparency regarding investment performance, it should ''change the reporting of investments to represent fair value at the end of the reporting period. Only this information will allow members or anyone else to reach any reasonable conclusion about the performance of investments.''

Several commenters stated that the proposed changes would not achieve the Department's stated goals. The same accounting firm stated that many of the proposed changes ''are far away from th[e] 'common sense' philosophy'' demonstrated by Department staff in prior interactions and that ''some of the proposal provisions'' did not reflect practical considerations about how unions operate.

Regarding accounting practices, the Department does not seek to require labor organizations to adopt a specific form of accounting. As explained in the 2003 final rule, the Department believes that its modified cash requirements best satisfy the LMRDA's statutory requirements. 68 FR 58382; *see also* 29 U.S.C. 431(b). Additionally, a complete overhaul to a full GAAP-based reporting system is beyond the scope of the current rulemaking; the revisions adopted today represent a significant and necessary advancement in financial transparency and accountability for labor organizations within the existing statutory framework. The changes in this final rule are designed to address many of the concerns that commenters associate with the prior reporting framework, even if they do not constitute a full conversion to GAAP.

An international labor organization stated that corrupt actors would simply misrepresent their activities in more detail under the new requirements, stating, ''The fact of the matter is that corrupt actors will simply misrepresent their activities in more detail, while the vast majority of honest, hard-working unions will be forced to expend significant additional resources and money to meet these new requirements.'' The Department has considered this and implements revisions to the annual financial reports, including the introduction of the Form LM–2 Long Form, to enhance transparency and accountability, making it more difficult for corrupt actors to misrepresent their activities, not easier. A fundamental purpose of the LMRDA has always been to deter and ferret out corruption and misuse of funds entrusted to unions.

Multiple commenters on the 2020 NPRM advocated for requiring worker centers to file financial disclosure forms with the Department of Labor, arguing that these organizations often function as de facto labor organizations while avoiding transparency requirements. Commenters noted that worker centers are frequently funded by labor unions and engage in organizing activities, workplace advocacy, and political campaigns similar to traditional unions. They expressed concern that the lack of reporting requirements allows unions to channel funds through worker centers to obscure spending from union members and the public. These recommendations fall outside the scope of this rulemaking.

e. Finalized Form LM–2 Long Form

After careful consideration of the comments received in response to the 2020 NPRM, and consistent with the Department's obligation under the LMRDA to promote transparency and prevent the circumvention or evasion of reporting requirements,[25] the Department adopts a new LM form, the Form LM–2 Long Form, that applies to the largest labor organizations. This form will be applicable to labor organizations with annual receipts of $40,000,000 or more. The form tracks the prior version of Form LM–2 with the revisions set forth in this rule. The Department finalizes the principal structural enhancements proposed in the 2020 NPRM except where specifically modified or withdrawn.

When practicable, the changes to the form are set out in this section in the order in which they would appear on the new form. When no change to an item from the prior version of Form LM–2 was made, that fact is also noted. New material added by this final rule is discussed in the order it appears on the Form LM–2 Long Form.

Item 1—File Number. The Department makes no change to this item as compared to the prior version of Form LM–2.

Item 2—Period Covered. The Department makes no change to this item.

Item 3—Amended, Hardship Exempted, Terminal, or Trusteeship Report. The Department adds ''(d) TRUSTEESHIP'' with a checkbox to Item 3. Marking the checkbox indicates that the report is being filed by a labor organization for a subordinate labor organization that it has placed in trusteeship. The Form LM–2 Long Form should only be used for a subordinate labor organization in trusteeship if that subordinate is a labor organization with $40,000,000 or more in annual receipts. Annual reports for other unions in trusteeship should be reported on the revised Form LM–2.

Item 4—Affiliation or Organization Name. The Department makes no change to this item.

Item 5—Designation. The Department makes no change to this item.

Item 6—Designation Number. The Department makes no change to this item.

Item 7—Unit Name. The Department makes no change to this item.

Item 8—Mailing Address. The Department makes no change to this item.

Item 9—Records Kept. The Department makes no change to this item.

Item 10(a)—Trust or Other Fund. The Department makes no substantive change to prior Item 10 but renumbers it as Item 10(a).

Item 10(b)—Other Labor Organization Payments to Officers and Employees. The Department also adds a new Item 10(b) concerning payments from more than one union. To improve clarity, the Department lists Item 10(b) under the heading ''Other Labor Organization Payments to Officers and Employees'' in the accompanying form instructions. Item 10(b) asks whether, during the reporting period, an officer or employee of the labor organization who was paid $10,000 or more by the reporting organization also received $10,000 or more in gross salaries, allowances, and other direct and indirect disbursements as an officer or employee of another labor organization. If the answer is ''Yes,'' the labor organization must provide additional information in Item 75—Additional Information. This additional information item requires the union to list the name of the officer, labor organization that made the payment, and file number of the labor organization.

Item 11—Political Action Committee (PAC) Funds, Subsidiary Organizations, and Strike Funds. The Department makes no changes to Items 11(a) (Political Action Committee funds) and 11(b) (Subsidiary organization) from the prior version of Form LM–2.

In the 2020 NPRM, the Department proposed a new Item 11(c), in which the union would be required to disclose if it has a separate strike fund. If the answer was ''Yes,'' the union must report, in Item 75—Additional Information, the amount of funds in the strike fund as of the close of the reporting period. After careful consideration of the public comments, the Department withdraws this proposal. While the Department continues to believe that strike fund disclosure could provide useful information to union members, commenters raised concerns that the Department finds persuasive.

Item 12—Audit or Review of Books and Records. The Department makes no change to this item.

Item 13—Loss or Shortages. The Department revises Item 13 to clarify that reporting is required if the filer is aware the labor organization has experienced a shortage of funds. Item 13 previously asked, ''During the reporting period did the labor organization discover any loss or shortage of funds or other assets?'' Yet, the person filling out the report may not report anything if he caused the loss through embezzlement, on the argument that he always knew of the loss. As revised, Item 13 states, ''During the reporting period did the labor organization experience and/or discover any loss or shortage of funds or other assets?''

Previously, reporting was required only when the shortage was discovered. An individual responsible for filing the form may be responsible for, and therefore know of, an undiscovered embezzlement. The change in wording from ''discover'' to ''experience and/or discover'' clarifies that all shortages are reportable, even if the labor union itself has not discovered the loss, and that the union is on inquiry notice to take reasonable steps to uncover losses or shortages.

[25] *See* 29 U.S.C. 438 (''The Secretary shall have authority to issue, amend, and rescind rules and regulations prescribing the form and publication of reports required to be filed under this title and such other reasonable rules and regulations . . . as [she] may find necessary to prevent the circumvention or evasion of such reporting requirements.'').

Item 14—Fidelity Bond. The Department makes no change to this item.

Item 15— Acquisition or Disposition of Assets. The Department makes no change to this item.

Item 16—Pledged or Encumbered Assets. The Department makes no change to this item.

Item 17—Contingent Liabilities. The Department makes no change to this item.

Item 18(a)—Changes in Constitution and Bylaws. The Department makes no substantive change to this item. This item was renumbered from the prior version of Form LM–2, Item 18—Changes in Constitution and Bylaws.

Item18(b)—Date of Current Constitution and Bylaws. This item is the newly created Item18(b). This item requires labor organizations to provide the dates of their current constitution and bylaws. This information will aid the Department when conducting investigations of union officer elections and when supervising rerun elections of union officers to ensure that the most current and correct provisions are applied. It will also aid union members in their efforts to follow the most current and accurate union procedures.

Item 19—Next Regular Election. The Department makes no change to this item.

Item 20—Number of Members. The Department makes no change to this item. This item is supported by renumbered Schedule 15—Membership Status.

Item 21—Dues and Fees. The Department makes no change to this item.

Statement A—Assets and Liabilities

This statement contains two sections, ''Assets'' and ''Liabilities.'' Items are listed under each heading that describe categories of assets or liabilities that must be reported. There are no changes to the items listed under ''Assets'' and ''Liabilities.'' The Department revises two of the supporting schedules that support these items: Schedule 1—Accounts Receivable Aging Schedule and Schedule 8—Accounts Payable Aging Schedule. Specifically, the Department raises the $5,000 reporting threshold to a $7,500 threshold. This threshold reflects that inflation has occurred since 2003, when the $5,000 threshold was promulgated. Further, with fewer transactions to itemize, the reporting burden is reduced.[26]

Item 22—Cash. The Department makes no change to this item.

Item 23—Accounts Receivable. The Department makes no change to this item. Item 23 remains supported by Schedule 1. On its supporting schedule (Schedule 1—Accounts Receivable Aging Schedule), the Department raises the $5,000 reporting threshold to a $7,500 threshold.

Item 24—Loans Receivable. The Department makes no change to this item. Item 24 remains supported by Schedule 2.

Item 25—U.S. Treasury Securities. The Department makes no change to this item.

Item 26—Investments. The Department makes no change to this item. This item is supported by renumbered Schedule 7—Investments, also without substantive change.

Item 27—Fixed Assets. The Department makes no change to this item. This item is supported by renumbered Schedule 8—Fixed Assets, also without substantive change.

Item 28—Other Assets. The Department makes no change to this item. This item is supported by renumbered Schedule 9—Other Assets, also without substantive change.

Item 29—Total Assets. The Department makes no change to this item.

Item 30—Accounts Payable. The Department makes no change to this item. This item is supported by renumbered Schedule 10—Accounts Payable Aging Schedule. The Department raises the $5,000 reporting threshold for that schedule to a $7,500 threshold. Accounts payable of less than $7,500 need not be reported.

Item 31—Loans Payable. The Department makes no change to this item. This item is supported by renumbered Schedule 11— Loans Payable, also without substantive change.

Item 32—Mortgages Payable. The Department makes no change to this item.

Item 33—Other Liabilities. The Department makes no change to this item. This item is supported by the renumbered Schedule 12— Other Liabilities, also without substantive change.

Item 34—Total Liabilities. The Department makes no change to this item.

Item 35—Net Assets. The Department makes no change to this item.

Statement B—Receipts and Disbursements

This statement contains two sections, ''Cash Receipts'' and ''Cash Disbursements.'' Under each heading are items listed that describe categories of receipts or disbursements that must be reported. There is one change to the line items listed under ''Cash Receipts.'' Specifically, Item 43—Sale of Investments and Fixed Assets is now divided into two items, Item 43—Sale of Investments and Item 44—Sale of Fixed Assets. Subsequent items in the ''Cash Receipts'' section are renumbered sequentially.

The following are changes to the line items listed under ''Cash Disbursements.'' First, Item 50—Representational Activities on the prior version of Form LM–2 is divided into two items and renumbered as Item 51—Contract Negotiation and Administration, and Item 52—Organizing. Second, prior Item 51—Political Activities and Lobbying is divided into two items and renumbered as Item 53—Political Activities and Item 54—Lobbying. Third, the addition of these new items required Items 52 through 59 to be renumbered Items 55 through 62. Fourth, Item 60—Purchases of Investments and Fixed Assets is now divided into two items and renumbered as Item 63—Purchase of Investments and Item 64—Purchase of Fixed Assets. Fifth, the addition of these new items required Items 61 through 65 to be renumbered Items 65 through 69. Finally, the Department added new Item 70—Officers and new Item 71—Employees.

In addition to these new and renumbered line items, the Department creates new schedules to correspond to certain items listed under ''Cash Receipts'' that had no schedules in the prior version of Form LM–2. The Department also creates new schedules to correspond to items listed under ''Cash Disbursements.''

Cash Receipts

Item 36—Dues and Agency Fees. The Department makes no change to this item. This item is supported by a new Schedule 16, discussed below.

Item 37—Per Capita Tax. The Department makes no change to this item. This item is supported by a new Schedule 17, discussed below.

Item 38—Fees, Fines, Assessments, Work Permits. The Department makes no change to this item. This item is supported by a new Schedule 18, discussed below.

Item 39—Sale of Supplies. The Department makes no change to this

[26] The Department's threshold increase to $7,500 will apply only to Schedule 1—Accounts Receivable Aging Schedule and Schedule 8 (renumbered as Schedule 10)—Accounts Payable Aging Schedule. The other schedule thresholds will remain at $5,000.

item. This item is supported by a new Schedule 19, discussed below.

Item 40—Interest. The Department makes no change to this item.

Item 41—Dividends. The Department makes no change to this item.

Item 42—Rents. The Department makes no change to this item. This item is supported by a new Schedule 20, as discussed below.

Item 43—Sale of Investments. The Department divides the previous Item 43—Sale of Investments and Fixed Assets into two separate items: Item 43—Sale of Investments and Item 44—Sale of Fixed Assets. Item 43 is supported by a new Schedule 3—Sale of Investments, as discussed below.

Item 44—Sale of Fixed Assets. This new item is the remaining portion of prior Item 43—Sale of Investments and Fixed Assets. Item 44 is supported by a new Schedule 4—Sale of Fixed Assets, as discussed below.

Item 45—Loans Obtained. The Department makes no substantive change to this item. This item is renumbered from prior Item 44—Loans Obtained. It is supported by prior Schedule 9, which has been renumbered Schedule 11—Loans Payable, to which the Department made no substantive change.

Item 46—Repayments of Loans Made. The Department makes no substantive change to this item. This item is renumbered from prior Item 45—Repayments of Loans Made. The item remains supported by Schedule 2.

Item 47—On Behalf of Affiliates for Transmittal to Them. The Department makes no substantive change to this item. This item is renumbered from prior Item 46—On Behalf of Affiliates for Transmittal to Them. It is supported by a new Schedule 21—On Behalf of Affiliates for Transmittal to Them, as discussed below.

Item 48—From Members for Disbursement on Their Behalf. The Department makes no substantive change to this item. This item is renumbered from prior Item 47—From Members for Disbursement on Their Behalf. It is supported by a new Schedule 22—From Members for Disbursement on Their Behalf.

Item 49—Other Receipts. The Department makes no substantive change to this item. This item is renumbered from prior Item 48—Other Receipts. It is supported by Schedule 23—Other Receipts, which is the renumbered Schedule 14 from the prior version of Form LM–2.

Item 50—Total Receipts. The Department makes no substantive change to this item. This item is renumbered from prior Item49—Total Receipts.

Cash Disbursements

Item 51—Contract Negotiation and Administration. This item is the renumbered portion of the prior Item 50—Representational Activities, which is divided into two items. It is supported by a new Schedule 24—Contract Negotiation and Administration, discussed below.

Item 52—Organizing. This item is the remaining renumbered portion of prior Item 50—Representational Activities. It is supported by a new Schedule 25—Organizing, discussed below.

Item 53—Political Activities. This item is the renumbered portion of prior Item 51—Political Activities and Lobbying, which is divided into two items. Prior Schedule 16—Political Activities and Lobbying is split into two new schedules numbered Schedule 26—Political Activities and Schedule 27—Lobbying. Item 53 is supported by new Schedule 26—Political Activities, discussed below.

Item 54—Lobbying. This item is the remaining renumbered portion of prior Item 51—Political Activities and Lobbying. It is now supported by the new Schedule 27—Lobbying, discussed below.

Item 55—Contributions, Gifts, and Grants. The Department makes no substantive change to this item. This item is the renumbered prior Item 52—Contributions, Gifts, and Grants. This item is supported by a renumbered Schedule 28—Contributions, Gifts, and Grants, also without substantive change.

Item 56—General Overhead. The Department makes no substantive change to this item. This item is the renumbered prior Item 53—General Overhead. This item is supported by a renumbered Schedule 29—General Overhead, also without substantive change.

Item 57—Union Administration. The Department makes no substantive change to this item. This item is the renumbered prior Item 54—Union Administration. It is now supported by a renumbered Schedule 30—Union Administration, also without substantive change.

Item 58—Benefits. The Department makes no substantive change to this item. This item is the renumbered prior Item 55—Benefits. The item is now supported by a renumbered and revised Schedule 31—Benefits, also without substantive change.

Item 59—Per Capita Tax. The Department makes no substantive change to this item. This item is the renumbered prior Item 56—Per Capita Tax.

Item 60—Strike Benefits. The Department makes no substantive change to this item. This item is the renumbered prior Item 57—Strike Benefits.

Item 61—Fees, Fines, Assessments, etc. The Department makes no substantive change to this item. This item is the renumbered prior Item 58—Fees, Fines, Assessments, etc.

Item 62—Supplies for Resale. The Department makes no substantive change to this item. This item is the renumbered prior Item 59—Supplies for Resale.

Item 63—Purchase of Investments. This item is a renumbered portion of prior Item 60—Purchase of Investments and Fixed Assets, which is divided into two items. Previously, under Item 60, a labor organization was required to report details of the purchases by the labor organization of U.S. Treasury securities, marketable securities, and other investments. Item 63 is now supported by new Schedule 5—Purchase of Investments, discussed below.

Item 64—Purchase of Fixed Assets. This item is the remaining renumbered portion of prior Item 60—Purchase of Investments and Fixed Assets. Previously, under Item 60, a labor organization was required to report details of the purchases of fixed assets, including fixed assets that were expensed. Item 64 is now supported by new Schedule 6—Purchase of Fixed Assets, discussed below.

Item 65—Loans Made. The Department makes no substantive change to this item. This item is the renumbered prior Item 61—Loans Made. It remains supported by Schedule 2—Loans Receivable.

Item 66—Repayment of Loans Obtained. The Department makes no substantive change to this item. This item is the renumbered prior Item 62—Repayment of Loans Obtained. This item was previously supported by Schedule 9—Loans Payable and is now supported by renumbered Schedule 11—Loans Payable, also without substantive change.

Item 67—To Affiliates of Funds Collected on Their Behalf. The Department makes no substantive change to this item. This item is the renumbered prior Item 63—To Affiliates of Funds Collected on Their Behalf.

Item 68—On Behalf of Individual Members. The Department makes no substantive change to this item. This item is the renumbered prior Item 64—On Behalf of Individual Members.

Item 69—Direct Taxes. The Department makes no substantive change to this item. This item is the renumbered prior Item 65—Direct Taxes.

Item 70—Officers. This is a new item. This item reports the total disbursed to officers. It is supported by the renumbered Schedule 13—All Officers and Disbursement to Officers.

Item 71—Employees. This is a new item. This item reports the total disbursed to employees. It is supported by the renumbered Schedule 14—Disbursements to Employees.

Item 72—Subtotal. The Department makes no substantive change to this item. This item is the renumbered prior Item 66—Subtotal.

Item 73—Withholding Taxes and Payroll Deductions. The Department makes no substantive change to this item. This item is the renumbered prior Item 67—Withholding Taxes and Payroll Deductions.

Item 73a—Total Withheld. The Department makes no substantive change to this item. This item is the renumbered prior Item 67a—Total Withheld.

Item 73b—Less Total Disbursed. The Department makes no substantive change to this item. This item is the renumbered prior Item 67b—Less Total Disbursed.

Item 73c—Total Withheld But Not Disbursed. The Department makes no substantive change to this item. This item is the renumbered prior Item 67c—Total Withheld But Not Disbursed.

Item 74—Total Disbursements. The Department makes no substantive change to this item. This item is the renumbered prior Item 68—Total Disbursements.

Item 75—Additional Information. The Department makes no substantive change to this item. This item is the renumbered prior Item 69—Additional Information.

Item 76—Signed. The Department makes no substantive change to this item, which requires the signature of the union president or equivalent officer. This item is the renumbered prior Item 70—Signed.

Item 77—Signed. The Department makes no substantive change to this item, which requires the signature of the union treasurer or equivalent officer. This item is the renumbered prior Item 71—Signed.

Schedule 1—Accounts Receivable Aging Schedule. The Department makes one substantive change to this schedule as compared to the prior version. Under the previous version of Schedule 1, a labor organization had to report: (1) all accounts with an entity or individual that aggregated to a value of $5,000 or more and that were 90 days or more past due at the end of the reporting period or were liquidated, reduced, or written off during the reporting period; and (2) the total aggregated value of all other accounts receivable. The Department is reducing the burden by raising the threshold to $7,500. Accounts below this threshold need not be individually reported.

Schedule 2—Loans Receivable. The Department makes no substantive change to this schedule.

Schedules 3–6: Sale and Purchase of Investments and Fixed Assets. The final rule establishes an itemization minimum of $5,000 for transactions reported on Schedules 3, 4, 5 and 6. Labor organizations are required to report sales or purchases of $5,000 or more, or transactions with a single source which aggregates to $5,000 or more. These schedules now separate the reporting of investments from fixed assets and require itemization of individual sales and purchases meeting the threshold. Separating investments from fixed assets enables electronic reconciliation of beginning-of-year balances, purchases, sales, and end-of-year balances, improving data quality and transparency. The $5,000 threshold balances the need for transparency with reasonable reporting burdens.

To address concerns about reporting voluminous transactions, this final rule exempts individual itemization of bona fide market transactions conducted through recognized national securities exchanges from detailed itemization requirements when the purchaser or seller is unknown. These transactions may be reported in the aggregate under the name and address of the labor organization's financial management firm, as fair value and arm's-length nature are assured through the public exchange mechanism. Many large labor organizations maintain actively managed investment portfolios with thousands of transactions annually in publicly traded securities. By definition, transactions on registered public exchanges occur at fair market value and at arm's length, addressing the Department's primary concern about detecting improper transactions. This exemption reduces reporting burden while focusing disclosure on transactions where conflicts of interest or below-market pricing are more likely such as those conducted outside public markets.

When reporting automobile and other asset transactions, filers must provide the name of the purchaser or seller, but personal home addresses are not required for individual (non-business) parties. This follows the reporting practice for the prior version of Form LM–2 for reporting payments to individuals and protects personal privacy while maintaining transparency. The Department recognizes privacy and security concerns associated with publishing personal residential addresses on publicly accessible forms. The name of the individual, combined with business address when applicable, provides sufficient transparency to identify potential conflicts of interest while protecting individuals from identity theft and related privacy crimes.

Schedule 3—Sale of Investments. This is a new schedule that supports new Item 43—Sale of Investments. The previous Form LM–2 included Schedule 3—Sale of Investments and Fixed Assets on which a labor organization would report details of the sale or redemption of U.S. Treasury securities, marketable securities, other investments, and fixed assets, including those fixed assets that were expensed. The total amount received from sales of assets and investments was entered in prior Item 43—Sale of Investments and Fixed Assets.

Under this rule, the prior Item 43 is split, and the Department establishes two renamed items, Item 43—Sale of Investments and Item 44—Sale of Fixed Assets.

The previous Schedule 3—Sale of Investments and Fixed Assets did not allow the user to easily distinguish between investments and fixed assets and did not allow the Department to electronically compare beginning-of-year investments, add purchases, and subtract sales, to determine end-of-year investments. The schedule did not include adequate information to determine whether a particular sale of an investment or asset was at fair market value and at arm's length.

To address this lack of transparency, the Department divides this schedule into new Schedule 3—Sale of Investments and new Schedule 4—Sale of Fixed Assets.

In the new Schedule 3—Sale of Investments, the Department adds two new columns. The first new column, entitled ''Name and Address of Purchaser or Financial Management Firm (A),'' discloses the purchasers of investments from the labor organization. A second new column ''Date (C)'' discloses the date of the sale. The column titled ''Description (if land or buildings, give location)'' is changed to ''Description'' and designated with a different letter. The other columns (Cost; Book Value; Gross Sales Price; and Amount Received) remain the same

but are designated with different letters, to accommodate the two new columns. The columns thus read: ''Name and Address of Purchaser or Financial Management Firm (A); Description (B); Date of Sale (C); Cost (D); Book Value (E); Gross Sales Price (F); and Amount Received (G).'' These additions enable members to determine, in conjunction with other publicly available information, that a sale was transacted at fair market value and at arm's length, thereby helping to prevent interested parties from unjustly enriching themselves by purchasing labor organization investments at below-market price.

The book value of an asset is the value at which the investment or fixed asset is shown on the labor organization's books. The value of certain investments such as stocks can vary greatly within the fiscal year. Because the date of sale was not listed on the prior version of Form LM–2, the Department and others could not determine whether the labor organization received fair market value on the sale transaction. The stock on the day of the sale may have been worth more than its book value. In this scenario, it was impossible to determine whether the stocks were sold by the labor organization at market value. The labor organization's disclosures on the prior Form LM–2 showed this transaction as a profit for the labor organization, but the transaction could have in fact been less favorable to the labor organization if the investment was sold at a price below market value. The changes incorporated into the new Schedule 3 also help ensure disclosure of any potential conflicts of interest between the purchaser and the labor organization. The new Schedule 3 totals all individually itemized transactions and provides the sum of the sales by itemized individual purchasers and the sum of all non-itemized sales of investments, as well as the total of all sales.

Schedule 4—Sale of Fixed Assets. This is the new Schedule 4—Sale of Fixed Assets. As in the case for new Schedule 3, the Department adds two new columns to Schedule 4—Sale of Fixed Assets. The first new column entitled ''Name and Address of Purchaser (A)'' discloses the purchasers of fixed assets from the labor organization. A second new column ''Date (C)'' discloses the date of the sale. The other columns (Description (if land or buildings, give location); Cost; Book Value; Gross Sales Price; and Amount Received) remain the same but are designated with different letters, to accommodate the two new columns. The columns thus read ''Name and Address of Purchaser (A); Description (if land or buildings, give location) (B); Date of Sale (C); Cost (D); Book Value (E); Gross Sales Price (F); and Amount Received (G).'' These additions provide members with information necessary to determine that a sale was transacted at fair market value and at arm's length, thereby helping prevent interested parties from unjustly enriching themselves by purchasing labor organization assets at below-market price. The new Schedule 4 totals all individually itemized transactions and provides the sum of the sales by itemized individual purchasers and the sum of all non-itemized sales of fixed assets, as well as the total of all sales.

Schedule 5—Purchase of Investments. This new schedule is a renumbered portion of prior Schedule 4—Purchase of Investments and Fixed Assets. Under this prior schedule, a labor organization had to report details of the purchases by the labor organization of U.S. Treasury securities, marketable securities, other investments, and fixed assets, including those fixed assets that were expensed.

The previous Schedule 4—Purchase of Investments and Fixed Assets did not allow the user to easily distinguish between investments and assets and did not allow the Department to determine end-of-year investments by electronically comparing beginning-of-year investments, adding purchases and subtracting sales. The schedule did not provide labor organization members with adequate information to enable them to determine whether a particular purchase of an investment or asset was transacted at fair market value and at arm's length. As with sales of investments and fixed assets, the Department divides prior Schedule 4 into two new schedules: Schedule 5—Purchase of Investments and Schedule 6—Purchase of Fixed Assets.

In the new Schedule 5—Purchase of Investments, the Department adds two new columns. The first new column entitled ''Name and Address of Seller or Financial Management Firm (A)'' discloses the identity of the seller of investments to the labor organization. A second new column discloses the date of the purchase. The column titled: (Description (if land or buildings, give location) is changed to ''Description.'' The remaining columns (Cost; Book Value; and Cash Paid) remain the same as compared to the prior version but are designated with different letters, to accommodate the two new columns. The columns thus read ''Name and Address of Seller or Financial Management Firm (A); Description (B); Date of Purchase [27] (C); Cost (D); Book Value (E); Cash Paid (F).'' The new Schedule 5 totals all individually itemized transactions and provides the sum of the purchases by itemized individual sellers and the sum of all non-itemized purchases of investments, as well as the total of all purchases.

Schedule 6—Purchase of Fixed Assets. This schedule is the remaining renumbered portion of prior Schedule 4—Purchase of Investments and Fixed Assets.

In the new Schedule 6—Purchase of Fixed Assets, the Department adds two new columns. The first new column entitled ''Name and Address of Seller (A)'' discloses the identity of the seller of assets to the labor organization. A second new column discloses the date of the purchase. The other columns (Description (if land or buildings, give location); Cost; Book Value; and Cash Paid) remain the same as compared to the prior version but will be designated with different letters, to accommodate the two new columns. The columns thus read ''Name and Address of Seller (A); Description (if land or buildings, give location) (B); Date of Purchase (C); Cost (D); Book Value (E); Cash Paid (F).'' The new Schedule 6 totals all individually itemized transactions and provides the sum of the purchases by itemized individual sellers and the sum of all non-itemized purchases of fixed assets, as well as the total of all purchases.

Schedule 7—Investments. The Department makes no substantive change to this schedule. This schedule is the renumbered prior Schedule 5—Investments.

Schedule 8—Fixed Assets. The Department makes no substantive change to this schedule. This schedule is the renumbered prior Schedule 6—Fixed Assets.

Schedule 9—Other Assets. The Department makes no substantive change to this schedule. This schedule is the renumbered prior Schedule 7—Other Assets.

Schedule 10—Accounts Payable Aging Schedule. This schedule is the renumbered prior Schedule 8—Accounts Payable Aging Schedule. Under that prior version of this schedule, the labor organization had to report: (1) individual accounts that were valued at $5,000 or more and that were 90 days or more past due or were liquidated, reduced, or written off during the reporting period; and (2) the

[27] While the 2020 NPRM labeled this new column ''Date (C)'' on Schedule 5 of the Form LM–2 Long Form prototype, this final rule labels it ''Date of Purchase (C)'' for consistency with Schedule 5 on the revised Form LM–2.

total aggregated value of all other accounts. The Department reduces the burden by raising the threshold to $7,500. Accounts below this threshold need not be individually reported. This change decreases the burden on the filing labor organization.

Schedule 11—Loans Payable. The Department makes no substantive change to this schedule. This schedule is the renumbered prior Schedule 9—Loans Payable.

Schedule 12—Other Liabilities. The Department makes no substantive change to this schedule. This schedule is the renumbered prior Schedule 10—Other Liabilities.

Schedule 13—All Officers and Disbursements to Officers. This schedule is the renumbered prior Schedule 11—All Officers and Disbursements to Officers. Previously under this schedule, the labor organization had to list all the labor organization's officers and report all salaries and other direct and indirect disbursements to officers during the reporting period. The filer also reported the percentage of time spent by each officer in five functional categories provided, *e.g.,* ''representational activities,'' ''union administration,'' etc.

The Department makes three revisions to this schedule. First, the Department eliminates functional reporting of union officer time. This increases the readability of the form and reduces the burden on the regulated community. The prior version of Form LM–2 required unions to report total disbursements in five functional categories and then itemize that disbursement if they reached a $5,000 threshold. Unions estimated the time spent by each union officer and employee on different duties, based on the categories of activities represented by the prior Form LM–2 schedules and reported as a percentage of work time, totaling 100 percent. For example, a union officer may have reported that 60 percent of her time went to ''Representational Activities,'' 30 percent went to ''Union Administration,'' and 10 percent went to ''Political Activities and Lobbying.'' With the Department's elimination of functional reporting, Schedule 13—All Officers and Disbursements to Officers does not include the functional disbursement categories that were Line (I) on prior Schedule 11. The $5,000 threshold is unchanged.

By removing officer functional reporting, total disbursements to officers will not show on Statement B. To address this, the Department adds a new item in which this sum is reported. Item 70—Officers reports on one line the total disbursed to officers. The software automatically enters the total from Schedule 13—All Officers and Disbursements to Officers into Item 70. Previously the total from this schedule was divided among the functional disbursements categories in proportion to the percentage of time reported to have been spent on those categories.

Second, the Department eliminates the reporting exception for indirect disbursements for travel-related expenses when payment is made by the labor organization directly to the provider or through a credit arrangement. For example, when a union, through its credit arrangements, is billed directly and pays the airline bills of an officer, the union previously did not have to include this amount as part of the disbursements made to the particular officer. *See* Form LM–2 Instructions revised 01/2022, at p.18.

On the prior version of Form LM–2, a labor organization did not need to report certain types of disbursement in prior Schedule 11—All Officers and Disbursements to Officers. Specifically, a labor organization did not need to report ''[i]ndirect disbursements for temporary lodging (room rent charges only) or transportation by public carrier necessary for conducting official business while the officer is in travel status away from his or her home and principal place of employment with the labor organization if payment is made by the labor organization directly to the provider or through a credit arrangement.'' Form LM–2 Instructions revised 01/2022, at p.18. Eliminating this exception provides a more accurate picture of total disbursements received by labor organization officers and employees.

A ''direct disbursement'' to an officer is a payment made by the labor organization to the officer in the form of cash, property, goods, services, or other things of value. An ''indirect disbursement'' to an officer is a payment made by the labor organization to another party for cash, property, goods, services, or other things of value received by or on behalf of the officer. Such payments included those made through a credit arrangement under which charges were made to the account of the labor organization and were paid by the labor organization.

Third, the Department creates a new column for disbursements for benefits paid to labor organization officers. Columns ''(A)'' through ''(E)'' are unchanged from the prior version of the Form LM–2. Column ''(F)'' will be redesignated ''Benefits.'' This is the only new column on the schedule requiring disclosure of additional information. Column ''(G)'' is redesignated ''Disbursements for Official Business.'' Column ''(H)'' is redesignated ''Other Disbursements not reported in (D) through (G).'' The new Column ''(I)'' is for ''Total.''

Schedule 14—Disbursements to Employees. This schedule is the renumbered prior Schedule 12—Disbursements to Employees. Previously under this schedule, a labor organization reported all direct and indirect disbursements to employees of the labor organization during the reporting period. The union also reported the percentage of time spent by each employee in provided functional categories. Disbursements to individuals other than officers who receive lost time payments were also included even if the labor organization did not otherwise consider them to be employees or did not make any other direct or indirect disbursements to them.

The substantive changes to this schedule are identical to two of the changes made in the renumbered Schedule 13—All Officers and Disbursements to Officers (prior Schedule 11), and the supporting reasons for the changes are the same as described above.

The Department makes three revisions to Schedule 14—Disbursements to Employees. First, the Department eliminates union employee functional time reporting. This increases the readability of the form and reduces burden on the regulated community. As was the case with removing functional reporting for officers, removing functional reporting for employees results in total disbursements to employees not shown in Statement B. To address this, the Department adds a new Item 71—Employees, which reports on one line the total disbursed to employees. The software automatically enters into this item the total from Schedule 14—Disbursements to Employees. Second, the Department eliminates a reporting exception for indirect disbursements for temporary lodging or public transportation necessary for conducting official business while the employee is in travel status when payment is made by the labor organization directly to the provider or through a credit arrangement. *See* Form LM–2 Instructions revised 01/2022, at p.18. Eliminating this exception provides a more accurate picture of total compensation received by labor organization employees. Third, the Department adds a column for disbursements to employees for ''Benefits,'' as described in the previous discussion of Schedule 13.

The Department has also updated the instructions to reflect these changes, and to provide guidance to labor organizations on the types of disbursements required to be filed in Schedules 13 and 14. The reporting changes adopted by this rule only apply to disbursements on behalf of labor organizations officers and employees, and do not apply to any persons not listed on Schedule 13 and 14. Those disbursements should be reported in Schedule 31—Benefits.

Schedule 15—Membership Status. Schedule 15 is the renumbered prior Schedule 13—Membership Status. Like the prior schedule, Schedule 15 requires unions to report in Column (A) the categories of membership tracked by the reporting labor organization. The union is permitted to define each category of membership in Item 75—Additional Information, which is the renumbered Item 69 on the prior Form LM–2. The union must also include a description of the members covered by the category and indicate whether the members pay full dues. In Column (B), the labor organization is required to enter the number of members for each of the membership categories listed in Column (A).

While the format of Schedule 15—Membership Status has not changed from the prior membership status schedule, the Department now requires labor organization to include ''retired members'' as a membership category in Column (A). This mandate will be included in the revised instructions for completing Schedule 15. Retired members do not necessarily share the same interests nor have the same voting rights as working members.

This revision provides greater transparency to members about the composition of their labor organization and will also assist the Department when supervising union officer elections.

Detailed Summary Page—Schedules 16–23: The detailed summary page from the prior version of Form LM–2 contained information from prior Schedule 14 through prior Schedule 19. The summary page provided members with a snapshot of the labor organization's activities. Members could then use this snapshot to determine whether further analysis of the individual itemized schedules was required.

Form LM–2 Long Form contains two detailed summary pages. Both reflect the order and the contents of the new and revised schedules they summarize. The first detailed summary page reflects receipts and consists of summaries of eight schedules: Schedule 16—Dues and Agency Fees (Item 36); Schedule 17—Per Capita Tax (Item 37); Schedule 18—Fees, Fines, Assessments, Work Permits (Item 38); Schedule 19—Sale of Supplies (Item 39); Schedule 20—Rents (Item 42); Schedule 21—On Behalf of Affiliates for Transmittal to Them (Item 47); Schedule 22—From Members for Disbursement on Their Behalf (Item 48); and Schedule 23—Other Receipts (Item 49).

The reporting requirements reflected in the new Schedules 16 through 22 are discussed more fully below. There is no burden associated with the summary page because the EFS software automatically enters the totals in the appropriate lines of the summary schedules as the labor organization fills out the individual itemization schedules.

Schedule 23—Other Receipts. The Department makes no substantive change to this schedule. This schedule is the renumbered prior Schedule 14—Other Receipts.

Detailed Summary Page—Schedules 24 through 30. This is the second of two detailed summary pages and reflects disbursements. As noted earlier, the summary pages provide members with a snapshot of the labor organization's activities. Members may use these snapshots to determine whether further analysis of the individual itemized schedules is required. The second detailed summary page consists of Schedule 24—Contract Administration and Negotiation (Item 51); Schedule 25—Organizing (Item 52); Schedule 26—Political Activities (Item 53); Schedule 27—Lobbying (Item 54); Schedule 28—Contributions, Gifts, and Grants (Item 55); Schedule 29—General Overhead (Item 56); and Schedule 30—Union Administration (Item 57).

Schedule 24—Contract Negotiation and Administration. As discussed above, this schedule is a renumbered portion of prior Schedule 15—Representational Activities, which is divided into two schedules. Under the prior Schedule 15—Representational Activities, a labor organization reported its direct and indirect disbursements to all entities and individuals during the reporting period associated with preparation for, and participation in, the negotiation of collective bargaining agreements and the administration and enforcement of the agreements made by the labor organization. The union also reported disbursements associated with efforts to become the exclusive bargaining representative for any unit of employees, or to keep from losing a unit in a decertification election or to another labor organization, or to recruit new members. Transactions reportable under new Schedule 24—Contract Negotiation and Administration are those directly related to preparing and negotiating CBAs and to administering and enforcing those agreements.

For the purposes of reporting disbursements on the Form LM–2 Long Form, the Department decided that labor unions must consider the negotiation of pre-hire agreements under section 8(f) of the National Labor Relations Act as collective bargaining activity and should report expenses related to that activity on Schedule 24—Contract Negotiation and Administration.

Schedule 25—Organizing. This schedule is the remaining renumbered portion of prior Schedule 15—Representational Activities.

Transactions reportable under Schedule 25—Organizing are related to efforts to become or remain the exclusive bargaining representative for a unit and to recruit new members.

Schedule 26—Political Activities. This schedule is a renumbered portion of prior Schedule 16—Political Activities and Lobbying. As discussed above, the Department divided the previous Schedule 16 into two schedules.

Under the previous Schedule 16—Political Activities and Lobbying, the labor organization had to report its direct and indirect disbursements to all entities and individuals during the reporting period associated with political disbursements or monetary contributions. A political disbursement or contribution is one that is intended to influence the selection, nomination, election, or appointment of anyone to a federal, state, or local executive, legislative, or judicial public office, or office in a political organization, or the election of presidential or vice presidential electors, and support for or opposition to ballot referenda. It does not matter whether the attempt succeeds. The labor organization must include disbursements for communications with members (or agency fee paying nonmembers) and their families for registration, get-out-the-vote, and voter education campaigns; the expenses of establishing, administering, and soliciting contributions to union segregated political funds (or PACs); disbursements to political organizations as defined by the IRS in 26 U.S.C. 527(e)(1); and other political disbursements.

Labor organizations must now report the non-lobbying portion of these activities on newly renumbered Schedule 26—Political Activities.

Schedule 27—Lobbying. This schedule is a renumbered portion of prior Schedule 16—Political Activities

and Lobbying. Under this schedule, labor organizations must report direct and indirect disbursements to all entities and individuals during the reporting period associated with the executive and legislative branches of the federal, state, and local governments, and with independent agencies and staffs to advance the passage or defeat of existing or potential laws or the promulgation or any other action with respect to rules or regulations (including litigation expenses). It does not matter whether the lobbying attempt succeeds.

Schedule 28—Contributions, Gifts, and Grants. The Department makes no substantive change to this schedule. This schedule is the renumbered prior Schedule 17—Contributions, Gifts, and Grants.

Schedule 29—General Overhead. The Department makes no substantive change to this schedule. This schedule is the renumbered prior Schedule 18—General Overhead.

Schedule 30—Union Administration. The Department makes no substantive change to this schedule. This schedule is the renumbered prior Schedule 19—Union Administration.

Schedule 31—Benefits. This schedule is the renumbered prior Schedule 20—Benefits. The schedule no longer contains benefits information for union officers and union employees, as this information will now appear next to their names, as discussed above, in renumbered Schedule 13—All Officers and Disbursements to Officers and renumbered Schedule 14—Disbursements to Employees.

New Schedules. The Department adds new schedules that coincide with the items of cash receipts listed on Statement B—Receipts and Disbursements. These schedules represent new requirements that labor organizations itemize the individual categories of receipts aggregated to $5,000 from any one source. The labor organization must now complete a separate itemization schedule for each individual or entity from which the labor organization has received $5,000 or more. Each transaction from that individual or entity is accompanied by information about the individual, the purpose of the payment, the date of the payment, and the amount of the payment. The total amount received from the individual or entity, both itemized and non-itemized, must be included at the bottom of the itemized schedule. The totals from each itemized schedule are then added together and that number is entered in the appropriate item on Statement B.

The additional schedules and the corresponding item category of receipts they support are:

Schedule 16—Dues and Agency Fees (supporting Item 36);

Schedule 17—Per Capita Tax (supporting Item 37);

Schedule 18—Fees, Fines, Assessments, and Work Permits (supporting Item 38);

Schedule 19—Sale of Supplies (supporting Item 39);

Schedule 20—Rents (supporting Item 42);

Schedule 21—Receipts on Behalf of Affiliates for Transmittal to Them (supporting Item 47); and

Schedule 22—Receipts from Members for Disbursement on Their Behalf (supporting Item 48).

These schedules provide additional information, by these receipt categories, of aggregated receipts of $5,000 or more. This change is consistent with the information provided on disbursements.

Previously, Form LM–2 filers reported on Statement B only the total amount received from dues and agency fees; per capita taxes; fees, fines, assessments, work permits; sale of supplies; interest; dividends; rents; receipts on behalf of affiliates for transmittal to them; and receipts from members for disbursement on their behalf. In some instances, these line items exceeded $30 million. For example, one labor organization stated that it received over $298 million in per capita taxes and another received over $33 million in rent. Little useful information can be discerned from these totals alone. The new Form LM–2 Long Form requires itemization of certain of these categories from the largest unions.

By providing itemization of receipts, labor organizations will better disclose to the Department, their members and the public a full accounting of all funds received and the identity of individuals and entities with whom the labor organization does business. The Department can use this information to determine the purpose of any receipt from one source in an amount of $5,000 or more. Knowing the purpose of a receipt helps identify possible diversion. Labor organization members may ensure that money they paid to the organization for disbursements on their behalf is accounted for on the Form LM–2 Long Form. If there is no itemized receipt in new Schedule 22—From Members for Disbursement on their Behalf for payments of $5,000 or more or the receipt is less than expected, then the member will know that the money was not properly reported and may pursue other avenues to determine what has happened to the funds.

Under the previous Form LM–2, receipts listed under the above-listed categories on Statement B were not itemized on a separate schedule for aggregate amounts that meet or exceed the threshold. The only itemized receipts were ''Other Receipts.'' ''Other Receipts'' that met or exceeded the threshold were itemized on the prior Schedule 14. Schedules 16 through 22 now include the same information that was previously required on prior Schedule 14 for ''Other Receipts.''

Schedule 32—Foreign Transactions. With the final rule, the Department has established Schedule 32—Foreign Transactions on the Form LM–2 Long Form. This new schedule requires labor unions to report transactions with any foreign entity or individual.

Under this rule, a labor organization will report any individual transaction, whether receipt or disbursement of $5,000 or more, and total receipts and/or total disbursements from a single entity or individual that aggregate to $5,000 or more during the reporting period, that are derived from a foreign entity or individual. While these transactions will also be recorded in the receipts and disbursement functional categories of Schedules 3 through 6 and Schedules 16 through 30, Schedule 32 provides a consolidated location for union members to determine the extent to which the union is conducting transactions with foreign entities or individuals.

f. Finalized Revisions to Form LM–2

To increase transparency, the Department revises Form LM–2, which is now applicable to labor organizations with annual receipts of $350,000 to $39,999,999 based on the 2020 NPRM and 2025 NPRM. Many of the changes and rationale mirror those of the Form LM–2 Long Form, described above. For brevity, the Department refers to those changes and rationales, and adopts them by reference, rather than repeating them verbatim. The revised Form LM–2 includes the same Items 1–77 that are on the new Form LM–2 Long Form. In revising Form LM–2, the Department adds ''(d) TRUSTEESHIP'' with a checkbox to Item 3. The checkbox would indicate that the report is being filed by a labor organization for a subordinate labor organization that it has placed in trusteeship. With regard to Item 10—Trust or Other Fund, the Department redesignates Item 10 as Item 10(a).

The Department also adds a new Item 10(b), concerning payments from more than one union. *Item 10(b) will be listed under the heading ''Other Labor Organization Payments to Officers and*

Employees'' in the accompanying form instructions. Item 10(b) asks whether, during the reporting period, an officer or employee who was paid $10,000 or more by the reporting organization also received $10,000 or more as an officer or employee of another labor organization in gross salary, allowances, and other direct and indirect disbursements during the reporting period. If the answer is ''Yes,'' the labor organization will provide additional information in Item 75—Additional Information. This additional information will require the union to list the name of the officer, entity that made the payment, and file number of the entity.

The Department revises Item 13 (Losses or Shortages) to clarify that reporting is required if the filer is aware the labor organization has experienced and/or discovered a shortage of funds. Item 13 previously asked, ''During the reporting period did the labor organization discover any loss or shortage of funds or other assets?'' As revised, Item 13 states, ''During the reporting period did the labor organization experience and/or discover any loss or shortage of funds or other assets?''

Regarding Item 18 (Changes in Constitution and Bylaws), the Department redesignates the previous Item 18 as Item 18(a). The Department creates a new Item 18(b). This item requires labor organizations to provide the dates of their constitution and bylaws.

Statement A—Assets and Liabilities

Items 22 through 35 listed under Statement A—Assets and Liabilities are the same and have the same supporting schedules as those items in Form LM–2 Long Form. Two of the schedules (Schedule 1—Accounts Receivable Aging Schedule and Schedule 8—Accounts Payable Aging Schedule) that support these items are revised. Specifically, the Department raises the $5,000 reporting threshold to a $7,500 threshold. This threshold reflects that inflation has occurred since 2003, when the $5,000 threshold was promulgated. Further, with fewer transactions to itemize, the reporting burden is reduced.[28]

Item 23—Accounts Receivable. The Department makes no change to this item. Item 23 remains supported by Schedule 1. On its supporting schedule (Schedule 1—Accounts Receivable Aging Schedule), the Department raises the $5,000 reporting threshold to a $7,500 threshold. Accounts Receivable of less than $7,500 need not be reported.

Item 30—Accounts Payable. The Department makes no change to this item. This item is supported by renumbered Schedule 10—Accounts Payable Aging Schedule. The Department raises the $5,000 reporting threshold for that schedule to a $7,500 threshold. Accounts payable of less than $7,500 need not be reported.

Statement B—Receipts and Disbursements

Regarding Items 36 through 50 listed under ''Cash Receipts,'' the Department did not create additional schedules for those items that currently do not have schedules. This avoids imposing the burden of itemizing cash receipts on smaller unions, which have fewer resources to invest in tracking and reporting financial information. However, items with schedules will adopt the schedule numbers in the Form LM–2 Long Form, where appropriate.

Item 43—Sale of Investments. This new item is the first divided portion of the prior Item 43—Sale of Investments and Fixed Assets. Item 43 was previously supported by Schedule 3—Sale of Investments and Fixed Assets and is now supported by a new Schedule 3—Sale of Investments, discussed below.

Item 44—Sale of Fixed Assets. This item is the second divided portion of the prior Item 43—Sale of Investments and Fixed Assets. It is supported by a new Schedule 4—Sale of Fixed Assets, discussed below.

Items 51 through 72 listed under ''Cash Disbursements'' adopt the same supporting schedules as those items in the Form LM–2 Long Form, except where indicated below.

Item 51—Contract Negotiation and Administration. This item is the renumbered portion of the prior Item 50—Representational Activities, which is divided into two. The prior supporting schedule, previously numbered Schedule 15, is split in two and renumbered Schedule 17—Contract Negotiation and Administration and Schedule 18—Organizing. Item 51 is supported by Schedule 17.

Item 52—Organizing. This item is the remaining and renumbered portion of the prior Item 50—Representational Activities. This item is supported by renumbered Schedule 18—Organizing.

Item 53—Political Activities. This item is the renumbered portion of Item 51—Political Activities and Lobbying. The previous Schedule 16—Political Activities and Lobbying is divided and replaced by a new Schedule 19—Political Activities and a new Schedule 20—Lobbying. Item 53 is supported by a new Schedule 19, discussed below.

Item 54—Lobbying. This item is the remaining and renumbered portion of the previous Item 51—Political Activities and Lobbying. It is supported by a new Schedule 20—Lobbying, discussed below.

Item 55—Contributions, Gifts, and Grants. The Department makes no substantive change to this item. This item is the renumbered Item 52—Contributions, Gifts, and Grants. This item was previously supported by Schedule 17 and is now supported by renumbered Schedule 21—Contributions, Gifts, and Grants, without substantive change.

Item 56—General Overhead. The Department makes no substantive change to this item. This item is the renumbered Item 53—General Overhead. This item was previously supported by Schedule 18 and is now supported by renumbered Schedule 22—General Overhead, without substantive change.

Item 57—Union Administration. The Department makes no substantive change to this item. This item is the renumbered Item 54—Union Administration. This item was previously supported by Schedule 19 and is now supported by renumbered Schedule 23—Union Administration, without substantive change.

Item 58—Benefits. The Department makes no substantive change to this item. This item is the renumbered Item 55—Benefits. This item was previously supported by Schedule 20 and is now supported by renumbered Schedule 24—Benefits, without substantive change.

Item 63—Purchase of Investments. This item is the renumbered portion of previous Item 60—Purchase of Investments and Fixed Assets. Item 63 is supported by a new Schedule 5—Purchase of Investments, described below.

Item 64—Purchase of Fixed Assets. This item is the renumbered portion of previous Item 60—Purchase of Investments and Fixed Assets. Item 64 is supported by a new Schedule 6—Purchase of Fixed Assets, described below.

Item 65—Loans Made. The Department makes no substantive change to this item. This item is the renumbered prior Item 61—Loans Made. It remains supported by Schedule 2—Loans Receivable.

Item 66—Repayment of Loans Obtained. The Department makes no substantive change to this item. This item is the renumbered prior Item 62—Repayment of Loans Obtained. This

[28] *Id.*

item was previously supported by Schedule 9—Loans Payable and is now supported by renumbered Schedule 11—Loans Payable, also without substantive change.

Item 67—To Affiliates of Funds Collected on Their Behalf. The Department makes no substantive change to this item. This item is the renumbered prior Item 63—To Affiliates of Funds Collected on Their Behalf.

Item 68—On Behalf of Individual Members. The Department makes no substantive change to this item. This item is the renumbered prior Item 64—On Behalf of Individual Members.

Item 69—Direct Taxes. The Department makes no substantive change to this item. This item is the renumbered prior Item 65—Direct Taxes.

Item 70—Officers. This is a new item. This item reports the total disbursed to officers. It is supported by the renumbered Schedule 13—All Officers and Disbursement to Officers.

Item 71—Employees. This is a new item. This item reports the total disbursed to employees. It is supported by the renumbered Schedule 14—Disbursements to Employees.

Schedules. The prior Form LM–2 included 20 supporting schedules, and the revised Form LM–2 has 24 supporting schedules.

Schedules 1–15

The Department did not change the following six schedules from the prior Form LM–2 but, in some instances, renumbering was necessary, as noted below:

Schedule 2—Loans Receivable

Schedule 7—Investments Other Than U.S. Treasury Securities (renumbered from prior Schedule 5)

Schedule 8—Fixed Assets (renumbered from prior Schedule 6)

Schedule 9—Other Assets (renumbered from prior Schedule 7)

Schedule 11—Loans Payable (renumbered from prior Schedule 9), and

Schedule 12—Other Liabilities (renumbered from prior Schedule 10).

The Department increases the threshold for the following two schedules.

Schedule 1—Accounts Receivable Aging Schedule. The Department makes one substantive change to this schedule as compared to the prior version. The Department is reducing the burden by raising the threshold to $7,500. Accounts below this threshold need not be individually reported.

Schedule 10—Accounts Payable Aging Schedule. This schedule is the renumbered prior Schedule 8—Accounts Payable Aging Schedule. The Department reduces the burden by raising the threshold to $7,500. Accounts below this threshold need not be individually reported. This change decreases the burden on the filing labor organization.

The Department adds the following four new schedules to the revised Form LM–2.

Schedule 3—Sale of Investments. This new schedule supports Item 43, Sale of Investments. On Schedule 3—Sale of Investments, labor organizations will report receipts from the sale of investments. The Department adds two new columns. The first new column, entitled ''Name and Address of Purchaser or Financial Management Firm (A),'' discloses the purchasers of investments from the labor organization. A second column ''Date of Sale (C)'' discloses the date of the sale. The other prior columns remain the same but are designated with different letters. The columns thus read, in order, ''Name and Address of Purchaser or Financial Management Firm (A); Description (B); Date of Sale (C); Cost (D); Book Value (E); Gross Sales Price (F); and Amount Received (G).''

Schedule 4—Sale of Fixed Assets. This new schedule supports Item 44—Sale of Fixed Assets. On Schedule 4—Sale of Fixed Assets, the labor organization reports receipts from the sale of fixed assets. The Department adds two new columns to new Schedule 4—Sale of Fixed Assets. The first new column entitled ''Name and Address of Purchaser (A)'' discloses the purchasers of fixed assets from the labor organization. A second column ''Date of Sale (C)'' discloses the date of the sale. The columns thus read ''Name and Address of Purchaser (A); Description (if land or buildings, give location) (B); Date of Sale (C); Cost (D); Book Value (E); Gross Sales Price (F); and Amount Received (G).''

Schedule 5—Purchase of Investments. This new schedule supports new Item 63—Purchase of Investments. The Department divides the prior Form LM–2's Schedule 4 (Purchase of Investments and Fixed Assets) into two new schedules. The first is Schedule 5—Purchase of Investments, which includes two new columns that were not in the prior Form LM–2's Schedule 4. The first new column entitled ''Name and Address of Seller or Financial Management Firm (A)'' discloses the identity of the seller of investments to the labor organization. A second new column ''Date of Purchase (C)'' discloses the date of the purchase. The other columns (Description; Cost; Book Value; and Cash Paid) remain the same but are designated with different letters, to accommodate the two new columns. The columns thus read ''Name and Address of Seller or Financial Management Firm (A); Description (B); Date of Purchase (C); Cost (D); Book Value (E); Cash Paid (F).''

Schedule 6—Purchase of Fixed Assets. This new schedule supports new Item 64—Purchase of Fixed Assets. With the Department's division of the prior Form LM–2's Schedule 4 (Purchase of Investments and Fixed Assets) into two schedules, this is the second new schedule, Schedule 6—Purchase of Fixed Assets. The Department adds two columns to Schedule 6—Purchase of Fixed Assets that were not on the prior Form LM–2's Schedule 4. The first new column entitled ''Name and Address of Seller (A)'' discloses the identity of the seller of fixed assets to the labor organization. A second column ''Date of Purchase (C)'' discloses the date of the purchase. The columns thus read ''Name and Address of Seller (A); Description (if land or buildings, give location) (B); Date of Purchase (C); Cost (D); Book Value (E); and Cash Paid (F).''

The Department revises and renumbers the following three schedules for the revised Form LM–2:

Schedule 13—All Officers and Disbursements to Officers. This schedule is the renumbered Schedule 11—All Officers and Disbursements to Officers from the prior Form LM–2. In this schedule, the Department eliminates functional reporting of union officer time by removing Line (I) and removes the exception for ''[i]ndirect disbursements for temporary lodging (room rent charges only) or transportation by public carrier necessary for conducting official business while the officer is in travel status away from his or her home and principal place of employment with the labor organization if payment is made by the labor organization directly to the provider or through a credit arrangement.''

Schedule 14—Disbursements to Employees. This schedule is the renumbered Schedule 12—Disbursements to Employees from the prior Form LM–2. The Department eliminates functional reporting of union employee time by removing Line(I) and removes the exception for ''[i]ndirect disbursements for temporary lodging (room rent charges only) or transportation by public carrier necessary for conducting official business while the officer is in travel status away from his or her home and principal place of employment with the

labor organization if payment is made by the labor organization directly to the provider or through a credit arrangement.''

Schedule15—Membership Status. This schedule is the renumbered Schedule13—Membership Status. The Department now requires reporting of ''retired members'' as a membership category in Column (A).

Detailed Summary Page—Schedules 16–23

The Department revises the detailed summary page. The prior Form LM–2 included a detailed summary page showing snapshot summaries for prior Schedules 14 through19. The detailed summary page for the revised Form LM–2 shows summaries for Schedule 16—Other Receipts, and the disbursement categories in Schedules 17 through 23. With the elimination of functional reporting, the summaries for Schedules 17 through 23 no longer include the prior lines ''3. To Officers'' or ''4. To Employees''. With this change, the summaries for Schedules 17 through23 now have line 3 renamed ''All Other Disbursements'' and Line 4 renamed ''Total Disbursements (add Lines 1–3).''

Schedule 16—Other Receipts. The Department makes no substantive change to this schedule. This schedule is the renumbered prior Schedule 14—Other Receipts.

The Department renumbers the following four schedules in the revised Form LM–2; these schedules are divided portions of schedules from the prior Form LM–2.

Schedule 17—Contract Negotiation and Administration. This schedule is a renumbered portion of prior Schedule 15—Representational Activities, which has been divided into two schedules.

Schedule 18—Organizing. This schedule is the remaining renumbered portion of prior Schedule 15—Representational Activities.

Schedule 19—Political Activities. This schedule is a renumbered portion of prior Schedule 16—Political Activities and Lobbying, which has been divided into two schedules.

Schedule 20—Lobbying. This schedule is the remaining renumbered portion of prior Schedule 16—Political Activities and Lobbying.

Schedule 21—Contributions, Gifts, and Grants. The Department makes no substantive change to this schedule. This schedule is the renumbered prior Schedule 17—Contributions, Gifts, and Grants.

Schedule 22—General Overhead. The Department makes no substantive change to this schedule. This schedule is the renumbered prior Schedule 18—General Overhead.

Schedule 23—Union Administration. The Department makes no substantive change to this schedule. This schedule is the renumbered prior Schedule 19—Union Administration.

Schedule 24—Benefits. This schedule is the renumbered prior Schedule 20—Benefits.

g. Finalized Revisions to Form LM–3

In prior sections of this final rule, the Department presented each item that is now included in the new Form LM–2 Long Form and the revised Form LM–2. This section addresses how a policy decision to eliminate a reporting exception for both types of Form LM–2 filers made through this final rule necessitates a parallel change to Form LM–3 and its instructions. The Department eliminated a reporting exception for indirect disbursements for business travel-related expenses when payment is made by the labor organization directly to the provider or through credit arrangement. This reporting exception provided that, when a union, through its credit arrangements, is billed directly and pays certain travel expenses (*e.g.,* hotel, airline fare, train fare) of an officer, the union did not have to include this amount as part of the disbursements made to the particular officer, as reported in prior Schedule 11—All Officers and Disbursements to Officers. *See* Form LM–2 Instructions revised 01/2022, at p.17. As explained in detail earlier, the Department's justification for eliminating this exception in response to comment is that it will provide a complete and more accurate picture of total disbursements paid to each of the labor organization's officers.

During the comment period, one labor organization commenter stated that the same officer disbursement reporting exception that the Department proposed to eliminate in the 2020 NPRM was included in the prior Form LM–3 Instructions and applied to LM–3, Item 24—All Officers and Disbursements to Officers. *See* Form LM–3 Instructions revised 01/2022, at pp. 9–10. The prior Form LM–3 instructions state that labor organizations should not include in Item 24, Column (E), ''[i]ndirect disbursements for temporary lodging (room rent charges only) or transportation by public carrier necessary for conducting official business while the officer is in travel status away from his or her home and principal place of employment with your organization if payment is made by your organization directly to the provider or through a credit arrangement and these disbursements are reported in Item 48 (Office and Administrative Expense); however, charges other than room rent on hotel bills must be reported in Column (E).'' *Id.* at p. 10.

With the elimination of this reporting exception for both types of Form LM–2 filers, and in response to comment on this issue, the Department has determined, for consistency, it must institute a similar revision for labor organizations filing Form LM–3. The same policy justification for eliminating the reporting exception for Form LM–2 filers justifies eliminating it for Form LM–3 labor organizations. First, payment for an official's travel and lodging expenses made by credit card does not reduce the significance of the expense to a labor organization member, yet the prior Form LM–3, like the prior Form LM–2, treated the method of payment as significant. It was illogical that the method of payment should control whether a labor organization member knows the full extent of disbursements made for a particular official of the labor organization. Second, travel and lodging expenses for a particular officer may raise questions among the membership for various reasons. By eliminating this reporting exception, members will have a better understanding of the total amount of disbursements made to or on behalf of a particular official. Through this more complete reporting, members of the labor organization will be better able to determine whether such disbursements warrant further scrutiny, including review of the underlying documentation maintained by the labor organization.

For these reasons, the Form LM–3 instructions are revised accordingly to eliminate this reporting exception. Specifically, the instructions for completing Item 24—All Officers and Disbursements to Officers, on Form LM–3 are revised, and the revised language mirrors the instructions for completing the new Schedule 13—All Officers and Disbursements to Officers, on both Form LM–2 Long Form and the revised Form LM–2. Apart from this change, and the previously referenced change in Form LM–3 reporting threshold, Form LM–3 has no other substantive changes.

h. Finalized Revisions to Form LM–4

To increase transparency, the Department revises the threshold applicable to Form LM–4 based on the 2025 NPRM, and the comments thereon, and labor organizations with gross receipts less than $25,000 are now eligible to fill out Form LM–4. The Department has not changed any other

part of Form LM–4 or its corresponding instructions.

In summary, the table below (Table 2) shows the prior filing thresholds and general formats of the different LM form types alongside the new threshold and format changes that result from this rule.

TABLE 2 —SUMMARY OF CHANGES

Form Type	Prior Filing Threshold and Format *(threshold in annual receipts)*	New Filing Threshold and Format *(threshold in annual receipts)*
LM-2 LONG FORM	N/A	$40,000,000 or more 40 pages (est.) 32 schedules
LM-2	$250,000 or more 26 pages 20 schedules	$350,000 or more 30 pages (est.) 24 schedules
LM-3	$10,000 or more	$25,000 or more Form eliminates a reporting exception
LM-4	Less than $10,000	Less than $25,000 No format changes
SIMPLIFIED ANNUAL REPORT FORMAT	Extremely small labor organizations with no assets, liabilities, receipts, or disbursements during the fiscal year.	No changes.

IV. Severability

The Department intends the provisions of this final rule to be severable from one another and independently operative to the maximum extent permitted by law. This rulemaking finalizes two distinct sets of proposals on related but independent grounds: the form revisions proposed in the 2020 NPRM, and the threshold revisions proposed in the 2025 NPRM. In developing this combined final rule, the Department considered each component, across both NPRMs and within each, both collectively and individually, and concludes that each is independently supported by the Department's statutory authority under sections 201 and 208 of the LMRDA, 29 U.S.C. 431 and 438; by the policy determinations and record evidence discussed in the corresponding sections of this preamble; and by the comments received in response to the NPRM that proposed it. The Department would have adopted each such component independently of the others.

The APA permits a reviewing court to ''sever a rule by setting aside only the offending parts of the rule.'' *Carlson* v. *Postal Regulatory Comm'n,* 938 F.3d 337, 351 (D.C. Cir. 2019) (citing *K Mart Corp.* v. *Cartier, Inc.,* 486 U.S. 281, 294 (1988); *Virginia* v. *EPA,* 116 F.3d 499, 500–01 (D.C. Cir. 1997)). To do so, however, the court must find ''the agency would have adopted the same disposition regarding the unchallenged portion of the [rule] if the challenged portion were subtracted.'' *See id.* (citing *Sierra Club* v. *FERC,* 867 F.3d 1357, 1366 (D.C. Cir. 2017) (internal citations and alterations omitted). The court must also find that the parts of the regulation that remain are able to ''function sensibly without the stricken provision.'' *See id.* (citing *Sorenson Commc'ns. Inc.* v. *FCC,* 755 F.3d 702, 710 (D.C. Cir. 2014) (quoting *MD/DC/DE Broads. Ass'n* v. *FCC,* 236 F.3d 13, 22 (D.C. Cir. 2001) (internal quotations omitted)).

The LM form revisions adopted from the 2020 NPRM and the threshold revisions adopted from the 2025 NPRM rest on separate rulemaking records, separate comment periods, and separate rationales. The Department would have adopted the 2020 NPRM's form revisions, including the new Form LM–2 Long Form, the revised Form LM–2, and the parallel revisions to Form LM–3, independently of the 2025 NPRM's

threshold revisions, and would have adopted the 2025 NPRM's threshold revisions independently of the 2020 NPRM's form revisions. If any aspect of the 2020 NPRM's finalization is stayed, vacated, enjoined, or held invalid or unenforceable, including on any procedural ground specific to the 2020 NPRM, the Department intends that the 2025 NPRM's threshold revisions remain in effect. Conversely, if any aspect of the 2025 NPRM's threshold revisions is stayed, vacated, enjoined, or held invalid or unenforceable, the Department intends that the 2020 NPRM's form revisions remain in effect.

The Department would have adopted each of the two principal form-revision components from the 2020 NPRM independently of the others: (i) the new Form LM–2 Long Form, applicable to labor organizations with annual receipts of $40,000,000 or more; and (ii) the revised Form LM–2. The parallel revisions to Form LM–3 are intended to follow the corresponding Form LM–2 revisions they mirror and remain operative to the extent those revisions remain in effect. Within each LM form, the Department would also have adopted each individual revision independently of the others. These include, among others, the new question on payments to officers and employees from multiple labor organizations (Item 10(b)); the revised loss-or-shortage inquiry (Item 13); the new disclosure of the date of the labor organization's current constitution and bylaws (Item 18(b)); the trusteeship checkbox (Item 3(d)); the separate reporting of officer and employee disbursements (Items 70 and 71); the separate reporting of retired members (Schedule 15); the new Foreign Transactions schedule (Schedule 32) on the Form LM–2 Long Form; the division of the prior items addressing sale of investments and fixed assets, representational activities, political activities and lobbying, and purchase of investments and fixed assets, into the separate items and schedules described in this preamble; the new supporting schedules for the receipts and disbursements categories described above; and the increase of the itemization threshold for accounts receivable and accounts payable from $5,000 to $7,500. Each addresses a discrete reporting gap or transparency objective identified in the rulemaking record. Each can be implemented and enforced standing alone, and the Department's rationale for adopting each, as set forth in the corresponding section of this preamble, does not depend on the adoption of any other. The Department would have adopted each independently of the others.

The Department would have adopted the increase of the Form LM–2 filing threshold from $250,000 to $350,000 independently of the increase of the Form LM–3 filing threshold from $10,000 to $25,000, and vice versa. As explained in this preamble, each threshold change is independently supported by inflation analysis and burden-reduction considerations specific to that form. The $350,000 Form LM–2 threshold is calibrated to the 1963 baseline as adjusted by the CPI through 2026, while the $25,000 Form LM–3 threshold is calibrated to the 1992 baseline established when Form LM–4 was introduced. The Department would have adopted either threshold change on its own grounds even if the other had not been finalized.

The revisions to 29 CFR parts 402, 403, and 408 that this rule makes, namely the revisions to sections 403.3 (establishing the Form LM–2 and Form LM–2 Long Form requirements) and 403.4(a) (establishing the Form LM–3 and Form LM–4 thresholds), and the related revisions to sections 402.5(a), 403.5(a) and (b), 403.8(b)(1), 408.5, and 408.7, are each independently supported by the LMRDA and by the rationales set forth in the corresponding sections of this preamble. The Department would have adopted each such regulatory revision independently of the others. Where the Department has made related cross-reference or renumbering changes that exist solely to implement a particular substantive provision of this rule, for example, the references to the Form LM–2 Long Form added to sections 402.5(a), 403.5(a), 403.5(b), 403.8(b)(1), 408.5, and 408.7, the Department intends those technical changes to follow the substantive provision they implement. The changes remain operative to the extent that provision remains in effect, and the Department does not intend that the invalidation of any such technical change disturb any substantive provision of this rule.

The Department further concludes that the remaining provisions would continue to function sensibly absent any individual provision that might be stayed, vacated, enjoined, or held invalid or unenforceable. The Forms LM–2 Long Form, LM–2 and LM–3 are designed to operate in parallel; each separately advances the LMRDA's transparency and disclosure objectives, and none is conditioned on the others. The revised filing thresholds for Forms LM–2 and LM–3 simply determine which form a given labor organization files and operate independently of the content of any particular form. The individual items, schedules, and instructions within each form establish discrete reporting requirements that regulated entities can implement, and the Department can continue administering and enforcing, on a provision-by-provision basis, consistent with the LMRDA and the objectives described in this preamble. *See Belmont Mun. Light Dep't* v. *FERC,* 38 F.4th 173, 187–88 (D.C. Cir. 2022); *see also Davis Cnty. Solid Waste Mgmt.* v. *EPA,* 108 F.3d 1454, 1459 (D.C. Cir. 1997).

Accordingly, the Department intends that, if any provision of this final rule, including any item, schedule, instruction, threshold, definition, regulatory revision to 29 CFR parts 402, 403, or 408, or related cross-reference or renumbering change, or the application of any provision to any person or circumstance, is stayed, vacated, enjoined, or held invalid or unenforceable, the remaining provisions and their application to other persons or circumstances shall remain in effect to the maximum extent permitted by law.

V. Effective Date

This final rule will take effect July 1, 2026, and applicable prospectively to labor organizations whose fiscal years begin on or after July 1, 2026. Labor organizations required to file the Form LM–2 Long Form must do so for the first fiscal year in which they meet or exceed the $40,000,000 threshold commencing on or after the effective date. Labor organizations subject to revised Forms LM–2, LM–3, and LM–4 thresholds must also comply beginning with the first fiscal year commencing on or after the effective date.

The prospective application means that organizations will not be required to retroactively refile prior year reports under the new requirements. For example, if the effective date is specified as applying to fiscal years beginning on or after January 1, 2027, an organization with a calendar year fiscal year would first file the Form LM–2 Long Form (if it meets the threshold) for its fiscal year ending December 31, 2027, due in 2028.

Multiple commenters urged the Department to finalize the rule quickly and make it effective immediately upon publication. One policy center stated, ''We would encourage the department to accelerate the implementation of this rule by making it effective upon publication in the **Federal Register**.''

Comments from labor organizations and accounting firms had opposite

opinions on the effective date for this rule and requested ample lead time before the Department implements the rule. Most labor organizations requested at least a year before implementation, with some labor organizations requesting at least two years to get accounting procedures and systems set up to comply with the new Form LM–2 Long Form and revised Form LM–2. Multiple commenters also recommended an 18-month implementation period given the extensive system changes required.

While the Department does not agree with commenters who recommended an immediate effective date, it has decided to adopt its proposal that labor organizations receive a 30-day implementation period and that the effective date will begin for the first fiscal year following. A labor organization subject to the new Form LM–2 Long Form or revised Form LM–2 will not actually file anything with the Department for at least one year at minimum, and most labor organizations would have at least a year and a half. The Department also notes that most large labor organizations already track many of the new transactions that require itemization, and it is only a matter of altering the amount reported. With the widespread use of adaptable technologies for labor organizations, a labor organization is much more adaptable to changes in its annual financial reporting than in the past. As such, the Department rejects the commenters requesting an extension of the effective date and adopts a 30-day implementation period and an effective date beginning with the first fiscal year afterwards.

The Department recognizes that labor organizations may require time to update accounting systems, internal controls, and reporting practices to comply with the revised forms and instructions. Organizations may need to:

- Modify charts of accounts to separately track organizing versus contract administration expenses.
- Update accounting software to capture political activities separately from lobbying.
- Implement systems to track purchaser/seller information and transaction dates for investments and fixed assets.
- Train staff on new schedules and requirements.
- Revise internal policies and procedures for financial reporting.
- Update controls for the updated $7,500 aging schedule thresholds.

Accordingly, the effective date is structured to allow organizations to prepare prospectively rather than requiring retroactive reporting. The Department concludes that this implementation framework appropriately balances the need for timely transparency enhancements with the practical realities of compliance and administrative transition.

VI. Regulatory Procedures

a. Review Under Executive Order 12866, Regulatory Planning and Review, Executive Order 13563, Improving Regulation and Regulatory Review, and Executive Order 14192, Unleashing Prosperity Through Deregulation

Executive Order (E.O.) 12866, ''Regulatory Planning and Review,'' 58 FR 51735 (Oct. 4, 1993), requires agencies, to the extent permitted by law, to (1) propose or adopt a regulation only upon a reasoned determination that its benefits justify its costs (recognizing that some benefits and costs are difficult to quantify); (2) tailor regulations to impose the least burden on society, consistent with obtaining regulatory objectives, taking into account, among other things, and to the extent practicable, the costs of cumulative regulations; (3) select, in choosing among alternative regulatory approaches, those approaches that maximize net benefits; (4) to the extent feasible, specify performance objectives, rather than specifying the behavior or manner of compliance that regulated entities must adopt; and (5) identify and assess available alternatives to direct regulation, including providing economic incentives to encourage the desired behavior, such as user fees or marketable permits, or providing information upon which choices can be made by the public. OMB has determined that this rule is significant under section 3(f) of E.O. 12866.

Executive Order 13563 directs agencies to, among other things, propose or adopt a regulation only upon a reasoned determination that its benefits justify its costs; that it is tailored to impose the least burden on society, consistent with obtaining the regulatory objectives; and that, in choosing among alternative regulatory approaches, the agency has selected those approaches that maximize net benefits, 76 FR 3821 (Jan. 21, 2011). Executive Order 13563 recognizes that some costs and benefits are difficult to quantify and provides that, when appropriate and permitted by law, agencies may consider and discuss qualitative values that are difficult or impossible to quantify, including equity, human dignity, fairness, and distributive impacts.

Executive Order 14192, titled ''Unleashing Prosperity Through Deregulation,'' was issued on January 31, 2025. This rule is expected to be an E.O. 14192 deregulatory action.

The Department initially estimates that based on OLMS FY 2024 filing data,[29] ninety-nine prior Form LM–2 filers will begin filing the Form LM–2 Long Form. Based on this same data, the Department expects that due to modifications to the filing thresholds, 511 prior Form LM–2 filers will begin filing Form LM–3; and 2,089 prior Form LM–3 filers will begin filing Form LM–4.[30] This leads to total estimates of 99 Form LM–2 Long Form filers; 4,310 revised Form LM–2 filers; 7,960 Form LM–3 filers; and 8,178 Form LM–4 filers.[31]

[29] *See https://www.dol.gov/agencies/olms/data.*

[30] *Id.*

[31] *Id.*

TABLE 3—Estimated Number of Annual Filings by Form Type

Form Type	Number
Form LM-2 Long Form	99
Revised Form LM-2	4,310
Form LM-3 (Prior LM-2 Filers)	511
Form LM-3 (Maintained Filers)	7,449
Form LM-4 (Prior LM-3 Filers)	2,089

i. Costs

Consistent with its approach in other rulemakings, the Department has prepared an estimate of regulatory familiarization costs, all of which would occur within the first year of the rule's implementation. Adopting new regulations and revising existing labor organization annual financial disclosure reports and instructions would impose a one-time regulatory familiarization cost on affected labor organizations. To estimate these regulatory familiarization costs, the Department determined: (1) the number of potentially affected entities; (2) the average hourly compensation of the employees reviewing the regulation; and (3) the amount of time required to review the regulations.

Upon effective implementation of the Final Rule, labor organizations will be required to become acquainted with the new LM Form requirements. This necessity will incur a one-time cost in the inaugural year that the new forms are utilized. To project the first-year costs of rule familiarization, the Department used OLMS records to obtain the total number of current filers (22,483).[32] This figure was multiplied by the estimated time required for rule review (15 min)[33] and then multiplied by the hourly compensation rate of a Union President ($46.93 per hour).[34] This calculation yields a one-time undiscounted cost of $263,787 in the first year of the rule's enactment. The annualized cost over the ten-year span is projected at approximately $27,170 and $28,225, evaluated at discount rates of 3 percent and 7 percent, respectively.

In addition to the rule familiarization costs, the rule imposes certain one-time implementation costs on labor organizations that must file the new Form LM–2 Long Form or the revised Form LM–2. These costs are associated with modifying existing accounting systems and internal recordkeeping processes to capture the categories of information required by the new and revised schedules. The Department recognizes that these system modifications represent meaningful up-front costs, as well as recurring costs to maintain them; however, the Department cannot accurately estimate these costs due to data limitations.

The final rule is also expected to impose new burdens on the Department of Labor. To assist labor organizations in managing the transition to the new and revised forms, the Department will provide extensive technical assistance throughout the implementation period. This assistance will include publishing detailed instructions that accompany the new Form LM–2 Long Form and the revised Form LM–2, written to provide clear, practical guidance on completing each new and modified schedule. The Department will conduct educational webinars to walk filers through the new requirements, address common questions, and illustrate how the revised forms interact with labor organizations' existing recordkeeping systems.

ii. Cost-Savings

As explained in the Paperwork Reduction Act (PRA) section below, the Department has updated its estimate for the time required to fill out the annual forms, which has resulted in an overall reduction in burden hours for the regulated community, namely by omitting the burdensome functional reporting requirement. The following paragraphs discuss the amount of cost-savings by form. The Form LM–2 Long Form is estimated to take 680.76 hours during the first year and 495.80 hours per response for each year afterward. The prior Form LM–2 had a 530.20 hours per response burden estimate. For the 99 new Form LM–2 Long Form filers, as compared to the annual cumulative reporting burden of the prior Form LM–2, the update to this estimate results in a total increase of first-year burden of 14,905.44 total reporting hours, followed by 3,405.60 fewer reporting hours annually for each year afterwards. Multiplying this by the estimated hourly rate[35] it takes to file the Form LM–2 Long Form, $63.92.[36]

[32] Historical Filing Data | U.S. Department of Labor

[33] This estimate reflects the nature of the final rule. As a rulemaking to amend parts of an existing regulation, rather than to create a new rule, the 15-minute estimate assumes a high number of readers familiar with the existing regulation.

[34] Wage rates for union officials are derived from 2024 OLMS data; more specifically, the president and treasurer wage rates are determined from FY 24 Form LM–2/LM–3 report filings.

[35] The estimated average hourly rate is based on average hourly salaries of union officers from data collected by OLMS and non-labor organization salaries derived from the Bureau of Labor Statistic (BLS) Occupational Employment and Wages Surveys at: *https://www.bls.gov/news.release/pdf/ocwage.pdf.* To account for fringe benefits, these salaries are multiplied by 1.42 (rounded), which is derived from dividing the hourly benefit cost by the hourly wage and salary published by BLS at: *https://www.bls.gov/news.release/ecec.nr0.htm.*

[36] The weighted average calculates the wage rate per hour weighted according to the percentage of time that the Form LM–2 Long Form will take for each official/employee: 96% of the Form LM–2 Long Form burden hours are estimated to be

The estimated cost difference for new Form LM–2 Long Form filers is a total of $952,756 in cost for the first year, and total savings of $217,686 for each year afterwards.

The revised Form LM–2 is estimated to take 434.64 hours during the first year after this final rule and 343.10 hours per response for each year afterward. On a recurring basis, this leads to a decrease of 34.4 hours for new Form LM–2 Long Form filers and a decrease of 187.1 hours for revised Form LM–2 filers, as both categories previously filed the prior Form LM–2 that had a 530.20 hours per response burden estimate. The 4,310 previous Form LM–2 filers who are not affected by any threshold change still benefit from the reduced burden of filing revised Form LM–2 in the first year by a total of 411,863.6 fewer hours, and 806,401 fewer reporting hours annually thereafter. Based on the estimated hourly rate to file revised Form LM–2, $63.12,[37] the proposed total cost savings to these revised Form LM–2 filers due to decreased burden estimates is a total of $25,996,830 saved in the first year and a total of $50,900,031 saved for each year afterward.

Form LM–3 estimate is updated to 105.74 hours the first year and 103.24 hours for each year afterward, which is an increase of 0.5 hours from the current recurring estimate (102.74 hours), and Form LM–4 estimate remains the same at 9.18 hours per response. As part of the final rule, an estimated 511 previous Form LM–2 filers will now file Form LM–3. These filers should each expect an annual decreased burden cost of 424.46 hours during the first year and 426.96 hours each year afterwards, for a total reduction of 216,899.06 hours the first year and 218,176.56 hours each year after. However, this must also be considered with the 7,449 Form LM–3 filers unaffected by the threshold. Those filers should expect a 3-hour increase in burden in the first year and a .5 hour increase annually for every year past the first. This leads to a total estimated increase of 22,497 hours the first year and 3,750 hours afterwards. In total, the new estimated group of Form LM–3 filers should expect a total decrease of 194,402 burden hours the first year of reporting after this final rule, and a decrease of 214,427 for each year after. Using the estimated hourly rate it takes to file Form LM–3, $46.89,[38] this leads to estimated savings of $9,115,513 in the first year and $10,054,485 every year following.

An estimated 2,089 previous Form LM–3 filers will begin filing Form LM–4. These filers would have a decreased annual burden of 93.56 hours per form, for a total estimated reduction of 195,446.84 burden hours. At the anticipated hourly rate for Form LM–4, $44.83 [39] this leads to expected total savings of $8,761,882.

Table 4: Estimated Cost Savings for Updated Filing Requirements

Year	Total Cost Savings
1	$ 44,826,980.59
2	$ 69,498,711.85
3	$ 69,498,711.85
4	$ 69,498,711.85
5	$ 69,498,711.85
6	$ 69,498,711.85
7	$ 69,498,711.85
8	$ 69,498,711.85
9	$ 69,498,711.85
10	$ 69,498,711.85
Annualized Cost Savings	
Undiscounted Annualized Cost Savings	$67,031,538.72
Cost w/3% Discount	$68,691,393.65
Cost w/7% Discount	$70,850,922.19

completed by an accountant (SOC: 13–2011; $45.56 base wage), 2% by a bookkeeper or clerk (SOC: 43–3031; $25.75 base wage), 1% by the labor organization's president ($47.27 base wage), and 1% by the labor organization's secretary/treasurer ($38.23 base wage). [(($45.56 * 0.96) +($25.75 * 0.02) +($47.27 * 0.01) + ($38.23 * 0.01) * 1.42)] = 63.92 in 2025 dollars. Wage estimates for LM–2 President and LM—2 Secretary/Treasurer, are based on OLMS 2013 Filing data. These wages were inflated to $2025 using a GDP deflator [Q4 2013 to Q4 2025] Gross Domestic Product: Implicit Price Deflator (GDPDEF) | FRED | St. Louis Fed.

[37] *See id*. For the Form LM–2, the Department estimates 90% of burden are hours will be completed by an accountant (SOC: 13–2011; $45.56, 5% by a bookkeeper or clerk (SOC: 43–3031; $25.75, 4% by the labor organization's secretary/treasurer ($38.23 Base Wage), and 1% by the labor organization's president (47.27). [(($45.56 * 0.90) + ($25.75 + 0.05) + ($47.27 * 0.01) + ($38.23 * 0.04) * 1.42)] = 63.12 in 2025 dollars.

[38] *See id*. For the Form LM–3, the Department estimates 22% of burden are hours will be completed by an accountant (SOC: 13–2011: $45.56), 28% by a bookkeeper or clerk (SOC: 43–3031; $25.75), 48% by the labor organization's secretary/treasurer ($31.57), and 2% by the labor organization's president ($31.57). [(($45.56 * 0.22) + ($25.75 + 0.28) + ($31.57 * 0.48) + ($31.57 * 0.02) * 1.42)] = 46.89 in 2025 dollars.

[39] *See id*. For the Form LM–4, the Department estimates 99% of burden are hours will be completed by the labor organization's secretary/treasurer ($31.57), and 1% by the labor organization's president ($31.57). $31.57 * 1.42 = 44.83.

The Department is conducting its analysis with the best available information at the time of drafting. The Department's comprehensive burden analysis in the 2003 final rule that created the prior versions of Forms LM–2, LM–3, and LM–4 has served as the baseline for the Department's burden estimates for the past two decades. This baseline burden estimate represents what the Department believes is the accepted baseline burden associated with the new and newly revised forms, as evidenced by the Department's active information collections over the past two decades (OMB 1245–0003).

Separate to this rulemaking, given technological changes since 2003, the Department will be conducting scientific studies to assess burden estimates. In February and March 2026, the Department began two related studies that will take approximately one and two years to complete, respectively, to build the knowledge base about the LM form filing process and assess the burden on labor organizations in filing annual reports, particularly in light of new software and other technology available to filers.[40] For the reasons cited in this rule, the Department has sufficient information on burden without the results of these studies to determine that the thresholds for prior Forms LM–2, LM–3, and LM–4 need to be changed to address inflation and the Form LM–2 Long Form should be established to promote further transparency and financial integrity. The Department has made cautious burden estimates that, by design, are more likely to overstate than understate the reporting burden on labor organizations filing their annual reports. Even if the Department lowered its burden estimates by assuming more time savings to labor organizations from technology advances, the Department's estimates would be lower for all labor organizations in a proportional manner and the Department would adopt the same thresholds identified in this rule for the reasons described, including that the most detailed reporting should be for the largest labor organizations. The Department believes its estimates to be sound and derived from the best available information at this time.

iii. Summary of Costs and Cost Savings

The below table (Table 5) presents a summary of the costs and cost savings associated with this final rule.

Table 5: Estimated Costs and Cost Savings ($2024)

Fiscal Year	Costs	Cost Savings	Net Cost Savings
2026	$ 263,787	$ 44,826,981	$ 44,563,193
2027	$ 0	$ 69,498,712	$ 69,498,712
2028	$ 0	$ 69,498,712	$ 69,498,712
2029	$ 0	$ 69,498,712	$ 69,498,712
2030	$ 0	$ 69,498,712	$ 69,498,712
2031	$ 0	$ 69,498,712	$ 69,498,712
2032	$ 0	$ 69,498,712	$ 69,498,712
2033	$ 0	$ 69,498,712	$ 69,498,712
2034	$ 0	$ 69,498,712	$ 69,498,712
2035	$ 0	$ 69,498,712	$ 69,498,712
Annualized, 3 percent discount rate	$ 27,170	$ 68,691,394	$ 68,660,470
Annualized 7 percent discount rate	$ 28,225	$ 70,850,922	$ 70,813,365
Total, 3 percent discount rate	$ 271,701	$ 585,951,521	$ 585,687,733
Total, 7 percent discount rate	$ 282,253	$ 497,627,229	$ 497,363,442

The Department thus projects that this rule will produce an annualized net cost savings of $68,660,470 and $70,813,365 at a 3 percent and 7 percent discount rate respectively. Using a perpetual time horizon for cost comparisons, the Department estimates that the annualized net cost savings amount to $60,870,760 in 2024 dollars, using a 7 percent discount rate.

iv. Benefits

The final rule enhances transparency for labor organization members, the Department, and the public regarding the financial activities of labor organizations. Under the revised reporting framework, members are better positioned to monitor their union's financial affairs, make informed choices about leadership, and exercise their legally guaranteed rights under the LMRDA. The new Form LM–2 Long Form in particular provides members of the largest labor organizations with more granular data on how their elected leaders receive and spend member funds, enabling more effective participation in the democratic governance of their organizations.

[40] These studies are in their early stages. The first study uses a small number of interviews and focus groups to understand the challenges unions experience when preparing and filing LM reports. The second study will build on that information to assess burden estimates in more detail and provide more insights into challenges in the LM form filing process. In March 2026, as part of the first study, the Department contacted nine unions and nine subject matter experts from various entities, including those in private industry, academia, think tanks, professional associations, and accounting firms to arrange potential discussions. Also in March 2026, the Department met with four of the subject matter experts contacted, all of whom had expertise in technology. These four experts provided the Department with information about their backgrounds and experiences, the challenges they observed with the LM form pre-filing and filing process, and how those challenges varied by form and by type of union completing the forms. The studies are currently paused. The Department expects they will resume later in the year.

The enhancements will help protect union assets from union and management corruption, and aid union members in the governance of their unions. The Department also expects this final rule to reduce compliance burdens, increasing benefits to the public and to American workers by enabling the regulated community to allocate more resources and time to core activities and services.

The final rule also produces significant deterrence and detection benefits with respect to corruption and financial misconduct. A rigorous and detailed reporting regime deters embezzlement and other improper practices before they occur by increasing the likelihood that misconduct will be identified. Where deterrence fails, improved itemization and categorization requirements make it harder for corrupt actors to conceal improper transactions and easier for OLMS investigators to detect them.

The rule also strengthens union democracy and self-governance by making financial information more accessible and intelligible to rank-and-file members. The separation of organizing expenditures from contract negotiation and administration, and the separation of political activities from lobbying, allows members to evaluate whether their union's spending priorities align with their own interests and needs.

The Department acknowledges that the transparency, democratic governance, and anti-corruption benefits of the final rule are not readily susceptible to monetization but finds that the LMRDA's statutory mandate and the Department's extensive enforcement experience provide a sufficient basis for concluding that those benefits are real and substantial, and that they exceed the compliance costs the rule imposes on labor organizations.

v. Regulatory Alternatives

The Department also considered several alternatives as part of this final rule, many of which are addressed more extensively in the preamble. One alternative, not to engage in this rulemaking, was rejected because the LMRDA's goals are not being fully met. As explained in the preamble, members of labor organizations could not accurately determine from the prior Form LM–2 the value of the benefits officials of labor organizations were receiving. Members are also generally unable to discern between spending on political efforts and lobbying or between organizing and contract negotiation expenses. Additionally, without this rule labor organizations would not receive the cost-saving benefits from no longer needing to report the functional time of officers or take advantage of more equitable thresholds for the annual financial forms. Another alternative was to phase in the effective date for these changes and allow filers more time to adapt. The Department has concluded that the effective date for this final rule provides labor organizations with ample time to adjust to modified reporting requirements, and that the sooner this final rule can go into effect the sooner labor organizations and their members can benefit from decreased burden and increased transparency.

b. Regulatory Flexibility Act

The Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) requires preparation of a final regulatory flexibility analysis (FRFA) for any rule that by law must be proposed for public comment, unless the agency certifies that the rule, if promulgated, will not have a significant economic impact on a substantial number of small entities. The Department conducted an initial regulatory flexibility analysis (IRFA) at the 2020 NPRM stage to aid stakeholders in understanding the small entity impacts of this rule and to obtain additional information on the small entity impacts. The Department invited comment from interested persons to offer commentary on the costs and alternatives to reduce the burden on small entities.

According to the SBA, labor organizations under NAICS 81393 are considered small entities if they have annual receipts of $16.5 million or less. 13 CFR 121.201. For this analysis, based on previous standards utilized in other regulatory analyses, the threshold for significance is 3 percent of annual receipts, while a substantial number of small entities would be 20 percent.

The Department is publishing this FRFA in connection with its final rule to (1) revise Form LM–2, (2) revise Form LM–3, (3) implement the Form LM–2 Long Form, and (4) adjust the filing thresholds for labor organization financial reports required by section 201(b) of the LMRDA, 29 U.S.C. 431(b), and 29 CFR 403.4. This rule improves the prior Form LM–2, improves Form LM–3, provides additional transparency regarding the largest of filers through the Form LM–2 Long Form, and realigns the reporting thresholds of each of these forms according to the relative financial complexity of their given labor organizations' operations, respectively. The Department has considered alternatives and, while it has adopted some alternatives offered either directly or upon reflection from commenters (*see* supra c. Comments Received), the Department continues to believe that the pursuit of these initiatives, and any burden incurred, are necessary regulatory changes.

In considering each of the prongs (1) through (4), neither (3), the Form LM–2 Long Form, nor (4), the threshold changes, is relevant to this FRFA.

The Form LM–2 Long Form results in an increase in burden for only a class of large filers that are per se not subject to consideration in FRFA. All 99 of the expected Form LM–2 Long Form filers have at least $40 million in annual receipts, significantly in excess of the $16.5 million SBA standard, rendering the additional burden of this new form entirely outside the scope of this FRFA.

The changes of the thresholds result only in a reduction of unnecessary regulatory burdens on smaller labor organizations. The Department estimates that the increase in reporting thresholds will affect approximately 868 labor organizations that filed prior Form LM–2, and 2,089 that filed prior Form LM–3. The Department believes that all 2,957 of the affected labor organizations may qualify as small entities under the Regulatory Flexibility Act. However, these labor organizations will instead be eligible to file the less burdensome Form LM–3 and Form LM–4, respectively. The Department estimates this will reduce reporting burden by over 567,000 hours annually, yielding estimated cost savings exceeding $21.8 million. Thus, this prong of the final rule does not impose any new reporting, recordkeeping, or other compliance requirements. Rather, it relieves burden by increasing the receipts threshold that determines which financial report must be filed. It does not duplicate, overlap, or conflict with other federal rules.

Thus, out of the four prongs of this rulemaking that affect burden, it is (1) the increasing of the regulatory burden on the revised Form LM–2 filers due to adjustments, and (2) the increase of regulatory burden on the Form LM–3 filers due to revision that are the subject of this FRFA, some of those entities falling into the range of small businesses FRFA's concerned with.

Regarding the first prong, based on the 2024 filings, there will be approximately 4,155 revised Form LM–2 filers between the revised threshold of $350,000 and the SBA size standard of $16.5 million, representing approximately 96.4% of revised Form LM–2 filers. While there are additions being made to the revised Form LM–2 that would otherwise incur burden, these are completely offset by the savings created from the elimination of functional reporting, turning the Form

LM–2 changes into a cost saving, rather than burdensome, rulemaking. The revised Form LM–2 filers thus ultimately do not incur any net costs.

Lastly, regarding the second prong, Form LM–3 incurs one burden increasing cost, namely an additional 30 minutes (or .5 burden hours) of recurring reporting burden for the removal of the exception for indirect disbursements relating to travel expenses. While this cost affects the entirety of the 7,960 Form LM–3 filers after this rulemaking, the cost is well below the significance threshold of 3%. Even for the smallest of the Form LM–3 filers, an entity with receipts of exactly $25,000, .5 hours represents a cost of only $31.56 [.5 × fully loaded wage hour $63.12]. That cost represents only an impact of 0.13% [($31.56/$25,000) × 100], again far below the significance threshold, and all other entities affected would have an increasingly lower impact.

Therefore, this rulemaking has no significant impact on a substantial number of small entities.

c. Paperwork Reduction Act

This statement is prepared in accordance with the PRA, 44 U.S.C. 3501. Concurrent with the publication of this final rule, the Department is submitting an associated information collection request to the Office of Management and Budget (OMB) for approval.

i. Summary

The Department is updating and revising 29 CFR part 402, part 403, and part 408 in order to establish a Form LM–2 Long Form, to improve the revised Form LM–2 in the interest of labor organization financial integrity and transparency, and to reflect necessary economic changes for labor organizations by raising the thresholds for the revised Form LM–2 and Form LM–3.

Previously, unions had to file one of three types of annual financial reports based on the total annual receipts of the union. The annual financial reports varied in the level of detail that had to be reported. The prior Form LM–2 was the most detailed report. Unions with total annual receipts of $250,000 or more and subordinate labor organizations held in trusteeship filed this report, which disclosed certain information items and financial activities in separate line items under assets, liabilities, receipts, and disbursements. Supporting schedules detailed loans, investments, payments to officers and employees, and other data. Disbursements were reported in specified categories (Representational Activities; Political Activities and Lobbying; Contributions, Gifts and Grants; General Overhead; and Union Administration). Certain transactions that equaled or aggregated to $5,000 were separately itemized.

Form LM–3, a less detailed report, was filed by unions with total annual receipts of less than $250,000 (if not in trusteeship). It required the reporting of certain information items, had fewer financial items than Form LM–2, and had no supporting schedules or itemization.

Form LM–4, an abbreviated two-page report, could be filed by unions with annual financial receipts of less than $10,000 (if not in trusteeship). It required the reporting of a limited number of information items and five financial details.

Simplified annual financial reports may be filed by parent unions on behalf of subordinate labor organizations with no assets, liabilities, receipts, or disbursements and that meet certain other conditions.

In promulgating this rule, the Department adds a fourth annual financial report in the Form LM–2 Long Form, which replaces prior Form LM–2 as the most detailed report. This rulemaking also amends the prior Form LM–2 and makes a minor alteration to Form LM–3. It also adjusts the thresholds for Forms LM–2, LM–3, and LM–4 which have not been adjusted for over twenty years. The objective of this final rule is to adapt and modernize the most detailed annual financial reports for labor organizations to maintain and expand upon necessary changes for transparency, while reducing the burden upon labor organizations through form changes and threshold increases.

The Secretary has authority to implement the reporting provisions by regulation. ''The Secretary shall have authority to issue, amend, and rescind rules and regulations prescribing the form and publication of reports required to be filed under this title and such other reasonable rules and regulations (including rules prescribing reports concerning trusts in which a labor organization is interested) as he may find necessary to prevent the circumvention or evasion of such reporting requirements.'' *See* 29 U.S.C. 438.

ii. Form LM–2 Long Form

As part of this final rule, the Department introduces Form LM–2 Long Form. The changes mentioned here affect the burden associated with the new form, and a more complete discussion of various aspects of the revisions are found in the preamble. The Form LM–2 Long Form is required for unions with over $40 million in total annual receipts and is the most detailed annual financial report a labor organization could file. The Form LM–2 Long Form is based upon the prior Form LM–2 with the changes noted below.

In new Item 3(d), the union reports whether it was in trusteeship. New Item 10(b) requires the labor organization to report whether certain officers or employees received payment from another labor organization. New Item 18(b) requires reporting of the date of the labor organization's current constitution and bylaws.

The Department is increasing the itemization threshold for Schedule 1—Accounts Receivable Aging Schedule and Schedule 10—Accounts Payable Aging Schedule (prior Schedule 8). This is to reflect inflation since this itemization was introduced in 2003, and because the Form LM–2 Long Form is specific to larger labor organizations with numerous transactions.

The Department divides the previous Schedule 3—Sale of Investments and Fixed Assets into two schedules. The first is a new Schedule 3—Sale of Investments. The second is the new Schedule 4—Sale of Fixed Assets. Each of these schedules now require itemization for purchasers who paid the labor organization over $5,000. In the new Schedule 3—Sale of Investments, the Department adds two new columns. The first new column, entitled ''Name and Address of Purchaser or Financial Management Firm (A),'' discloses the purchasers of investments from the labor organization. A second new column ''Date of Sale (C)'' discloses the date of the sale. The other columns (Description; Cost; Book Value; Gross Sales Price; and Amount Received) remain the same but are designated with different letters, to accommodate the two new columns.

The second part of the divided schedule is the new Schedule 4—Sale of Fixed Assets. As in the case of new Schedule 3, the Department adds two new columns to Schedule 4—Sale of Fixed Assets. The first new column entitled ''Name and Address of Purchaser (A)'' discloses the purchasers of fixed assets from the labor organization. A second new column ''Date of Sale (C)'' discloses the date of the sale. In addition, the Department requires labor organizations to identify automobiles individually by make, model, and year. This information is listed under prior Column A (Description), now redesignated in

Column B (Description). This change also results in splitting the prior Form LM–2 Item 43—Sale of Investments and Fixed Assets into Item 43—Sale of Investments and Item 44—Sale of Fixed Assets.

The previous Schedule 4 is also divided. The Department breaks this schedule into two: New Schedule 5—Purchase of Investments and new Schedule 6—Purchase of Fixed Assets. Each of these schedules now requires itemization for sellers to whom the labor organization paid over $5,000. In the new Schedule 5—Purchase of Investments, the Department adds two new columns. The first new column entitled ''Name and Address of Seller or Financial Management Firm (A)'' discloses the identity of the seller of investments to the labor organization. A second new column ''Date of Purchase (C)'' discloses the date of the purchase.

Likewise, the Department adds two new columns to new Schedule 6—Purchase of Fixed Assets. The first new column entitled ''Name and Address of Seller (A)'' discloses the identity of the seller of fixed assets to the labor organization. A second new column ''Date of Purchase (C)'' discloses the date of the purchase. In addition, the Department requires that the union identify automobiles individually by make, model, and year. This information is listed under prior Column A (Description), now redesignated in Column B (Description) This split also results in splitting of prior Form LM–2 Item 60—Purchase of Investments and Fixed Assets into the new Item 63—Purchase of Investments and Item 64—Purchase of Fixed Assets.

On the newly numbered Schedule 13—All Officers and Disbursements to Officers and Schedule 14—Disbursements to Employees, the Department eliminates the use of functional time reporting and removes the exception for indirect disbursements for travel-related expenses. The Department also adds a new column titled ''Benefits'' which covers disbursements to officers and employees related to benefits.

For Schedule 15—Membership Status, the Department now requires a labor organization to include the reporting of retiree members.

The Department additionally divides the previous Form LM–2 Schedule 15—Representational Activities into two and renumbers them Schedule 24 and Schedule 25. The first is designated Schedule 24—Contract Negotiation and Administration. The second is Schedule 25—Organizing. On new Schedule 24, the labor organization reports disbursements associated with the negotiation of collective bargaining agreements and the administration and enforcement of collective bargaining agreements. On new Schedule 25, the labor organization reports disbursements associated with efforts to become the exclusive bargaining representative for any unit of employees, to keep from losing a unit of employees in a decertification election or to another labor organization, or to recruit new members. The previous Form LM–2 Schedule 16—Political Activities and Lobbying is also renumbered and divided into two schedules. On new Schedule 26—Political Activities, labor organizations report disbursements for political activities. On new Schedule 27—Lobbying, the labor organization reports lobbying disbursements. These changes also result in the splits of Items, with the prior Item 50—Representational Activities becoming the new Item 51—Contract Negotiation and Administration and Item 52—Organizing, and the prior Item 51—Political Activities and Lobbying becoming the new Item 53—Political Activities and Item 54—Lobbying.

The Department also adds new schedules that coincide with the items of cash receipts listed on Statement B. Stated otherwise, seven categories of receipts were reported as seven aggregate, lump sums. Under this final rule, they are supported by schedules. These schedules represent new requirements that labor organizations itemize the individual categories of receipts aggregated to $5,000 or more from any one source. The labor organization is required to complete a separate itemization schedule for each individual or entity from which the labor organization has received $5,000 or more. Each transaction from that individual or entity is accompanied by information about the individual, the purpose of the payment, the date of the payment, and the amount of the payment. The total amount received from the individual or entity, both itemized and non-itemized, is included at the bottom of the itemized schedule. The totals from each itemized schedule are then added together and that number is entered in the appropriate item on Statement B.

These additional schedules correspond to the following categories of receipts:

- Dues and Agency Fees;
- Per Capita Tax;
- Fees, Fines, Assessments, Work Permits;
- Sale of Supplies;
- Rents;
- On Behalf of Affiliates for Transmittal to Them; and
- From Members for Disbursement on Their Behalf.

The Department also adds a new Schedule 32—Foreign Transactions to Form LM–2 Long Form. This schedule requires reporting if the labor union engages in a transaction with a foreign entity or a foreign individual. The labor organization reports any individual transaction, receipt or disbursement, of $5,000 or more, and any total receipts and/or total disbursements that aggregate to $5,000 or more during the reporting period derived from a foreign entity or individual.

The Department renumbers Schedules 14 through 19 as Schedules 23 through 30 on Form LM–2 Long Form. (The two extra schedules are the result of dividing into two the schedules for Representational Activities and Political Activities and Lobbying.) As in the previous Form LM–2, under these newly renumbered schedules, all ''major'' disbursements during the reporting period in the various categories would be separately identified. A major disbursement includes (1) any individual disbursement of $5,000 or more, or (2) total disbursements to any single entity or individual that aggregates to $5,000 or more during the reporting period. All other disbursements in these schedules would continue to be aggregated.

The current information collection (OMB Control Number 1245–0003) estimates the burden of the prior Form LM–2 at 530.20 hours per response (140.20 reporting + 390.00 recordkeeping), with 4,811 estimated annual respondents, a baseline total of 2,550,792.20 burden hours per year. The 99 organizations that will file the new Form LM–2 Long Form are currently included in that Form LM–2 baseline, contributing 52,489.80 hours of baseline burden (530.20×99). Under this final rule, those 99 organizations will instead file the Form LM–2 Long Form at a recurring per-response burden of 495.80 hours and a first-year per-response burden of 680.76 hours, which includes 184.96 hours of one-time nonrecurring burden for rule familiarization, accounting-system modifications, and personnel training. The Form LM–2 Long Form line of the collection will therefore generate 49,084.20 recurring burden hours per year (495.80×99) and 67,395.24 hours in the first year (680.76×99). Compared to the baseline, this represents a recurring decrease of 3,405.60 hours per year and a first-year increase of 14,905.44 hours, with the first-year figure attributable entirely to one-time transition costs. The per-

response burden buildup is set out in section vi. below.

iii. Revised Form LM–2

The Department is also revising Form LM–2 as part of this final rule. The changes mentioned here affect the burden associated with the new Form, and a more complete discussion of various aspects of the proposed revisions are found in the preamble. It mirrors the prior Form LM–2, except for the following changes. Revised Form LM–2 has an amended threshold based on the 2020 NPRM and the 2025 NPRM, increasing by $100,000 in order to require any labor organization with annual receipts of $350,000 up to $40 million to file this Form.

In new Item 3(d), the union reports whether it was in trusteeship. New Item 10(b) requires the labor organization to report whether certain officers or employees received payment from another labor organization. New Item 18(b) requires reporting of the date of the labor organization's current constitution and bylaws.

The Department is increasing the itemization threshold for Schedule 1—Accounts Receivable Aging Schedule and Schedule 10—Accounts Payable Aging Schedule (prior Schedule 8). This is to reflect inflation since this itemization was introduced in 2003.

The Department divides the previous Schedule 3—Sale of Investments and Fixed Assets into two schedules. The first is the new Schedule 3—Sale of Investments. The second is the new Schedule 4—Sale of Fixed Assets. Each of these schedules now requires itemization for purchasers who paid the labor organization $5,000 or more. In the new Schedule 3—Sale of Investments, the Department adds two new columns. The first new column, entitled ''Name and Address of Purchaser or Financial Management Firm (A),'' discloses the purchasers of investments from the labor organization. A second new column ''Date of Sale (C)'' discloses the date of the sale. The other columns (Description; Cost; Book Value; Gross Sales Price; and Amount Received) remain the same but are designated with different letters, to accommodate the two new columns.

The second part of the divided schedule is the new Schedule 4—Sale of Fixed Assets. As in the case of new Schedule 3, the Department adds two new columns to Schedule 4—Sale of Fixed Assets. The first new column entitled ''Name and Address of Purchaser (A)'' discloses the purchasers of fixed assets from the labor organization. A second new column ''Date of Sale (C)'' discloses the date of the sale. In addition, the Department requires labor organizations to identify automobiles individually by make, model, and year. This information is listed under prior Column A (Description), now redesignated as Column B (Description). This change also results in splitting the previous Form LM–2 Item 43—Sale of Investments and Fixed Assets into Item 43—Sale of Investments and Item 44—Sale of Fixed Assets.

The previous Schedule 4 is also divided. The Department breaks this schedule into two: New Schedule 5—Purchase of Investments and new Schedule 6—Purchase of Fixed Assets. Each of these schedules now requires itemization for sellers to whom the labor organization paid over $5,000. In the new Schedule 5—Purchase of Investments, the Department adds two new columns. The first new column entitled ''Name and Address of Seller or Financial Management Firm (A)'' discloses the identity of the seller of investments to the labor organization. A second new column ''Date of Purchase (C)'' discloses the date of the purchase.

Likewise, to new Schedule 6—Purchase of Fixed Assets, the Department adds two new columns. The first new column entitled ''Name and Address of Seller (A)'' discloses the identity of the seller of fixed assets to the labor organization. A second new column ''Date of Purchase (C)'' discloses the date of the purchase. In addition, the Department requires that the union identify automobiles individually by make, model, and year. This information is listed under prior Column A (Description), now redesignated as Column B (Description). This change also results in splitting the prior Form LM–2 Item 60—Purchase of Investments and Fixed Assets into the new Item 63—Purchase of Investments and Item 64—Purchase of Fixed Assets.

On the new Schedule 13—All Officers and Disbursements to Officers and Schedule 14—Disbursements to Employees, the Department eliminates the use of functional time reporting and removes the exception for indirect disbursements for travel-related expenses. For Schedule 15—Membership Status, the Department now requires a labor organization to include the reporting of retired members.

The Department additionally divides the previous Form LM–2 Schedule 15—Representational Activities into two and renumbers them Schedule 17 and Schedule 18. The first is designated Schedule 17—Contract Negotiation and Administration. The second is Schedule 18—Organizing. On new Schedule 17, the labor organization reports disbursements associated with the negotiation of collective bargaining agreements and the administration and enforcement of collective bargaining agreements. On new Schedule 18, the labor organization reports disbursements associated with efforts to become the exclusive bargaining representative for any unit of employees, to keep from losing a unit of employees in a decertification election or to another labor organization, or to recruit new members. The previous Form LM–2 Schedule 16—Political Activities and Lobbying is also renumbered and divided into two schedules. On new Schedule 19, labor organizations report disbursements for political activities. On new Schedule 20, the labor organization reports lobbying disbursements. These changes also result in the splitting of items, with the prior Item 50—Representational Activities becoming the new Item 51—Contract Negotiation and Administration and Item 52—Organizing, and the prior Item 51—Political Activities and Lobbying become the new Item 53—Political Activities and Item 54—Lobbying.

Against the current ICR baseline of 530.20 hours per response × 4,811 filers (2,550,792.20 hours per year), the revised Form LM–2 will apply to 4,310 filers, reflecting the shifting of 99 large filers to the Form LM–2 Long Form and 511 smaller filers to Form LM–3, partially offset by adjustments in the updated FY 2024 filing universe. The recurring per-response burden of the revised Form LM–2 is 343.10 hours, a per-response decrease of 187.10 hours relative to the prior Form LM–2. The first-year per-response burden is 434.64 hours, which includes 91.54 hours of one-time nonrecurring burden for familiarization, accounting-system modifications, and personnel training. The revised Form LM–2 will therefore generate 1,478,761.00 recurring burden hours per year (343.10 × 4,310) and 1,873,298.40 hours in the first year (434.64 × 4,310). Compared to the baseline, this represents a recurring decrease of 1,072,031.20 hours per year and a first-year decrease of 677,493.80 hours. The per-response burden buildup is set out in section vi. below.

iv. Form LM–3

For Item 24—All Officers and Disbursements to Officers on Form LM–3, the Department removes the exception for indirect disbursements for travel-related expenses.

The current ICR baseline (OMB Control Number 1245–0003) estimates the burden of Form LM–3 at 102.74

hours per response (38.74 reporting + 64.00 recordkeeping), with 10,837 estimated annual respondents — a baseline total of 1,113,393.38 burden hours per year. Under this final rule, Form LM–3 will apply to 7,960 filers, reflecting the migration of 2,089 of the smallest Form LM–3 filers to Form LM–4 under the new $25,000 threshold and the addition of 511 former Form LM–2 filers under the new $350,000 Form LM–2 threshold, together with adjustments in the updated FY 2024 filing universe. The recurring per-response burden of Form LM–3 is 103.24 hours (a 0.5-hour per-response increase reflecting the new requirement to track and report indirect disbursements for travel-related expenses), and the first-year per-response burden is 105.74 hours, which includes 2.5 hours of one-time nonrecurring burden for familiarization with the revised instructions and adjustment of accounting practice. The Form LM–3 line of the collection will therefore generate 821,790.40 recurring burden hours per year ($103.24 \times 7{,}960$) and 841,690.40 hours in the first year ($105.74 \times 7{,}960$). Compared to the baseline, this represents a recurring decrease of 291,602.98 hours per year and a first-year decrease of 271,702.98 hours. The net decrease is driven primarily by the 2,089 former Form LM–3 filers moving to the substantially less burdensome Form LM–4. The per-response burden buildup is set out in section vi below.

v. Form LM–4

While the Department is not changing Form LM–4, the Department is increasing the threshold for Form LM–3. Form LM–3 is now required for labor organizations with $25,000 or more in gross receipts, an increase from the $10,000 threshold set in 1992.

The current ICR baseline (OMB Control Number 1245–0003) estimates the burden of Form LM–4 at 9.18 hours per response (7.18 reporting + 2.00 recordkeeping), with 6,835 estimated annual respondents —a baseline total of 62,745.30 burden hours per year. This final rule makes no changes to the content of Form LM–4 itself, so the per-response burden remains 9.18 hours and filers incur no first-year nonrecurring burden. Under the new $25,000 Form LM–3 threshold, however, Form LM–4 will apply to 8,178 filers, an increase of 1,343 over baseline that reflects the migration of 2,089 former Form LM–3 filers to Form LM–4 partially offset by smaller adjustments in the updated filing universe. The Form LM–4 line of the collection will therefore generate 75,074.04 burden hours per year ($9.18 \times 8{,}178$), a recurring increase of 12,328.74 hours per year relative to the baseline. This increase is more than offset by the corresponding decrease on the Form LM–3 line attributable to the same 2,089 filers, who move from a 102.74-hour-per-response form to a 9.18-hour-per-response form. On net, the Form LM–3/LM–4 threshold revision reduces collection burden by 195,446.84 hours per year on the 2,089 affected filers *($2{,}089 \times (102.74 - 9.18)$).*

vi. Comments on Burden

The Department received numerous comments on the burden associated with additions to the new Form LM–2 Long Form as compared to the prior Form LM–2 and on the revised Form LM–2, as well as a few comments addressing burden hour estimates on the Department's initial PRA analysis.

Several commenters challenged OLMS's burden estimates under the PRA, arguing that the Department's assumption that each new schedule would require only five additional hours of reporting time was unrealistic given the volume of transactions involved. A major labor federation noted that the burden analysis in the 2009 Final Rule spanned six pages and considered each proposed schedule, while the 2020 NPRM contained only four paragraphs. The labor federation characterized the 2020 analysis as ''patently absurd,'' stating that different schedules call for different items at various levels of detail, making uniform time estimates contrary to common sense. The federation additionally stated that OLMS failed to adequately consider regulated entities' experience with the prior Form LM–2 and relied on an internal staff canvas rather than engagement with regulated unions or their members. They further stated that the Department underestimated the compliance burden under the PRA, stating that the Department was repeating flaws that led to the withdrawal of the 2009 LM–2 rulemaking.

Large international unions provided examples of the rule's burden impact. One large international labor organization stated that it already files Form LM–2 reports approaching 1,000 pages and that the addition of 12 new schedules, particularly those requiring itemization of per capita tax receipts, would ''add thousands of pages,'' overwhelm members attempting to understand the reports, and require extensive reprogramming of accounting systems and the hiring of additional staff.

The same international labor organization noted that with over 3,000 affiliated local unions and councils, the proposed per capita tax itemization schedule would be too burdensome. The organization noted that in 2019, its per capita tax receipts totaled more than $180,000,000—almost 18 times the amount reported in its ''Other Receipts'' schedule, which resulted in 96 pages of itemization. The labor organization stated the proposed itemization would likely double or even triple the size of the international labor organization's filing. Another labor organization similarly stated the itemization of then-Schedule 19—Sale of Supplies would create a burden on the labor organization that was not properly accounted for by the Department's burden estimate.

Another large labor organization similarly asserted that OLMS grossly underestimated the hours required to comply with new receipt-side itemization and investment reporting requirements. The labor organization stated that OLMS's estimate of five hours per new schedule was ''irreconcilable'' and that implementing entirely new categories imposes a significantly greater burden than simply adding new line items.

Two accounting firms stated that the proposed itemization of receipts and investment transactions would be burdensome, time-consuming, and of limited value to members. One firm stated that for building trades unions with hundreds of contractors, recordkeeping and reporting of itemized dues would be substantial and time-consuming. The firm stated that for international unions with hundreds of affiliated locals, itemization of per capita taxes could require thousands of additional transaction lines. One accounting firm stated that ''we do not embrace the theory that an increase in the volume of information automatically improves its understandability or usefulness to a reader.''

The Department disagrees that its burden estimates are flawed or unsupported. In developing the rule, the Department relied on its extensive experience administering and enforcing the LMRDA, including decades of reviewing LM reports, conducting audits, and investigating financial misconduct. The Department has also carefully reviewed the comments submitted and further considered feedback from OLMS field staff, whose enforcement experience indicated that additional itemization and clearer reporting structures materially assist in detecting embezzlement, conflicts of interest, and reporting violations. In light of those considerations, the Department determined that the

estimates made in the 2003 Final Rule were accurate and a fair standard for use in calculating this PRA burden. The Department's estimate of five hours of additional burden per new schedule for the revised Form LM–2 is based on the key assumption that labor organizations maintain adequate books and records in the ordinary course of business, as required by Section 206 of the LMRDA. Organizations that comply with their prior recordkeeping obligations should possess the underlying data necessary to complete the Form LM–2 Long Form without extensive additional data collection. The Department has decided to keep its estimate of 5 burden hours for each of the new schedules introduced to the revised Form LM–2.

However, the Department understands the concerns about the proposed burden hour estimates on the new and prior schedules requiring itemization of transactions. In the 2020 NPRM, the Department estimated that each of the new schedules in the Form LM–2 Long Form would account for 5 recurring burden hours for all new schedules (4.4 hours of recordkeeping burden and 0.6 hours of reporting burden). This was based upon the Department's 2003 Final Rule amending Form LM–2, in which new disbursement schedules and itemization requirements were introduced. *See* 68 FR 58439 (Oct. 9, 2003), Table 4 (Summary of Average Additional First Year Burden for the Revised Form LM–2). The burden estimates from the Department's 2003 Final Rule were made by considering Form LM–2 filers in three tiers, based on annual receipts: those with annual receipts between $250,000-$499,999, those with receipts between $499,000-$49,999,999, and those with receipts of $50,000,000 or above. As the Form LM–2 Long Form deals mostly with those in that third tier, it is unfair to make a burden calculation based on all three tiers. Based on these comments, and reflection on the time labor organizations may take to record this data and report to OLMS, the Department increases its estimates for the 12 new schedules on Form LM–2 Long Form to 10 burden hours each.

A large labor organization stated that new revenue-side itemization would require reprogramming the labor organization's accounting system, a process that would be extremely burdensome. As noted above, the labor organization emphasized that its CPA described the 2003 transition as a ''nightmare.'' At the same time, system modifications undertaken for Form LM–2 Long Form compliance may also strengthen organizations' internal financial controls and provide better information for management decision-making.

Multiple commenters raised concerns about the proposal to split functional reporting categories, stating that it would significantly increase burdens while potentially reducing transparency by creating separate itemization thresholds for each new category. The same large labor organization stated that this would require thousands of additional project codes in accounting systems.

The Department distinguishes between one-time implementation costs and ongoing annual compliance burden. While some organizations may need to modify accounting systems, these are primarily one-time costs. Once systems are appropriately configured, the ongoing annual burden should be modest for organizations with proper internal controls. Although some commenters stated that compliance will require system modifications, the Department notes that modern accounting software and electronic filing tools substantially reduce the burden of producing itemized reports, particularly for large labor organizations with significant financial resources. Contemporary accounting systems routinely generate detailed transaction reports, and electronic filing systems allow for bulk uploads of transaction data.

The Department also recognizes that some organizations may need to modify systems and processes. However, several important considerations apply. System modifications are primarily one-time costs that will facilitate ongoing compliance. During implementation, the Department will provide extensive technical assistance including detailed instructions, educational webinars, individualized consultation, engagement with accounting software vendors, and partial review of draft forms. Still, the Department acknowledges the comments describing the burden associated with making these changes in the first year and thus increases the nonrecurring recordkeeping burden and nonrecurring report burden hours associated with this final rule. For the Form LM–2 Long Form, the Department increases the nonrecurring recordkeeping burden by 63.14 hours and the nonrecurring reporting burden hours by 45.02 hours, for a total increase of 108.16 nonrecurring burden hours. For the revised Form LM–2, the Department increases the nonrecurring recordkeeping burden by 12.36 hours and the nonrecurring reporting burden hours by 0.38 hours, for a total increase of 12.74 nonrecurring burden hours. More details on the exact breakdown of these non-recurring burden hours can be found in the next section.

Multiple commenters identified investment transaction reporting as particularly burdensome. An international labor union commenter noted that large portfolios are often actively traded and that the volume of information would be overwhelming rather than helpful to readers. One accounting firm observed that ''many large unions have tens of millions of dollars in aggregate investment transactions that are not processed in detail within the labor organization's own accounting system. A bridge will be required to allow for significant numbers of transactions to be transmitted to the Department. This will require significant time and money to implement. . .'' One union stated that the investment reporting changes alone would likely account for the entire nonrecurring costs OLMS estimated, and that documentation and cataloging of transactions would cost dozens of hours per year and add hundreds of pages to filings.

The Department has carefully reviewed these specific concerns and adjusted the final rule, as previously noted in the preamble, that labor organizations do not need to report transactions on a registered securities exchange when the purchaser/seller is unknown. The Department acknowledges that reporting individual transactions for large portfolios could involve substantial numbers of line items. However, labor organizations have fiduciary obligations to monitor investments and should already be receiving detailed transaction reports from custodians. The Department does increase its burden hour estimate by 10 hours for the Form LM–2 Long Form and by 5 hours for the revised Form LM–2 based on this requirement for itemization to account for the changes in recordkeeping and reporting that labor organizations will need to implement.

vii. Hours To Complete and File the Form LM–2 Long Form, Revised Form LM–2, & Form LM–3

With this rule, the Department eliminates functional reporting from LM–2 reporting. That singular change significantly reduces recordkeeping burden hours for labor organization filers of the new Form LM–2 Long Form and revised Form LM–2. By creating the Form LM–2 Long Form, this rule removes 34.4 burden hours on 99 filers for a total reduction of 3,405.60 hours; by revising the Form LM–2, it removes

187.1 burden hours on the newly estimated 4,310 filers for a total reduction of 806,401 hours. In sum, the creation of the Form LM–2 Long Form and the substantive changes to the revised Form LM–2 result in a reduction of 809,806.6 burden hours for filers.

TABLE 6 —COMPARISON OF BASELINE BURDEN HOURS WITH NEW RECURRING BURDEN HOURS BY FORM TYPE

Form Type	Baseline burden hours	Post-rulemaking recurring burden hours	Change in recurring burden hours
LM-2 LONG FORM	N/A*	495.80	-34.4
LM-2	530.2	343.10	-187.1
LM-3	102.74	103.24	+.5
LM-4	9.18	9.18	0

These estimates are different from the 2020 NPRM due to new additions made to each form, the rejection of some proposals regarding the Form LM–2 Long Form and revised Form LM–2, updated Department estimates on the burden required to make certain disclosures, and from comments received on the 2020 NPRM for how the Department calculated burden. The Department also includes in this final rule calculations on the nonrecurring burden hours for each addition to the Form LM–2 Long Form as compared to the prior Form LM–2, the revised Form LM–2, and Form LM–3 to determine the burden hours for the first year of filings for these new and revised Forms. These non-recurring burden hours include familiarization time for each filer to review the new Form and Instructions for changes and new requirements.

1. Form LM–2 Long Form

The Form LM–2 Long Form includes 12 additional schedules not on the prior Form LM–2, four of which result from the split of a prior Form LM–2 schedule and seven which are brand new. As previously noted, the Department received numerous comments that this burden estimate was far too low for large labor organizations who often deal with hundreds to thousands of potentially itemized transactions. As a result, the Department estimates that each new schedule will result in a total of 10 burden hours, 8.8 recordkeeping and 1.2 reporting. Applied to each of the new schedules, this results in a total increase of 120 recurring burden hours.

Based on the 2003 Final Rule, the 12 new schedules also each incur 10.3 nonrecurring burden hours (5.4 hours of recordkeeping burden and 4.9 hours of reporting burden) to change accounting structures, to develop, test, review, and document accounting software, and to train personnel on the new requirements. Following its review of the comments, the Department extends 5 additional burden hours to the six unchanged or renumbered itemized schedules as well, given the volume of itemized receipts a labor organization with over $40 million in total annual receipts must cover. This results in an additional 30 recurring burden hours.

This increase based on the larger labor organization filings also applies to Schedule 1—Accounts Receivable and Schedule 10—Accounts Payable. Based on the estimates in the Department's 2003 Final Rule, both of these schedules will receive an additional 0.8 record-keeping hours and 1.4 reporting hours in total. However, the increase in the itemization threshold for these schedules results in a decrease of 0.4 record keeping hours and 0.7 reporting hours for both schedules, which subtracted from the increase leads to a total of 1.1 burden hours for both. The Department also estimates an additional 2 hours of nonrecurring recordkeeping burden in order to adjust accounting systems to this new change.

For Schedules 3–6, the additional requirement for itemization and the requirement to include names and dates in two new columns results in an additional 10 burden hours. This is an increase from the 2020 NPRM and covers the new requirements for the labor organization to collect the names and addresses of all individuals or entities the labor organization conducts transactions with, and the new requirement for specific itemization, including date, for these transactions over $5,000. The adjustment to these new itemization requirements will also result in an additional 5.42 hours of nonrecurring recordkeeping burden and 4.96 hours of nonrecurring reporting

burden for each schedule, for a total of 41.52 nonrecurring burden hours.

The Department also includes a new estimate not included in the 2020 NPRM that, on average, labor organizations will take an additional recurring 10.5 hours on recordkeeping burden and 1.5 hours on reporting burden to enter the amount officers and employees receive in benefits on Schedule 13 and Schedule 14, along with an additional hour in reporting burden to track indirect disbursements for temporary lodging or transportation. The Department affirmed the addition of this requirement to include benefits in the preamble, and this burden estimate fairly covers the requirement for labor organizations to report this information on its officers and employees. These additions also add 5.92 hours of nonrecurring recordkeeping burden and 6.96 hours of nonrecurring reporting burden in order for labor organizations to adapt to these changes in their system. This additional time is based on the assumption that Form LM–2 Long Form filers will have more officers and employees, for whom the labor organization will need to separate out benefits for each individual.

However, the Department's removal of functional time reporting in Schedules 13 and 14 significantly lowers the burden for these schedules. The 2020 NPRM estimated the removal of functional time reporting would result in a decrease of 10 burden hours, but a review of underlying data revealed this was underestimated. In the Department's 2003 Final Rule, the requirement for functional time reporting was estimated to require each officer and employee of the union to use 30–60 minutes each month and an additional hour each year to estimate the amount of time spent on each of the functional categories for each month and to then sum them for the entire year. This resulted in an estimated 203.2 recurring recordkeeping burden hours and 12.8 recurring reporting burden hours.[41] The removal of the requirement to report functional time for the Form LM–2 Long Form results in a decrease of 216 burden hours. In total, the Department estimates a reduction of 203 total burden hours for Schedules 13 and 14.

New Item 10(b), which requires the labor organization to report whether certain officers or employees received payment from another labor organization, will create one hour of nonrecurring recordkeeping burden and one hour of nonrecurring reporting burden to reflect the need for labor organizations to train officers and employees of this new requirement, create a process for tracking, and report this new information. New Item 18(b) will require reporting of the dates of the labor organization's most recent constitution and bylaws. Each one of these items will add .25 hours to the recurring burden, resulting in an additional .5 hours of burden.

In total, the Department estimates 495.80 recurring burden hours for the new Form LM–2 Long Form (the 530.20 hours associated with the prior Form LM–2 and the 34.4 reduction in hours associated with the adjusted reporting requirements). The Department also estimates an additional 184.96 non-recurring burden hours for the first year.

2. Revised Form LM–2

For the revised Form LM–2, the Department added four new schedules, at an estimated five burden hours per schedule or 20 total hours based on the 2003 Final Rule. Each of these also incurs 10.3 non-recurring burden hours (5.4 hours of recordkeeping burden and 4.9 hours of reporting burden) to change accounting structures; to develop, test, review, and document accounting software; and to train personnel on the new requirements. This results in a total of 41.52 non-recurring burden hours.

The increase in the itemization threshold for Schedule 1 and Schedule 10 results in a decrease of 0.4 record keeping hours and 0.7 reporting hours for both schedules. The Department also estimates an additional 2 hours of nonrecurring recordkeeping burden in order to adjust accounting systems to this new change.

For Schedules 3–6, the additional requirement for itemization and requirement to include names and dates in two new columns results in an additional 5 burden hours. This estimate is an increase from the 2020 NPRM and covers the new requirements for the labor organization to collect the names and addresses of all individuals or entities the labor organization conducts transactions with, and the new requirement for specific itemization including date for these transactions over $5,000. The adjustment to this new itemization requirement will also result in an additional 5.42 hours of nonrecurring recordkeeping burden and 4.96 hours of nonrecurring reporting burden for each schedule, for a total of 41.52 nonrecurring burden hours.

For Schedules 13 and 14, the Department estimates an additional half hour in reporting burden to track indirect disbursements for temporary lodging or transportation, and 2.5 hours of nonrecurring recordkeeping and reporting burden. However, the Department's removal of functional time reporting in Schedule 13 and 14 significantly lowers the burden for these schedules. The 2020 NPRM estimated the removal of functional time reporting would result in a decrease of 10 burden hours, but a review of underlying data revealed this was underestimated. In the Department's 2003 Final Rule, the requirement for functional time reporting was estimated to require each officer and employee of the union to use 30–60 minutes each month along with an hour each year to estimate the amount of time spent on each of the functional categories for each month and to then sum them for the entire year. This resulted in an estimated 203.2 recurring recordkeeping burden hours and 12.8 recurring reporting burden hours.[42] The removal of the requirement to report functional time for revised Form LM–2 results in a decrease of 216 burden hours. In total, the Department estimates a reduction of 203 total burden hours for Schedules 13 and 14.

New Item 10(b), which requires the labor organization to report whether certain officers or employees received payment from another labor organization, will create one hour of nonrecurring recordkeeping burden and one hour of nonrecurring reporting burden to reflect the need for labor organizations to train officers and employees of this new requirement, create a process for tracking, and report this information. New Item 18(b) will require reporting of the dates of the labor organization's current constitution and bylaws. Each one of these items will add .25 hours to the recurring burden, resulting in an additional .5 hours of burden.

In total, the Department estimates 343.10 recurring burden hours for the revised Form LM–2 (the 530.20 hours associated with the prior Form LM–2 and the 187.1-hour reduction associated with the adjusted reporting requirements). The Department also estimates an additional 91.54 non-recurring burden hours for the first year.

[41] 68 FR 58374, 58437–58441 (Oct. 9, 2003), Table 4 (Summary of Average Additional First Year Burden for the Revised Form LM–2). This table attributes 26.4 hours of reporting burden to prior Schedule 11 and Schedule 12, now renumbered Schedules 13 and 14, but the Department is estimating it covers 12.8 hours of reporting burden.

[42] 68 FR 58374, 58437–58441 (Oct. 9, 2003), Table 4 (Summary of Average Additional First Year Burden for the Revised Form LM–2). This table attributes 26.4 hours of reporting burden to Schedule 11 and Schedule 12, but the Department is estimating it covers 12.8 hours of reporting burden.

3. Form LM–3

Though the Department did not include a burden increase in the proposed rule for Form LM–3, due to the change to Item 24—All Officers and Disbursements to Officers, the Department estimates an additional half hour in reporting burden to track indirect disbursements for temporary lodging or transportation, and 2.5 hours of nonrecurring recordkeeping and reporting burden.

vii. Estimated Number of Form LM–2 Long Form, Revised Form LM–2, Form LM–3, and Form LM–4 Reports

Previously, the Department estimated that it receives annually 4,811 Form LM–2s; 10,837 Form LM–3s; and 6,835 Form LM–4s for a total of 22,483 annual financial reports.[43] As part of this final rule, the Department is updating this data based on FY 2024 Filing Data and estimates that it received 4,920 Form LM–2s; 9,538 Form LM–3s; and 6,089 Form LM–4s for a total of 20,547 annual financial reports.[44] The addition of the Form LM–2 Long Form, as well as the change in thresholds for both revised Form LM–2 and Form LM–3 alter this data further. The Department estimates that 99 prior Form LM–2 filers exceed $40 million in total annual receipts and will begin filing the Form LM–2 Long Form. As a result of the changes to Form LM–2 and Form LM–3 thresholds, the Department estimates that a total of 511 prior Form LM–2 filers will begin filing Form LM–3, and that a total of 2,089 prior Form LM–3 filers will begin filing Form LM–4. In sum, the Department now expects annual totals of 99 Form LM–2 Long Forms; 4,310 revised Form LM–2s; 7,960 Form LM–3s; and 8,178 Form LM–4s.

viii. Total Burden Hours—Summary and Baseline Comparison

The table below (Table 7) summarizes the recurring annual burden under the final rule for each LM annual financial report and compares it to the current ICR baseline (OMB Control Number 1245–0003). Table 8 presents the corresponding first-year totals, which reflect both recurring annual burden and one-time nonrecurring transition burden (familiarization, accounting-system modifications, and personnel training). Numbers may not sum exactly because of rounding.

Table 7 —Recurring annual burden — current ICR baseline versus post-rule

Form	Filers (current ICR)	Filers (post-rule)	Hrs/response (current ICR)	Hrs/response (post-rule recurring)	Total burden hrs (current ICR)	Total burden hrs (post-rule recurring)	Recurring change vs. current ICR
Form LM-2 Long Form	0	99	—	495.80	0	49,084.20	+49,084.20
Form LM-2 (revised)	4,811	4,310	530.20	343.10	2,550,792.20	1,478,761.00	−1,072,031.20
Form LM-3	10,837	7,960	102.74	103.24	1,113,393.38	821,790.40	−291,602.98
Form LM-4	6,835	8,178	9.18	9.18	62,745.30	75,074.04	+12,328.74
Total	**22,483**	**20,547**	—	—	**3,726,930.88**	**2,424,709.64**	**−1,302,221.24**

[43] *See* OMB Control Number 1245–0003 at: *https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202407-1245-001.*

[44] *See* OLMS Historical Filing Data at: *https://www.dol.gov/agencies/olms/data.*

Table 8 —First-year burden under the final rule, including one-time nonrecurring transition burden.

Form	First-year hrs/response (recurring + nonrecurring)	Total first-year burden hrs	First-year change vs. current ICR
Form LM-2 Long Form	680.76 (495.80 + 184.96)	67,395.24	+67,395.24
Form LM-2 (revised)	434.64 (343.10 + 91.54)	1,873,298.40	−677,493.80
Form LM-3	105.74 (103.24 + 2.50)	841,690.40	−271,702.98
Form LM-4	9.18 (no nonrecurring)	75,074.04	+12,328.74
-Total	—	**2,857,458.08**	**−869,472.80**

On a per-response basis, the elimination of functional time reporting on Schedules 13 and 14 (-216 recurring hours, based on the 2003 final rule's estimate) outweighs the additions made by the new schedules, itemization requirements, and items added in this rulemaking (approximately +181.6 recurring hours). The Form LM–2 Long Form is longer in scope of disclosure but shorter in burden hours per response. The Department's canvassing of OLMS field investigators found that functional time estimates could not be meaningfully audited and provided ''no valuable insight'' for enforcement, supporting the elimination of that requirement.

The first-year aggregate burden is higher than the recurring annual burden for the Form LM–2 Long Form and Form LM–3. For Form LM–2, the first-year aggregate burden is lower than the current ICR baseline; it is, however, higher than the steady-state recurring burden because filers incur one-time nonrecurring costs in the first year. These nonrecurring costs (*e.g.,* familiarization, accounting-system modifications, training) do not recur in subsequent years. The recurring annual burden in the second and subsequent years is therefore the lower steady-state figure (2,424,709.64 hours), not the higher first-year figure (2,857,458.08 hours).

Additionally, the Form LM–2 Long Form shows a first-year aggregate burden increase relative to the baseline despite its per-response burden is lower. The 99 affected organizations are currently included in Form LM–2 line of the baseline (at 530.20 hours each). They move to a new form line with a recurring per-response burden (495.80 hours) below the baseline, but in the first year they additionally incur 184.96 hours of nonrecurring transition burden, which pushes the first-year per-response burden (680.76 hours) above the baseline. This effect is a one-time transition cost; in subsequent years the Form LM–2 Long Form line shows a recurring reduction relative to the baseline (-3,405.60 hours per year).

In summary, the final rule reduces the total recurring burden of this portion of the collection from 3,726,930.88 hours per year (current ICR baseline) to 2,424,709.64 hours per year, a recurring reduction of 1,302,221.24 hours per year, or approximately 35 percent. In the first year of implementation, the total burden is 2,857,458.08 hours, a first-year reduction of 869,472.80 hours relative to the current ICR baseline. The difference between the first-year and steady-state figures (432,748.44 hours) represents one-time nonrecurring transition burden that filers will incur once and will not recur.

ix. Conclusion

As this final rule requires a revision to an existing information collection, the Department is submitting, contemporaneously with the publication of this document, an information collection request (ICR) to revise the PRA clearance to address the clearance term. A copy of this ICR, with applicable supporting documentation, including among other items a description of the likely respondents, proposed frequency of response, and estimated total burden may be obtained free of charge from the RegInfo.gov website at *https://www.reginfo.gov/public/do/PRAOMBHistory?ombControlNumber=1245-0003* (this link will be updated following publication of this rule) or from the Department by contacting Andrew C. Hasty by telephone at 202–693–0123 (this is not a toll-free number), 711(TTY/TDD), or by email at *OLMS-Public@dol.gov.*

d. Executive Order 13132

E.O. 13132, ''Federalism,'' 64 FR 43255 (Aug. 10, 1999), imposes certain requirements on federal agencies formulating and implementing policies or regulations that preempt state law or that have federalism implications. The Executive Order requires agencies to examine the constitutional and statutory authority supporting any action that would limit the policymaking discretion of the States and to carefully assess the necessity for such actions. The E.O. also requires agencies to have an accountable process to ensure meaningful and timely input by state and local officials in the development of regulatory policies that have federalism implications.

The Department has examined this final rule and determined that it 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.

e. Executive Order 12988

With respect to the review of existing regulations and the promulgation of new regulations, section 3(a) of E.O. 12988, ''Civil Justice Reform,'' imposes on Federal agencies the general duty to adhere to the following requirements: (1) eliminate drafting errors and ambiguity, (2) write regulations to minimize litigation, (3) provide a clear legal standard for affected conduct rather than a general standard, and (4) promote simplification and burden reduction. 61 FR 4729 (Feb. 7, 1996). Regarding the review required by section 3(a), section 3(b) of E.O. 12988 specifically requires that Executive agencies make every reasonable effort to ensure that the regulation: (1) clearly specifies the preemptive effect, if any, (2) clearly specifies any effect on existing federal law or regulation, (3) provides a clear legal standard for affected conduct while promoting simplification and burden reduction, (4) specifies the retroactive effect, if any, (5) adequately defines key terms, and (6) addresses other important issues affecting clarity and general draftsmanship under any guidelines issued by the Attorney General.

Section 3(c) of E.O. 12988 requires executive agencies to review regulations in light of applicable standards in section 3(a) and section 3(b) to determine whether they are met or it is unreasonable to meet one or more of them. The Department has completed the required review and determined that, to the extent permitted by law, this final rule meets the relevant standards of E.O. 12988.

f. Unfunded Mandates Reform Act

Title II of the Unfunded Mandates Reform Act of 1995 (UMRA) requires each Federal agency to assess the effects of Federal regulatory actions on State, local, and Tribal governments and the private sector. Public Law 104–4, sec. 201 (codified at 2 U.S.C. 1531). For a regulatory action likely to result in a rule that may cause the expenditure by State, local, and Tribal governments, in the aggregate, or by the private sector of $100 million or more in any one year (adjusted annually for inflation), section 202 of UMRA requires a Federal agency to publish a written statement that estimates the resulting costs, benefits, and other effects on the national economy. 2 U.S.C. 1532(a), (b). The UMRA also requires a federal agency to develop an effective process to permit timely input by elected officers of state, local, and tribal governments on a ''significant Federal intergovernmental mandate,'' and requires an agency plan for giving notice and opportunity for timely input to potentially affected small governments before establishing any requirements that might significantly or uniquely affect them. 2 U.S.C. 1534(a).

The Department examined this final rule according to UMRA and its statement of policy and determined that this final rule does not contain a Federal intergovernmental mandate, nor requires expenditures of $100 million or more in any one year by state, local, and Tribal governments, in the aggregate, or by the private sector. As a result, the analytical requirements of UMRA do not apply.

g. Treasury and General Government Appropriations Act, 1999

Section 654 of the Treasury and General Government Appropriations Act, 1999 (Pub. L. 105–277) requires federal agencies to issue a Family Policymaking Assessment for any rule that may affect family well-being. This final rule would not have any impact on the autonomy or integrity of the family as an institution. Accordingly, the Department has concluded that it is not necessary to prepare a Family Policymaking Assessment.

h. Executive Order 12630

Pursuant to E.O. 12630, ''Governmental Actions and Interference with Constitutionally Protected Property Rights,'' 53 FR 8859 (Mar. 18, 1988), the Department has determined that this final rule would not result in any takings that might require compensation under the Fifth Amendment to the U.S. Constitution.

i. Treasury and General Government Appropriations Act, 2001

Section 515 of the Treasury and General Government Appropriations Act, 2001 (44 U.S.C. 3516, note) provides for federal agencies to review most disseminations of information to the public under information quality guidelines established by each agency pursuant to general guidelines issued by OMB. OMB's guidelines were published at 67 FR 8452 (Feb. 22, 2002). The Department has reviewed this final rule under the OMB guidance and has concluded that it is consistent with applicable policies in those guidelines.

j. Congressional Review Act, 1996

Pursuant to Subtitle E of the Small Business Regulatory Enforcement Fairness Act of 1996 (also known as the Congressional Review Act, 5 U.S.C. 801 *et seq.*), OMB's Office of Information and Regulatory Affairs has determined that this final rule does not meet the criteria set forth in 5 U.S.C. 804(2).

Agency: Department of Labor, Office of Labor-Management Standards.

Type of Review: Revision of a currently approved collection.

Title of Collection: Labor Organization and Auxiliary Reports.

OMB Control Number: 1245–0003.

Forms: LM–1—Labor Organization Information Report, LM–2 Long Form, LM–2, LM–3, LM–4—Labor Organization Annual Report, Simplified Annual Report, LM–10, Employer Report, LM–15—Trusteeship Report, LM–15A—Report on Selection of Delegates and Officers, LM–16—Terminal Trusteeship Report, LM–20—Agreement and Activities Report, LM–21—Receipts and Disbursements Report, LM–30—Labor Organization Officer and Employee Report, S–1—Surety Company Annual Report.

Affected Public: Private Sector—Business or other for-profits and not-for-profit institutions.

Total Estimated Number of Annual Respondents: 30,855.

Total Estimated Number of Responses: 33,131.

Frequency: Varies.

Total Estimated Annual Time Burden: 3,342,519.88 hours.

Total Estimated Annual Other Costs Burden: $0.

List of Subjects in 29 CFR Parts 402, 403, and 408

Labor organizations, reporting and recordkeeping requirements, trusts.

For the reasons set forth in the preamble, the Department amends parts 402, 403, and 408 of chapter IV of title 29 of the Code of Federal Regulations, as set forth below:

PART 402—LABOR ORGANIZATION INFORMATION REPORTS

■ 1. The authority citation for part 402 continues to read as follows:

Authority: Secs. 201, 207, 208, 73 Stat. 524, 529 (29 U.S.C. 431, 437, 438); Secretary's Order No. 03–2012, 77 FR 69376, November 16, 2012.

■ 2. Amend § 402.5 by revising paragraph (a) to read as follows:

§ 402.5 Terminal reports.

(a) Any labor organization required to file reports under the provisions of this part, which ceases to exist by virtue of dissolution or any other form of termination of its existence as a labor organization, or which loses its identity as a reporting labor organization

through merger, consolidation or otherwise, shall file a report containing a detailed statement of the circumstances and effective date of such termination or loss of reporting identity, and if the latter, such report shall also state the name and mailing address of the labor organization into which it has been consolidated, merged, or otherwise absorbed. Such report shall be submitted on Form LM–2 or Form LM–2 Long Form in connection with the terminal financial report required by § 403.5 of this chapter and shall be signed by the president and treasurer, or corresponding principal officers, of the labor organization at the time of its termination or loss of reporting identity and, together with a copy thereof, shall be filed with the Office of Labor-Management Standards within 30 days of the effective date of such termination or loss of reporting identity, as the case may be.

* * * * *

PART 403—LABOR ORGANIZATION ANNUAL FINANCIAL REPORTS

■ 3. The authority citation for part 403 continues to read as follows:

Authority: Secs. 201, 207, 208, 301, 73 Stat. 524, 529, 530 (29 U.S.C. 431, 437, 438, 461); Secretary's Order No. 03–2012, 77 FR 69376, November 16, 2012.

■ 4. Revise § 403.3 to read as follows:

§ 403.3 Form of annual financial report—detailed report.

(a) Every labor organization shall, except as expressly provided otherwise in this part, file an annual financial report as required by § 403.2, prepared on United States Department of Labor Form LM–2, ''Labor Organization Annual Report,'' in the detail required by the instructions accompanying the form and constituting a part thereof.

(b) If a labor organization has gross annual receipts totaling $40,000,000 or more for its fiscal year it shall file the annual financial report called for in section 201(b) of the Act on United States Department of Labor Form LM–2 Long Form entitled ''Labor Organization Annual Report Long Form,'' in accordance with the instructions accompanying such form and constituting a part thereof.

■ 5. Amend § 403.4 by revising paragraph (a) to read as follows:

§ 403.4 Simplified annual reports for smaller labor organizations.

(a)(1) If a labor organization, not in trusteeship, has gross annual receipts totaling less than $350,000 for its fiscal year, it may elect, subject to revocation of the privileges as provided in section 208 of the Act, to file the annual financial report called for in section 201(b) of the Act and § 403.3 of this part on United States Department of Labor Form LM–3 entitled ''Labor Organization Annual Report,'' in accordance with the instructions accompanying such form and constituting a part thereof.

(2) If a labor organization, not in trusteeship, has gross annual receipts totaling less than $25,000 for its fiscal year, it may elect, subject to revocation of the privileges as provided in section 208 of the Act, to file the annual financial report called for in section 201(b) of the Act and § 403.3 on United States Department of Labor Form LM–4 entitled ''Labor Organization Annual Report'' in accordance with the instructions accompanying such form and constituting a part thereof.

* * * * *

■ 6. Amend § 403.5 by revising paragraphs (a) and (b) to read as follows:

§ 403.5 Terminal financial report.

(a) Any labor organization required to file a report under the provisions of this part, which during its fiscal year loses its identity as a reporting labor organization through merger, consolidation, or otherwise, shall, within 30 days after such loss, file a terminal financial report with the Office of Labor–Management Standards, on Form LM–2 Long Form, Form LM–2, Form LM–3, or Form LM–4, as may be appropriate, signed by the president and treasurer or corresponding principal officers of the labor organization immediately prior to the time of its loss of reporting identity.

(b) Every labor organization which has assumed trusteeship over a subordinate labor organization shall file within 90 days after the termination of such trusteeship on behalf of the subordinate labor organization a terminal financial report with the Office of Labor–Management Standards, on Form LM–2 Long Form or Form LM–2 and in conformance with the requirements of this part.

* * * * *

■ 7. Amend § 403.8 by revising paragraph (b)(1) to read as follows:

§ 403.8 Dissemination and verification of reports.

* * * * *

(b)(1) If a labor organization is required to file a report under this part using the Form LM–2 Long Form or Form LM–2 and indicates that it has failed or refused to disclose information required by the Form concerning any disbursement, or receipt not otherwise reported on Statement B, to an individual or entity in the amount of $5,000 or more, or any two or more disbursements, or receipts not otherwise reported on Statement B, to an individual or entity that, in the aggregate, amount to $5,000 or more, because disclosure of such information may be adverse to the organization's legitimate interests, then the failure or refusal to disclose the information shall be deemed ''just cause'' for purposes of paragraph (a) of this section.

* * * * *

PART 408—LABOR ORGANIZATION TRUSTEESHIP REPORTS

■ 8. The authority to part 408 continues to read as follows:

Authority: Secs. 202, 207, 208, 73 Stat. 525, 529 (29 U.S.C. 432, 437, 438); Secretary's Order No. 03–2012, 77 FR 69376, November 16, 2012.

■ 9. Revise § 408.5 to read as follows:

§ 408.5 Annual financial report.

During the continuance of a trusteeship, the labor organization which has assumed trusteeship over a subordinate labor organization, shall file with the Office of Labor-Management Standards on behalf of the subordinate labor organization the annual financial report required by part 403 of this chapter, signed by the president and treasurer or corresponding principal officers of the labor organization which has assumed such trusteeship, and the trustees of the subordinate labor organization on Form LM–2 Long Form or Form LM–2.

■ 10. Revise § 408.7 to read as follows:

§ 408.7 Terminal trusteeship financial report.

Each labor organization which has assumed trusteeship over a subordinate labor organization shall file within 90 days after the termination of such trusteeship on behalf of the subordinate labor organization a terminal financial report, and one copy, with the Office of Labor-Management Standards, on Form LM–2 Long Form or Form LM–2 and in conformance with the requirements of part 403 of this chapter.

Signature

Signed in Washington, DC.

Elisabeth Messenger,

Director, OLMS.

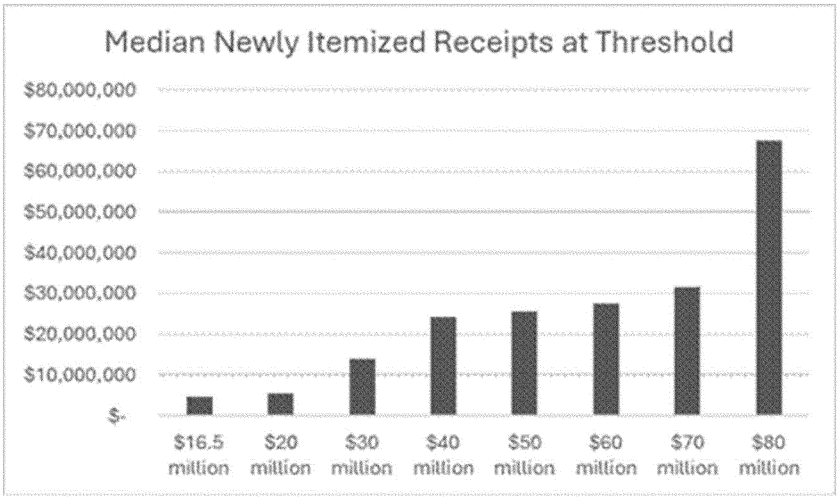
Note: The following appendix will not appear in the Code of Federal Regulations.

Appendix 1—Forms and Instructions

BILLING CODE 4510–FN–P

TABLE 1 —FILING THRESHOLD ANALYSIS USING FORM LM-2 DATA, FY2024

Threshold	**Median Total Receipts**	**Median Receipts for Itemization**	**Itemized as a % of Total**	**Median Receipts for Itemization for Excluded Filers**
$16.5 million	$30,088,038	$4,650,241	15.46%	N/A
$20 million	$38,819,514	$5,366,740	13.82%	$1,502,485
$30 million	$64,579,974	$13,939,096	21.58%	$2,166,165
$40 million	$79,979,130	$24,266,493	30.34%	$2,498,004
$50 million	$109,182,477	$25,732,942	23.57%	$5,328,898
$60 million	$136,060,560	$27,549,253	20.25%	$9,730,616
$70 million	$150,756,860	$31,635,449	20.98%	$14,008,794
$80 million	$180,208,751	$67,597,025	37.51%	$9,698,963


Median Newly Itemized Receipts at Threshold
$80,000,000
$70,000,000
$60,000,000
$50,000,000
$40,000,000
$30,000,000
$20,000,000
$10,000,000
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$40 million
$50 million
$60 million
$70 million
$80 million

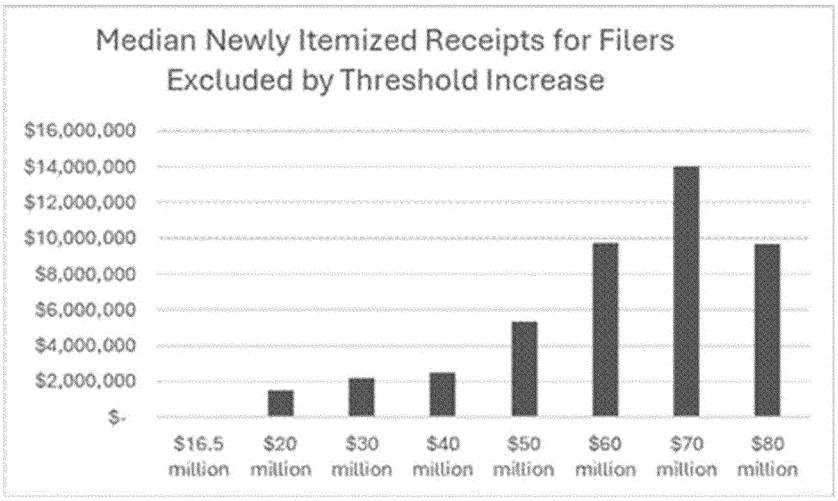

Median Newly Itemized Receipts for Filers Excluded by Threshold Increase
$16,000,000
$14,000,000
$12,000,000
$10,000,000
$8,000,000
$6,000,000
$4,000,000
$2,000,000
$-
$16.5 million
$20 million
$30 million
$40 million
$50 million
$60 million
$70 million
$80 million

TABLE 2 —SUMMARY OF CHANGES

Form Type	**Prior Filing Threshold and Format** *(threshold in annual receipts)*	**New Filing Threshold and Format** *(threshold in annual receipts)*
LM-2 LONG FORM	N/A	$40,000,000 or more 40 pages (est.) 32 schedules
LM-2	$250,000 or more 26 pages 20 schedules	$350,000 or more 30 pages (est.) 24 schedules
LM-3	$10,000 or more	$25,000 or more Form eliminates a reporting exception
LM-4	Less than $10,000	Less than $25,000 No format changes
SIMPLIFIED ANNUAL REPORT FORMAT	Extremely small labor organizations with no assets, liabilities, receipts, or disbursements during the fiscal year.	No changes.

TABLE 3—Estimated Number of Annual Filings by Form Type

Form Type	**Number**
Form LM-2 Long Form	99
Revised Form LM-2	4,310
Form LM-3 (Prior LM-2 Filers)	511
Form LM-3 (Maintained Filers)	7,449
Form LM-4 (Prior LM-3 Filers)	2,089

U.S. Department of Labor
Office of Labor-Management Standards
Washington, DC 20210

FORM LM-2 LONG FORM LABOR ORGANIZATION ANNUAL REPORT

Form Approved
Office of Management and Budget
No. 1245-0003
Expires xx-xx-xxxx

MUST BE USED BY LABOR ORGANIZATIONS WITH $40,000,000 OR MORE IN TOTAL ANNUAL RECEIPTS AND SUCH LABOR ORGANIZATIONS IN TRUSTEESHIP

This report is mandatory under P.L. 86-257, as amended. Failure to comply may result in criminal prosecution, fines, or civil penalties as provided by 29 U.S.C. 439 or 440.

READ THE INSTRUCTIONS CAREFULLY BEFORE PREPARING THIS REPORT.

For Official Use Only	1. FILE NUMBER	2. PERIOD COVERED MO DAY YEAR From Through	3. (a) AMENDED — If this is an amended report, check here: ☐ (b) HARDSHIP — If filing under hardship procedures check here: ☐ (c) TERMINAL — If this is a terminal report, check here: ☐ (d) TRUSTEESHIP—If the Labor Organization is under trusteeship, check here: ☐

4. AFFILIATION OR ORGANIZATION NAME		8. MAILING ADDRESS (Type or print in capital letters.)	
		First Name	Last Name
5. DESIGNATION (Local, Lodge, etc.)	6. DESIGNATION NUMBER	P.O. Box - Building and Room Number	
7. UNIT NAME (if any)		Number and Street	
		City	
9. Are your organization's records kept at its mailing address? Yes ☐ No ☐ (If "No," provide address in Item 75.)		State	ZIP Code + 4

75. ADDITIONAL INFORMATION (Text entered will appear on last page of form. To enter comments, press the "General Additional Information" button.)

Each of the undersigned, duly authorized officers of the above labor organization, declares, under penalty of perjury and other applicable penalties of law, that all of the information submitted in this report (including the information contained in any accompanying documents) has been examined by the signatory and is, to the best of the undersigned's knowledge and belief, true, correct, and complete. (See Section VI on penalties in the instructions.)

76. SIGNED:_____ PRESIDENT (If other title, see instructions.)
_____ / _____ / _____ ( ) _____ — _____
Date Telephone Number

77. SIGNED:_____ TREASURER (If other title, see instructions.)
_____ / _____ / _____ ( ) _____ — _____
Date Telephone Number

FILE NUMBER:

COMPLETE ITEMS 10 THROUGH 21

10 (a) During the reporting period did the labor organization create or participate in the administration of a trust or other fund or organization, as defined in the instructions, which provides benefits for members or their beneficiaries?

Yes ☐ No ☐

10 (b). During the reporting period did an officer or employee paid $10,000 or more by the labor organization also receive $10,000 or more as an officer or employee of another labor organization in gross salaries, allowances, and other direct and indirect disbursements?

Yes ☐ No ☐

11(a). During the reporting period did the labor organization have a political action committee (PAC) fund?

Yes ☐ No ☐

11(b). During the reporting period did the labor organization have a subsidiary organization as defined in Section X of these Instructions?

Yes ☐ No ☐

12. During the reporting period did the labor organization have an audit or review of its books and records by an outside accountant or by a parent body auditor/representative?

Yes ☐ No ☐

13. During the reporting period did the labor organization experience and/or discover any loss or shortage of funds or other assets? (Answer "Yes" even if there has been repayment or recovery.)

Yes ☐ No ☐

14. What is the maximum amount recoverable under the labor organization's fidelity bond for a loss caused by any officer, employee or agent of the labor organization who handled union funds?

15. During the reporting period did the labor organization acquire or dispose of any assets in any manner other than by purchase or sale?

Yes ☐ No ☐

16. Were any of the labor organization's assets pledged as security or encumbered in any other way at the end of the reporting period?

Yes ☐ No ☐

17. Did the labor organization have any contingent liabilities at the end of the reporting period?

Yes ☐ No ☐

18 (a) During the reporting period did the labor organization have any changes in its constitution and bylaws, other than rates of dues and fees, or in practices/procedures listed in the instructions?

Yes No

18 (b) Enter the date of the labor organization's current Constitution and Bylaws.

19 What is the date of the labor organization's next regular election of officers?

20 How many members did the labor organization have at the end of the reporting period? (Total from the Members Line of Schedule 15)

21. What are the labor organization's rates of dues and fees? (Enter a minimum and maximum if more than one rate applies for any line.)

Rates of Dues and Fees

Dues/Fees	Amount		Unit	Minimum	Maximum
(a) Regular Dues/Fees		per			
(b) Working Dues/Fees		per			
(c) Initiation Fees		per			
(d) Transfer Fees		per			
(e) Work Permits		per			

If the answer to any of the above questions is "Yes," provide details in Item 75 (Additional Information) as explained in the instructions for each item.

STATEMENT A – ASSETS AND LIABILITIES

FILE NUMBER:

Complete Schedules 1 Through 32 Before Completing Statement A

ASSETS

ASSETS	Schedule Number	Start of Reporting Period (A)	End of Reporting Period (B)
22. Cash			
23. Accounts Receivable	1		
24. Loans Receivable	2		
25. U.S. Treasury Securities			
26. Investments	7		
27. Fixed Assets	8		
28. Other Assets	9		
29. TOTAL ASSETS			

LIABILITIES

LIABILITIES	Schedule Number	Start of Reporting Period (C)	End of Reporting Period (D)
30. Accounts Payable	10		
31. Loans Payable	11		
32. Mortgages Payable			
33. Other Liabilities	12		
34. TOTAL LIABILITIES			

35. NET ASSETS (Item 29 Less Item 34)		

STATEMENT B – RECEIPTS AND DISBURSEMENTS

FILE NUMBER:

Complete Schedules 1 Through 32 Before Completing Statement B

Item CASH RECEIPTS	SCH #	AMOUNT
36. Dues and Agency Fees	16	
37. Per Capita Tax	17	
38. Fees, Fines, Assessments, Work Permits	18	
39. Sale of Supplies	19	
40. Interest		
41. Dividends		
42. Rents	20	
43. Sale of Investments	3	
44. Sale of Fixed Assets	4	
45. Loans Obtained	11	
46. Repayments of Loans Made	2	
47. On Behalf of Affiliates for Transmittal to Them	21	
48. From Members for Disbursement on Their Behalf	22	
49. Other Receipts	23	
50. TOTAL RECEIPTS		

Item CASH DISBURSEMENTS	SCH #	AMOUNT
51. Contract Negotiation and Administration	24	
52. Organizing	25	
53. Political Activities	26	
54. Lobbying	27	
55. Contributions, Gifts, and Grants	28	
56. General Overhead	29	
57. Union Administration	30	
58. Benefits	31	
59. Per Capita Tax		
60. Strike Benefits		
61. Fees, Fines, Assessments, etc.		
62. Supplies for Resale		
63. Purchase of Investments	5	
64. Purchase of Fixed Assets	6	
65. Loans Made	2	
66. Repayment of Loans Obtained	11	
67. To Affiliates of Funds Collected on Their Behalf		
68. On Behalf of Individual Members		
69. Direct Taxes		
70. Officers	13	
71. Employees	14	
72. Subtotal		
73. Withholding Tax and Payroll Deductions		
73a. Total Withheld		
73b. Less Total Disbursed		
73c. Total Withheld But Not Disbursed		
74. TOTAL DISBURSEMENTS (Line 72 – 73c)		

SCHEDULE 1 – ACCOUNTS RECEIVABLE AGING SCHEDULE

FILE NUMBER:

Entity or Individual Name (A)	Total Account Receivable (B)	90 - 180 Days Past Due (C)	180+ Days Past Due (D)	Liquidated Account Receivable (E)
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				
16.				
17.				
18.				
19.				
20.				
21.				
22.				
23.				
24.				
25.				
Total of all itemized accounts receivable				
Totals from all other accounts receivable				
Totals (Total of Column (B) will be automatically entered in Item 23, Column (B))				

FILE NUMBER:

SCHEDULE 2 – LOANS RECEIVABLE

List below loans to officers, employees, or members which at any time during the reporting period exceeded $250 and list all loans to business enterprises regardless of amount. (A)	Loans Outstanding at Start of Period (B)	Loans Made During Period (C)	Repayments Received During Period		Loans Outstanding at End of Period (E)
			Cash (D)(1)	Other Than Cash (D)(2)	
1. Name: _____ Purpose: _____ Security: _____ Terms of Repayment: _____					
2. Name: _____ Purpose: _____ Security: _____ Terms of Repayment: _____					
3. Name: _____ Purpose: _____ Security: _____ Terms of Repayment: _____					
4. Name: _____ Purpose: _____ Security: _____ Terms of Repayment: _____					
Total of loans not listed above					
Totals of all lines above					
Totals will be automatically entered in ..... Item 24 Column (A) ..... Item 65 ..... Item 46 ..... Item 75 with Explanation ..... Item 24 Column (B)					

SCHEDULE 3 – SALE OF INVESTMENTS

FILE NUMBER:

Name and Address of Purchaser or Financial Management Firm (A)	Description (B)	Date of Sale (C)	Cost (D)	Book Value (E)	Gross Sales Price (F)	Amount Received (G)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						
Total from all itemized sales of investments (lines (D)-(G) above)						
Total from all other sales of investments						
Total of all sales of investments					Less Reinvestments	
					Net Sales	

(The total from Net Sales Line will be automatically entered in Item 43.)

SCHEDULE 4 – SALE OF FIXED ASSETS

FILE NUMBER:

Name and Address of Purchaser (A)	Description (B)	Date of Sale (C)	Cost (D)	Book Value (E)	Gross Sales Price (F)	Amount Received (G)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						
Total of all lines above						
Total of all other sales of fixed assets						
Total of all sales of fixed assets						

(The total from Amount Received (G) Line will be automatically entered in Item 44.)

Net Sales

SCHEDULE 5 – PURCHASE OF INVESTMENTS

FILE NUMBER:

Name and Address of Seller or Financial Management Firm (A)	Description (B)	Date of Purchase (C)	Cost (D)	Book Value (E)	Cash Paid (F)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
Total of all lines above					
Total of all other purchases of investments					
Total of all purchases of investments					
			Less Reinvestments		
		(The total from Net Purchases Line will be automatically entered in Item 63.)	Net Purchases		

SCHEDULE 6 – PURCHASE OF FIXED ASSETS

FILE NUMBER:

Name and Address of Seller (A)	Description (B)	Date of Purchase (C)	Cost (D)	Book Value (E)	Cash Paid (F)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
Total of lines (D)-(F) above					
Total of all other purchases of fixed assets					
Total of all purchases of fixed assets					
		(The total from Cash Paid Column (F) Line will be automatically entered in Item 64.)	Net Purchases		

SCHEDULE 7 – INVESTMENTS FILE NUMBER:

Description (A)	Amount (B)
Marketable Securities	
A. Total Cost	
B. Total Book Value	
C. List each marketable security which has a book value over $5,000 and exceeds 5% of Line B.	
(1)	
(2)	
(3)	
(4)	
Other Investments	
D. Total Cost	
E. Total Book Value	
F. List each other investment which has a book value over $5,000 and exceeds 5% of Line E. Also, list each subsidiary for which separate reports are attached.	
(1)	
(2)	
(3)	
(4)	
(5)	
G. Total of Lines B and E (Total from Line G will be automatically entered in Item 26, Column (B))	

SCHEDULE 8 – FIXED ASSETS

FILE NUMBER:

Description (A)	Cost or Other Basis (B)	Total Depreciation or Amount Expensed (C)	Book Value (D)	Value (E)
A. Land (give location)				
1.				
2.				
3.				
B. Buildings (give location)				
1.				
2.				
3.				
C. Automobiles and Other Vehicles				
D. Office Furniture and Equipment				
E. Other Fixed Assets				
F. **Totals of Lines A through E** (Column (D) Total will be automatically entered in Item 27, Column (B))				

SCHEDULE 9 – OTHER ASSETS

FILE NUMBER:

Description (A)	Book Value (B)
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	
12.	
13.	
14.	
Total (Total will be automatically entered in Item 28, Column (B))	

SCHEDULE 10 – ACCOUNTS PAYABLE AGING SCHEDULE

FILE NUMBER:

Entity or Individual Name (A)	Total Account Payable (B)	90 - 180 Days Past Due (C)	180+ Days Past Due (D)	Liquidated Account Payable (E)
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				
16.				
17.				
18.				
19.				
20.				
21.				
22.				
23.				
24.				
25.				
Total of all Itemized Accounts Payable				
Total from all other accounts payable				
Totals (Total for Column (B) will be automatically entered in Item 30, Column (D))				

SCHEDULE 11 – LOANS PAYABLE

FILE NUMBER:

Source of Loans Payable at Any Time During the Reporting Period (A)	Loans Owed at Start of Period (B)	Loans Obtained During Period (C)	Repayment Made During Period		Loans Owed at End of Period (E)
			Cash (D)(1)	Other Than Cash (D)(2)	
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					
13.					
Total Loans Payable					

Totals will be automatically entered in ……Item 31……Item 45……Item 66……Item 75..... Item 31
Column (C) with Explanation Column (D)

SCHEDULE 12 – OTHER LIABILITIES

FILE NUMBER:

Description (A)	Amount at End of Period (B)
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	
12.	
13.	
Total Other Liabilities (Total will be automatically entered in Item 33, Column (D))	

SCHEDULE 13 – ALL OFFICERS AND DISBURSEMENTS TO OFFICERS

FILE NUMBER:

	(A) Name Last, First, MI	(B) Title	(C) Status	(D) Gross Salary Disbursements (before any deductions)	(E) Allowances Disbursed	(F) Benefits	(G)Disbursements for Official Business	(H) Other Disbursements not reported in (D) through (G)	(I) Total
1 A									
B									
C									
2 A									
B									
C									
3 A									
B									
C									
4 A									
B									
C									

TOTAL OFFICER DISBURSEMENTS						
LESS DEDUCTIONS						
NET DISBURSEMENTS						

SCHEDULE 14 – DISBURSEMENTS TO EMPLOYEES

FILE NUMBER:

	(A) Name Last, First, MI	(B) Title	(C) Other Payer	(D) Gross Salary Disbursements (before any deductions)	(E) Allowances Disbursed	(F) Benefits	(G) Disbursements for Official Business	(H) Other Disbursements not reported in Columns (D) through (G)	(I) Total
1 A									
B									
C									
2 A									
B									
C									
3 A									
B									
C									
4 A									
B									
C									

TOTAL RECEIVED BY ALL OTHER EMPLOYEES MAKING $10,000 OR LESS						

TOTAL EMPLOYEE DISBURSEMENTS						
LESS DEDUCTIONS						
NET DISBURSEMENTS						

SCHEDULE 15 – MEMBERSHIP STATUS

FILE NUMBER:

Category of Membership (A)	Number (B)	Voter Eligibility (C)
1. Retiree Members		Yes
2.		Yes
3.		Yes
4.		Yes
5.		Yes
6.		Yes
7.		Yes
Members (Total of all lines above)		
Agency Fee Payers*		
Total Members/Fee Payers (Total of Members and Fee Payers Lines)		
*Agency Fee Payers are not considered members of the labor organization		

DETAILED SUMMARY PAGE – SCHEDULES 16 THROUGH 23

FILE NUMBER:

Complete Itemization Pages BEFORE the Detailed Summary Page

SCHEDULE 16 DUES AND AGENCY FEES	1. Named Payer Itemized Receipts		
	2. Named Payer Non-Itemized Receipts		
	3. All Other Receipts		
	4. Total Receipts *(add Lines 1 through 3)*		**Item 36**
SCHEDULE 17 PER CAPITA TAX	1. Named Payer Itemized Receipts		
	2. Named Payer Non-Itemized Receipts		
	3. All Other Receipts		
	4. Total Receipts *(add Lines 1 through 3)*		**Item 37**
SCHEDULE 18 FEES, FINES, ASSESSMENTS, WORK PERMITS	1. Named Payer Itemized Receipts		
	2. Named Payer Non-Itemized Receipts		
	3. All Other Receipts		
	4. Total Receipts *(add Lines 1 through 3)*		**Item 38**
SCHEDULE 19 SALE OF SUPPLIES	1. Named Payer Itemized Receipts		
	2. Named Payer Non-Itemized Receipts		
	3. All Other Receipts		
	4. Total Receipts *(add Lines 1 through 3)*		**Item 39**
SCHEDULE 20 RENTS	1. Named Payer Itemized Receipts		
	2. Named Payer Non-Itemized Receipts		
	3. All Other Receipts		
	4. Total Receipts *(add Lines 1 through 3)*		**Item 42**
SCHEDULE 21 ON BEHALF OF AFFILIATES FOR TRANSMITTAL TO THEM	1. Named Payer Itemized Receipts		
	2. Named Payer Non-Itemized Receipts		
	3. All Other Receipts		
	4. Total Receipts *(add Lines 1 through 3)*		**Item 47**
SCHEDULE 22 FROM MEMBERS FOR DISBURSEMENTS ON THEIR BEHALF	1. Named Payer Itemized Receipts		
	2. Named Payer Non-Itemized Receipts		
	3. All Other Receipts		
	4. Total Receipts *(add Lines 1 through 3)*		**Item 48**
SCHEDULE 23 OTHER RECEIPTS	1. Named Payer Itemized Receipts		
	2. Named Payer Non-Itemized Receipts		
	3. All Other Receipts		
	4. Total Receipts *(add Lines 1 through 3)*		**Item 49**

SCHEDULE 16 – DUES AND AGENCY FEES

FILE NUMBER:

Complete Itemization Pages BEFORE the Detailed Summary Page

Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Type or Classification (B)			
	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		
	Total of All Transactions with this Payee/Payer for This Schedule		

SCHEDULE 17 – PER CAPITA TAX

FILE NUMBER:

Complete Itemization Pages BEFORE the Detailed Summary Page

Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Type or Classification (B)			
	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		
	Total of All Transactions with this Payee/Payer for This Schedule		

SCHEDULE 18 – FEES, FINES, ASSESSMENTS, WORK PERMITS

FILE NUMBER:

Complete Itemization Pages BEFORE the Detailed Summary Page

Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Type or Classification (B)			
	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		
	Total of All Transactions with this Payee/Payer for This Schedule		

SCHEDULE 19 – SALE OF SUPPLIES

FILE NUMBER:

Complete Itemization Pages BEFORE the Detailed Summary Page

Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Type or Classification (B)			
	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		
	Total of All Transactions with this Payee/Payer for This Schedule		

SCHEDULE 20 – RENTS

FILE NUMBER:

Complete Itemization Pages BEFORE the Detailed Summary Page

Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Type or Classification (B)			
	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		
	Total of All Transactions with this Payee/Payer for This Schedule		

SCHEDULE 21 – ON BEHALF OF AFFILIATES FOR TRANSMITTAL TO THEM

FILE NUMBER:

Complete Itemization Pages BEFORE the Detailed Summary Page

Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Type or Classification (B)			
	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		
	Total of All Transactions with this Payee/Payer for This Schedule		

SCHEDULE 22 – FROM MEMBERS FOR DISBURSEMENTS ON THEIR BEHALF

FILE NUMBER:

Complete Itemization Pages BEFORE the Detailed Summary Page

Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Type or Classification (B)			
	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		
	Total of All Transactions with this Payee/Payer for This Schedule		

SCHEDULE 23 – OTHER RECEIPTS

FILE NUMBER:

Complete Itemization Pages BEFORE the Detailed Summary Page

Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Type or Classification (B)			
	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		
	Total of All Transactions with this Payee/Payer for This Schedule		

DETAILED SUMMARY PAGE – SCHEDULES 24 THROUGH 30

FILE NUMBER:

Complete Itemization Pages BEFORE the Detailed Summary Page

SCHEDULE 24 CONTRACT NEGOTIATION AND ADMINISTRATION	1. Named Payee Itemized Disbursements		
	2. Named Payee Non-Itemized Disbursements		
	3. All Other Disbursements		
	4. Total Disbursements *(add Lines 1 through 3)*		Item 51
SCHEDULE 25 ORGANIZING	1. Named Payee Itemized Disbursements		
	2. Named Payee Non-Itemized Disbursements		
	3. All Other Disbursements		
	4 Total Disbursements *(add Lines 1 through 3)*		Item 52
SCHEDULE 26 POLITICAL ACTIVITIES	1. Named Payee Itemized Disbursements		
	2. Named Payee Non-Itemized Disbursements		
	3. All Other Disbursements		
	4. Total Disbursements *(add Lines 1 through 3)*		Item 53
SCHEDULE 27 LOBBYING	1. Named Payee Itemized Disbursements		
	2. Named Payee Non-Itemized Disbursements		
	3. All Other Disbursements		
	4. Total Disbursements *(add Lines 1 through 3)*		Item 54
SCHEDULE 28 CONTRIBUTIONS, GIFTS, AND GRANTS	1. Named Payee Itemized Disbursements		
	2. Named Payee Non-Itemized Disbursements		
	3. All Other Disbursements		
	4. Total Disbursements *(add Lines 1 through 3)*		Item 55

SCHEDULE 29 GENERAL OVERHEAD	1. Named Payee Itemized Disbursements		
	2. Named Payee Non-Itemized Disbursements		
	3. All Other Disbursements		
	4. Total Disbursements *(add Lines 1 through 3)*		Item 56
SCHEDULE 30 UNION ADMINISTRATION	1. Named Payee Itemized Disbursements		
	2. Named Payee Non-Itemized Disbursements		
	3. All Other Disbursements		
	4. Total Disbursements *(add Lines 1 through 3)*		Item 57

SCHEDULE 24 – CONTRACT NEGOTIATION AND ADMINISTRATION

FILE NUMBER:

Complete Itemization Pages BEFORE the Detailed Summary Page

Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Type or Classification (B)			
	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		
	Total of All Transactions with this Payee/Payer for This Schedule		

SCHEDULE 25 – ORGANIZING

FILE NUMBER:

Complete Itemization Pages BEFORE the Detailed Summary Page

Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Type or Classification (B)			
	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		
	Total of All Transactions with this Payee/Payer for This Schedule		

SCHEDULE 26 – POLITICAL ACTIVITIES

FILE NUMBER:

Complete Itemization Pages BEFORE the Detailed Summary Page

Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Type or Classification (B)			
	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		
	Total of All Transactions with this Payee/Payer for This Schedule		

SCHEDULE 27 – LOBBYING

FILE NUMBER:

Complete Itemization Pages BEFORE the Detailed Summary Page

Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Type or Classification (B)			
	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		
	Total of All Transactions with this Payee/Payer for This Schedule		

SCHEDULE 28 – CONTRIBUTIONS, GIFTS, AND GRANTS

FILE NUMBER:

Complete Itemization Pages BEFORE the Detailed Summary Page

Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Type or Classification (B)			
	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		
	Total of All Transactions with this Payee/Payer for This Schedule		

SCHEDULE 29 – GENERAL OVERHEAD

FILE NUMBER:

Complete Itemization Pages BEFORE the Detailed Summary Page

Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Type or Classification (B)			
	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		
	Total of All Transactions with this Payee/Payer for This Schedule		

SCHEDULE 30 – UNION ADMINISTRATION

FILE NUMBER:

Complete Itemization Pages BEFORE the Detailed Summary Page

Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Type or Classification (B)			
	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		
	Total of All Transactions with this Payee/Payer for This Schedule		

SCHEDULE 31– BENEFITS

FILE NUMBER:

Description (A)	To Whom Paid (B)	Amount (C)
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.		
12.		
13.		
14.		
15.		
16.		
17.		
18.		
19.		
20.		
21.		
22.		
Total of all lines above (Total will be automatically entered in Item 58.)		

SCHEDULE 32 – FOREIGN TRANSACTIONS

FILE NUMBER:

Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Type or Classification (B)			
	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		
	Total of All Transactions with this Payee/Payer for This Schedule		

FILE NUMBER:

75. ADDITIONAL INFORMATION

Public reporting burden for this collection of information is estimated to average 495.8 hours per response. For filers who have subsidiary organizations, as defined in Section X of these instructions, an additional public reporting burden is estimated to average 88 hours per response. These estimates include the time for reviewing instructions, searching existing data sources, gathering and maintaining data needed, and completing and reviewing the collection of information. Persons are not required to respond to the collection of information unless it displays a currently valid OMB control number. Reporting of this information is mandatory and is required by the Labor-Management Reporting and Disclosure Act of 1959, as amended, for the purpose of public disclosure. As this is public information, there are no assurances of confidentiality. If you have any comments regarding this estimate or any other aspect of this information collection, including suggestions for reducing this burden, please send them to the U.S. Department of Labor, Office of Labor-Management Standards, Room N-5609, 200 Constitution Avenue, NW, Washington, DC 20210.

INSTRUCTIONS FOR FORM LM-2 LONG FORM LABOR ORGANIZATION ANNUAL REPORT

GENERAL INSTRUCTIONS

I. WHO MUST FILE

Every labor organization subject to the Labor-Management Reporting and Disclosure Act, as amended (LMRDA), the Civil Service Reform Act (CSRA), or the Foreign Service Act (FSA) must file a financial report, Form LM-2 Long Form, Form LM-2, Form LM-3, or Form LM-4, each year with the Office of Labor-Management Standards (OLMS) of the U.S. Department of Labor. These laws cover labor organizations that represent employees who work in private industry, employees of the U.S. Postal Service, and most Federal government employees. Labor organizations that include or represent only state, county, or municipal government employees are not covered by these laws and, therefore, are not required to file. If you have a question about whether the labor organization is required to file, contact the nearest OLMS field office listed at the end of these instructions.

II. WHAT FORM TO FILE

Every labor organization subject to the LMRDA, CSRA, or FSA with total annual receipts of $40,000,000 or more must file the Form LM-2 Long Form.

Labor organizations with total annual receipts less than $40,000,000 may file Form LM-2.

Labor organizations with total annual receipts of less than $350,000 may file the simplified Form LM-3, if not in trusteeship as defined in Section IX (Labor Organization In Trusteeship) of these instructions. Labor organizations with total annual receipts of less than $25,000 may file the abbreviated annual report Form LM-4, if not in trusteeship.

The term "total annual receipts" means all financial receipts of the labor organization during its fiscal year, regardless of the source, including receipts of any special funds as described in Section VIII (Funds To Be Reported) or as described in Section X (Labor Organizations With Subsidiary Organizations). Receipts of an LMRDA section 3(l) trust in which the labor organization is interested (as described in Information Item 10(a)) should not be included in the total annual receipts of the labor organization when determining which form to file, unless the 3(l) trust is a subsidiary organization of the union.

III. WHEN TO FILE

Form LM-2 Long Form must be filed within 90 days after the end of the labor organization's fiscal year (12-month reporting period). The law does not authorize the Department to grant an extension of time for filing reports. The penalties for delinquency are described in Section VI (Officer Responsibilities and Penalties) of these instructions.

If the labor organization went out of existence during its fiscal year, a terminal financial report must be filed within 30 days after the date it ceased to exist. See Section XII (Labor Organizations That Have Ceased to Exist) of these instructions for information on filing a terminal financial report.

IV. HOW TO FILE

Form LM-2 Long Form must be submitted electronically to the Department via the OLMS Electronic Forms System (EFS) linked from the OLMS website (www.dol.gov/olms). Form LM-2 Long Form filers will be able to file reports in paper format only if they assert a temporary hardship exemption.

NOTE: Upon registering with OLMS, the signatories and preparers must enter the email addresses they use to conduct union business, in order to file the form via the OLMS Electronic Forms System. While the email addresses will not appear on the report, OLMS may use the email address of the signatories and any preparers to contact the union concerning LMRDA compliance.

If you have difficulty navigating the system, or have questions about its functions and features, call the OLMS Help Desk at: (866) 401-1109. For questions concerning the reporting requirements, please send an email to OLMS-Public@dol.gov or call (202) 693-0123.

TEMPORARY HARDSHIP EXEMPTION:

If a labor organization experiences unanticipated technical difficulties that prevent the timely preparation and submission of an electronic filing, the organization may assert a temporary hardship exemption to prepare and submit Form LM-2 Long Form in paper format by the required due date. An electronic format copy of the filed paper format document shall be submitted to the Department within ten business days after the required due date. Indicate in Item 3 (Amended, Hardship, Terminal or Trusteeship Report) that the labor organization is filing under the hardship exemption procedures. Unanticipated technical difficulties that may result in additional delays should be brought to the attention of OLMS by email at OLMS-Public@dol.gov or by phone at (202) 693-0123. **NOTE:** If either the paper filing or the electronic filing is not received in the timeframe specified above, the report will be considered delinquent.

V. PUBLIC DISCLOSURE

The LMRDA requires that the Department make labor organization financial reports available for inspection by the public. Reports may be viewed and downloaded from the OLMS Web site at www.unionreports.gov. For assistance, please email OLMS-Public@dol.gov or call (202) 693-0123.

VI. OFFICER RESPONSIBILITIES AND PENALTIES

The president and treasurer or the corresponding principal officers of the labor organization required to sign Form LM-2 Long Form are personally responsible for its filing and accuracy. Under the LMRDA, officers are subject to criminal penalties for willful failure to file a required report and for false reporting. False reporting includes making any false statement or misrepresentation of a material fact while knowing it to be false, or for knowingly failing to disclose a material fact in a required report or in the information required to be contained in it or in any information required to be submitted with it.

The reporting labor organization and the officers required to sign Form LM-2 Long Form are also subject to civil prosecution for violations of the filing requirements. Section 210 of the LMRDA (29 U.S.C. 440) provides that "whenever it shall appear that any person has violated or is about to violate any of the provisions of this title, the Secretary may bring a civil action for such relief (including injunctions) as may be appropriate."

Under the CSRA and FSA and implementing regulations, false reporting and failure to report may result in administrative enforcement action and litigation. The officers responsible for signing Form LM-2 Long Form are also subject to criminal penalties for false reporting and perjury under Sections 1001 of Title 18 and 1746 of Title 28 of the United States Code.

VII. RECORDKEEPING

The officers required to file Form LM-2 Long Form are responsible for maintaining records that will provide in sufficient detail the information and data necessary to verify the accuracy and completeness of the report. The records must be kept for at least 5 years after the date the report is filed. Any record necessary to verify, explain or clarify the report must be retained, including, but not limited to, vouchers, worksheets, receipts, applicable resolutions, and any electronic documents, including recordkeeping software, used to complete, read, and file thereport.

VIII. FUNDS TO BE REPORTED

The labor organization must report financial information on Form LM-2 Long Form for all funds of the labor organization. Include any special purpose funds or accounts, such as strike funds, vacation funds, and scholarship funds even if they are not part of the labor organization's general treasury.

All labor organization political action committee (PAC) funds are considered to be labor organization funds. However, to avoid duplicate reporting, PAC funds that are kept separate from your labor organization's treasury are not required to be included in your organization's Form LM-2 Long Form if publicly available reports on the PAC funds are filed with a Federal or state agency.

Your organization is required to report financial information about any "subsidiary organizations." Financial information about your organization and its subsidiary organizations may be combined on a single Form LM-2 Long Form or you may attach to your Form LM-2 Long Form report the regular annual report of the financial condition and operations of the subsidiary organization with a signed certification by an independent public accountant, as described in Section X (Labor Organizations With Subsidiary Organizations).

If combining the information concerning subsidiary organizations, be sure to include the requested information and amounts for the subsidiary organizations as well as for all other assets of your union in all items.

SPECIAL INSTRUCTIONS FOR CERTAIN ORGANIZATIONS

IX. LABOR ORGANIZATIONS IN TRUSTEESHIP

Any labor organization that has placed a subordinate labor organization in trusteeship is responsible for filing the subordinate's annual financial report. A trusteeship is defined in section 3(h) of the LMRDA (29 U.S.C. 402) as "any receivership, trusteeship, or other method of supervision or control whereby a labor organization suspends the autonomy otherwise available to a subordinate body under its constitution or bylaws."

Annual financial reports filed for any labor organization with $40,000,000 or more in annual receipts in trusteeship must be filed on Form LM-2 Long Form. The report must be signed by the president and treasurer or corresponding principal officers of the labor organization that imposed the trusteeship. The trustees of the subordinate labor organization must also sign and date Form LM-2 Long Form. To add signature blocks, click on the "Add Signature Block" button on the bottom of page 1.

X. LABOR ORGANIZATIONS WITH SUBSIDIARY ORGANIZATIONS

The labor organization must disclose assets, liabilities, receipts, and disbursements of a subsidiary organization.

Within the meaning of these instructions, a subsidiary organization is defined as any separate organization of which the ownership is wholly vested in the reporting labor organization or its officers or its membership, which is governed or controlled by the officers, employees, or members of the reporting labor organization, and which is wholly financed by the reporting labor organization. A subsidiary organization is considered to be wholly financed if the initial financing was provided by the reporting labor organization even if the subsidiary organization is currently wholly or partially self-sustaining. An example of a subsidiary organization is a building corporation which holds title to a building; the labor organization owns the building corporation, selects the officers, and finances the operation of the building corporation.

A labor organization is required to report financial information for each of its subsidiary organizations using one of the following methods:

Method (1) — Consolidate the financial information for the subsidiary organization and the labor organization on a single Form LM-2 Long Form.

Method (2) —File, with the labor organization's Form LM-2 Long Form, the regular annual report of the financial condition and operations of the subsidiary organization, accompanied by a statement signed by an independent public accountant certifying that the financial report presents fairly the financial condition and operations of the subsidiary organization and was prepared in accordance with generally accepted accounting principles.

Financial information reported separately for subsidiary organizations under method (2) must include the name of the subsidiary organization and the name and file number of the labor organization as shown on its Form LM-2 Long Form. The financial report of the subsidiary organization must cover the same reporting period as that used by the reporting labor organization.

When method (2) is used and the subsidiary organization is an investment, the financial interest of the reporting labor organization in the subsidiary organization must be

reported in Item 26 (Investments) and in Schedule 7 (Investments) of the labor organization's Form LM-2 Long Form. When method (2) is used and the subsidiary organization is of a non-investment nature, the financial interest of the reporting labor organization in the subsidiary organization must be reported in Item 28 (Other Assets) and in Schedule 9 (Other Assets) of the labor organization's Form LM-2 Long Form.

The same type of information required on Form LM-2 Long Form regarding disbursements to officers and employees and loans made by labor organizations must also be reported with respect to the subsidiary organization. In method (1) the information relating to the subsidiary organization must be combined with that of the labor organization and reported on the labor organization's Form LM-2 Long Form on Schedule 13 (All Officers and Disbursements to Officers) and Schedule 14 (Disbursements to Employees) and Statement A, Item 24 (Loans Receivable) and Schedule 2 (Loans Receivable) in the detail required by the instructions. If method (2) is used, an attachment must be submitted containing the information required by the instructions for Schedules 2, 13, and 14.

The information regarding loans made by the subsidiary organization must include in Schedule 2 (Loans Receivable) a listing of the names of each officer, employee, or member of the labor organization and each officer or employee of the subsidiary organization whose total loan indebtedness to the subsidiary organization, to the labor organization, or to both at any time during the reporting period exceeded $250. However, if method (2) is used, the amount reported by the subsidiary organization should be only the amount owed to the subsidiary organization.

The annual financial report must also include on Schedule 13 (All Officers and Disbursements to Officers) all disbursements made by the subsidiary organization to or on behalf of its officers and officers of the labor organization. The report must also list on Schedule 14 (Disbursements to Employees) the name and position of the subsidiary organization's employees whose total gross salaries, allowances, and other disbursements from the subsidiary organization, the reporting labor organization, and any affiliates were more than $10,000. However, if method (2) is used, only the disbursements of the subsidiary organization for its employees must be reported.

XI. COMPLETING FORM LM-2 LONG FORM

INTRODUCTION

Most pages have a "Save & Calculate" button to total and transfer data to fields in various parts of the form. You may click on one or more of these buttons as you fill out the form at any time.

You may click on the "Validate Form" button at any time to check for errors. This action will generate an "Validation Summary Page" listing any errors that will need to be corrected before you will be able to sign the form. The signature field will be enabled once validation is passed.

INFORMATION ITEMS 1–9

Items 1, 2, and 4-8 are "pre-filled" items. These fields are filled in by the system based on information you entered when you accessed the form from our website. You cannot edit the information pre-filled in Items 1 and 2.

1. FILE NUMBER — The system will enter the labor organization's 6-digit file number here and at the top of each page of Form LM-2 Long Form. If the labor organization does not have the number on file and cannot obtain the number from prior reports filed with the Department, the number can be obtained from the OLMS website at www.unionreports.gov, or by contacting the nearest OLMS field office.

2. PERIOD COVERED — The system will enter the beginning and ending dates of the period covered by your fiscal year. The system will also permit you to change the end date, if needed. If you need further assistance, contact OLMS by email at OLMS-Public@dol.gov or by phone at (202) 693-0123.

If the labor organization changed its fiscal year, the ending date in Item 2 should be the labor organization's new fiscal year ending date and the labor organization should indicate in Item 75 (Additional Information) that the report is for a period of less than 12 months because its fiscal year has changed. For example, if the labor organization's fiscal year ending date changes from June 30 to December 31, a report must be filed for the partial year from July 1 to December

31. Thereafter, the labor organization's annual report should cover a full 12-month period from January 1 to December 31.

3. AMENDED, HARDSHIP EXEMPTED, TERMINAL, OR TRUSTEESHIP REPORT — Do not complete this item unless this report is an amended, hardship exempted, or terminal report or the labor organization is under trusteeship. Select Item 3(a) if the labor organization is filing an amended report correcting a previously filed report. Select Item 3(b) if the labor organization is filing under the hardship exemption procedures defined in Section IV. Select Item 3(c) if the labor organization has gone out of business by disbanding, merging into another labor organization, or being merged and consolidated with one or more labor organizations to form a new labor organization, and this is the labor organization's terminal report. Be sure the date the labor organization ceased to exist is entered in Item 2 (Period Covered) after the word "Through." See Section XII (Labor Organizations That Have Ceased to Exist) of these instructions for more information on filing a terminal report. Select Item 3(d) if the report is being filed by a labor organization for a subordinate labor organization that it has placed in trusteeship. Use Form LM-2 Long Form only for labor organizations in trusteeships with $40,000,000 or more in annual receipts. Use Form LM-2 for labor organizations in trusteeship with less than $40,000,000 in annual receipts.

4. AFFILIATION OR ORGANIZATION NAME — The system accesses this information from the OLMS database and will enter the name of the national or international labor organization that granted the labor organization a charter. "Affiliates," within the meaning of these instructions, are labor organizations chartered by the same parent body, governed by the same constitution and bylaws, or having the relationship of parent and subordinate. For example, a parent body is an affiliate of all of its subordinate bodies, and all subordinate bodies of the same parent body are affiliates of each other.

If the labor organization has not reported such an affiliation, the system will enter the name of the labor organization as currently identified in the labor organization's constitution and bylaws or other organizational documents. This field cannot be edited. If the labor organization needs to change this information, contact OLMS by email at OLMS-Public@dol.gov or by phone at (202) 693-0123.

5. DESIGNATION — The system will enter the specific designation that is used to identify the labor organization, such as Local, Lodge, Branch, Joint Board, Joint Council, District Council, etc. This field cannot be edited. If the labor organization needs to change this information, contact OLMS by email at OLMS-Public@dol.gov or by phone at (202) 693-0123.

6. DESIGNATION NUMBER — The system will enter the number or other identifier, if any, by which the labor organization is known. This field cannot be edited. If the labor organization needs to change this information, contact OLMS by email at OLMS-Public@dol.gov or by phone at (202) 693-0123.

7. UNIT NAME — The system will enter any additional or alternate name by which the labor organization is known, such as "Chicago Area Local." This field cannot be edited. If the labor organization needs to change this information, contact OLMS by email at OLMS-Public@dol.gov or by phone at (202) 693-0123.

8. MAILING ADDRESS — The system accesses the union's mailing address on record in the OLMS database and enters it in Item 8. The first and last name of the person, if any, to whom such mail should be sent and any building and room number should be included. These fields can be edited.

9. PLACE WHERE RECORDS ARE KEPT — If the records required to be kept by the labor organization to verify this report are kept at the address reported in Item 8 (Mailing Address), answer "Yes." If not, answer "No" and provide in Item 75 (Additional Information) the address where the labor organization's records are kept.

INFORMATION ITEMS 10–21

Answer Items 10 through 21 as instructed. Select the appropriate box for those questions requiring a "Yes" or "No" answer; do not leave both boxes blank. Enter a single "0" in the boxes for items requiring a number or dollar amount if there is nothing to report.

10. (a) TRUSTS OR FUNDS —Answer "Yes" to Item 10(a), if the labor organization has an interest in a trust or other fund as defined in 29 U.S.C. 402(l). A trust in which a labor

organization is interested is a trust or other fund as defined in Section 3(l) of the LMRDA (29 U.S.C. 402(l)) as

…a trust or other fund or organization (1) which was created or established by a labor organization, or one or more of the trustees or one or more members of the governing body of which is selected or appointed by a labor organization, and (2) a primary purpose of which is to provide benefits for the members of such labor organization or their beneficiaries.

The determination whether a particular entity is a trust in which a labor organization is interested will be based on the facts in each case.

Additionally, provide in Item 75 (Additional Information) the full name, address, and purpose of each trust or other fund. Indicate in Item 75 if a report has been filed for the trust or other fund under the Employee Retirement Income Security Act of 1974 (ERISA) and the file number (Employer Identification Number — EIN) and plan number, if any.

If financial information is already available as a result of the disclosure requirements of a Federal statute other than ERISA or LMRDA, list the name of any government agency, such as the Internal Revenue Service (IRS), with which the trust files a publicly available report, and the relevant file number of the trust, or otherwise indicate where the relevant report may be viewed.

10. (b) OTHER LABOR ORGANIZATION PAYMENTS TO OFFICERS AND EMPLOYEES

Answer "Yes" to Item 10(b), if an officer or employee was paid $10,000 or more in salary, wages, and allowances by your organization and was paid $10,000 or more in salary, wages, and allowances as an officer or employee of another labor organization. In calculating whether an officer or employee was paid $10,000 or more include allowances paid on a daily, weekly, monthly, or other periodic basis. If the labor organization answered "Yes" to 10(b), provide in Item 75 (Additional Information) the name of each officer or employee, the name of the other labor organization(s), the officers' or employees' position in the other labor organization(s) and the file number of the labor organization(s).

11. POLITICAL ACTION COMMITTEE FUNDS AND SUBSIDIARY ORGANIZATIONS— If the labor organization answered "Yes" to Item 11(a), in reference to a political action committee, provide in Item 75 (Additional Information) the full name of each separate political action committee (PAC) and list the name of any government agency, such as the Federal Election Commission or a state agency, with which the PAC has filed a publicly available report, and the relevant file number of the PAC. (PAC funds kept separate from the labor organization's treasury need not be included in the labor organization's Form LM-2 Long Form if publicly available reports on the PAC funds are filed with a Federal or state agency.)

If the labor organization answered "Yes" to Item 11(b), in reference to a subsidiary organization, provide in Item 75 (Additional Information) the name, address, and purpose of each subsidiary organization. Indicate whether the information concerning its financial condition and operations is included in this Form LM-2 Long Form or in a separate report. See Section X of these instructions for information on reporting subsidiary organizations.

12. AUDIT OR REVIEW OF BOOKS AND RECORDS — If the labor organization answered "Yes" to Item 12, indicate in Item 75 (Additional Information) whether the audit or review was performed by an outside accountant or a parent body auditor/representative. If an outside accountant performed the audit or review, provide the name of the accountant or accounting firm. Report any audit or review by an outside accountant or a parent body auditor/representative in which the labor organization's books and records were examined to verify their accuracy and validity. The term "audit or review" does not include providing assistance in developing a bookkeeping system, providing routine bookkeeping services, or merely compiling information from the labor organization's books and records to prepare Form LM-2 Long Form or other financial reports. Also, do not answer "Yes" to Item 12 if an audit committee or trustees of the labor organization performed the audit or review.

13. LOSSES OR SHORTAGES — Answer "Yes" to Item 13 if the labor organization experienced and/or discovered a loss, shortage, or other discrepancy in its finances during the period covered. Describe the loss or shortage in detail in Item 75 (Additional Information), including such information as the amount of the loss or shortage of funds or a description of the property that was lost, how it was lost, and to what extent, if any,

there has been an agreement to make restitution or any recovery by means of repayment, fidelity bond, insurance, or other means.

14. FIDELITY BOND — Enter the maximum amount recoverable for a loss caused by any officer, employee, or agent of the labor organization who handled the labor organization's funds. Enter "0" if the labor organization was not covered by a fidelity bond during the reporting period.

NOTE: If a labor organization has property and annual financial receipts that exceeded $5,000, each of the labor organization's officers, employees, and agents who handles funds or other property of the labor organization must be bonded. The amount of the bond must be at least 10% of the value of the funds handled by the individual during the last reporting period, up to a maximum bond of $500,000. The bond must be obtained from a surety company approved by the Secretary of the Treasury. If you have any questions or need more information about bonding requirements, contact the nearest OLMS field office.

15. ACQUISITION OR DISPOSITION OF ASSETS — If the labor organization answered "Yes" to Item 15, describe in Item 75 (Additional Information) the manner in which the labor organization acquired or disposed of the asset(s), such as donating office furniture or equipment to charitable organizations, trading in assets, writing off a receivable, or giving away other tangible or intangible property of the labor organization. Include the type of asset, its value, and the identity of the recipient or donor, if any. Also report in Item 75 the cost or other basis at which any acquired assets were entered on the labor organization's books or the cost or other basis at which any assets disposed of were carried on the labor organization's books. For example, assets may be entered on the labor organization's books at cost and carried at that value; carried at cost less accumulated depreciation; or carried at scrap value or other nominal value because the assets were fully depreciated or were expensed when purchased (that is, the cost was charged to current expenses rather than entered on the books and periodically depreciated).

For assets that were traded in, enter in Item 75 the cost, book value, and trade-in allowance.

16. PLEDGED OR ENCUMBERED ASSETS — If the labor organization answered "Yes" to Item 16, identify in Item 75 (Additional Information) all of the labor organization's assets pledged or encumbered in any way (such as those pledged as collateral for a loan) at the end of the reporting period. Also report in Item 75 their fair market value and provide details of transactions related to the encumbrance.

17. CONTINGENT LIABILITIES — If the labor organization answered "Yes" to Item 17, describe in Item 75 (Additional Information) the transactions or events resulting in the contingent liabilities and include the identity of the claimant or creditor. Contingent liabilities are potential obligations that may or may not develop into actual liabilities in the future. Examples of a contingent liability are a loan co-signed by the labor organization, or a pending lawsuit that could result in the labor organization being ordered to pay damages or make other payments.

A pending administrative or judicial action is considered a contingent liability that must be reported in Item 17 if, in the opinion of legal counsel, it is reasonably possible that the labor organization will be required to make some payment. Such administrative or judicial actions must be reported as contingent liabilities regardless of whether or not the possible losses would have a materially adverse effect on the labor organization's financial condition. List in Item 75 each administrative or judicial action, including the case number, court, and caption.

18. CHANGES IN CONSTITUTION AND BYLAWS OR PRACTICES AND PROCEDURES — If the labor organization answered "Yes" to Item 18(a) because the labor organization's constitution and bylaws were changed during the reporting period (other than rates of dues and fees), a dated copy of the new constitution and bylaws must be submitted to OLMS as an electronic attachment to the Form LM-2 Long Form.

If the labor organization is governed by a uniform or model constitution and bylaws prescribed by the labor organization's parent national or international body, the labor organization's parent body may file the constitution and bylaws on the labor organization's behalf. If the parent body files a constitution and bylaws on the labor organization's behalf, answer "Yes" to Item 18(a) and state that fact in Item 75 (Additional Information). If the labor organization has any supplemental governing documents or has modified a model constitution and bylaws, the labor organization must file these documents.

If the labor organization answered "Yes" to Item 18(a) because the labor organization changed any of the practices/procedures listed below during the reporting period and the practices/procedures are not described in the labor organization's constitution or bylaws, the labor organization must file an amended Form LM-1 (Labor Organization Information Report) to update information on file with the Department:

- qualifications for or restrictions on membership;
- levying assessments;
- participating in insurance or other benefit plans;
- authorizing disbursement of labor organization funds;
- auditing financial transactions of the labor organization;
- calling regular and special meetings;
- authorizing bargaining demands;
- ratifying contract terms;
- authorizing strikes;
- disciplining or removing officers or agents for breaches of their trust;
- imposing fines and suspending or expelling members including the grounds for such action and any provision made for notice, hearing, judgment on the evidence, and appeal procedures;
- selecting officers and stewards and any representatives to other bodies composed of labor organizations' representatives; invoking procedures by which a member may protest a defect in the election of officers (including not only all procedures for initiating an election protest but also all procedures for subsequently appealing an adverse decision, e.g., procedures for appeals to superior or parent bodies, if any); and
- issuing work permits.

Information on obtaining Form LM-1 may be obtained from the OLMS Web site at www.olms.dol.gov or from any OLMS field office.

NOTE: Federal employee labor organizations subject solely to the Civil Service Reform Act or Foreign Service Act are not required to submit an amended Form LM-1 to describe revised or changed practices/procedures.

Enter the month and year of the labor organization's current constitution and bylaws in Item 18(b). The format for the dates must be month and year (mm/yyyy).

19. NEXT REGULAR ELECTION — Enter the month and year of the labor organization's next regular election of general officers (president, vice president, treasurer, secretary, etc.). Do not report the date of any interim election to fill vacancies.

20. NUMBER OF MEMBERS — After Schedule 15 is completed and the "Save & Calculate" button is clicked, the system will enter the total number of members into Item 20.

21. DUES AND FEES — Enter the dues and fees established by the labor organization. If more than one rate applies, enter the minimum and maximum rates. Enter "0" where appropriate.

Line (a): Enter the regular dues, fees or other periodic payments that a member must pay to be in good standing in the labor organization, including the calendar basis for the payment (per month, per year, etc.). Include only the dues or fees of regular members and not dues or fees of members with special rates, such as apprentices, retirees, or unemployed members.

Line (b): If individuals covered by your organization's collective bargaining agreement(s) pay "working" dues in addition to their regular dues, enter the amount or percent of "working" dues, including the basis for the payment (per hour, per month, etc.).

Line (c): Enter the initiation fees required from new members.

Line (d): Enter the fees other than dues required from transferred members. Such fees are those charged to persons applying for a transfer of membership to the labor organization from another labor organization with the same affiliation. Do not report fees charged to members transferring from one class of membership to another within the labor organization.

Line (e): If the labor organization issues work permits, enter the fees required and enter the calendar basis for the payment (per month, per year, etc.). Work permit fees are fees charged to nonmembers of the labor organization who work within its jurisdiction. Do not report as work permit fees those fees charged to nonmember applicants for membership pending acceptance of their

membership application, or fees charged to persons applying for transfer of membership to the labor organization pending acceptance of their application for transfer.

FINANCIAL DETAILS

REPORT ONLY DOLLAR AMOUNTS

Report all amounts in dollars only. Round cents to the nearest dollar. Amounts ending in $.01 through $.49 should be rounded down. Amounts ending in $.50 through $.99 should be rounded up.

REPORTING CLASSIFICATIONS

Complete all items and lines on the form. Do not use different accounting classifications or change the wording of any item or line.

BEGINNING AND ENDING AMOUNTS

Entries in Schedules 2 and 11 and in Statement A must report amounts for both the start and the end of the reporting period. The amounts entered for the start of the reporting period on the labor organization's report should be identical to the amounts entered for the end of the reporting period on last year's report. If the amounts are not the same, fully explain the difference in Item 75 (Additional Information).

COMPLETE SCHEDULES FIRST

Complete Schedules 1 through 32 before completing Statements A and B. Be sure to complete all applicable lines in Schedules 1 through 32. As you complete the schedules, the system will transfer some of the totals to the appropriate items in Statements A and B. You must enter the remaining totals manually.

COMPLETE ALL ITEMS 22 THROUGH 74

Complete all remaining items in Statement A and Statement B. Enter "0" where appropriate.

SCHEDULES 1 THROUGH 15

SCHEDULE 1 – ACCOUNTS RECEIVABLE AGING SCHEDULE

The labor organization must report 1) all accounts with an entity or individual that aggregate to a value of $7,500 or more and that are 90 days or more past due at the end of the reporting period or were liquidated, reduced or written off during the reporting period; and 2) the total aggregated value of all other accounts receivable.

If additional lines are needed, click the "Add Accounts Receivable" button at the top of the schedule. The system will add lines to the schedule in increments of ten.

Column (A): Enter the name of each entity or individual with which the labor organization has an account receivable of $7,500 or more that is 90 days or more past due at the end of the reporting period or that was liquidated, reduced or written off during the reporting period without the receipt of cash sufficient to cover the total value of the account receivable.

Column (B): Enter the total amount of money owed to the labor organization by each listed entity or individual at the end of the reporting period. Enter on the "Total from all other accounts receivable" line the total amount of money owed to the labor organization in all other accounts receivable not required to be itemized in Schedule 1.

Click the "Save & Calculate" button at the top of the schedule and the system completes the "Total of all itemized accounts receivable" line" in Column (B) and enters the total accounts receivable in Column (B) and in Item 23, Column (B) of Statement A.

Column (C): Enter the total amount of money owed to the labor organization by each listed entity or individual at the end of the reporting period that is 90 to 180 days past due. Enter the total amount of money owed to the labor organization in all other accounts receivable (those of less than $7,500) that are 90 to 180 days past due and are not required to be itemized in Schedule 1 on the "Total from all other accounts receivable" line.

Click the "Save & Calculate" button at the top of the schedule and the system completes the "Total of all itemized accounts receivable" line in Column (C) and enters the total accounts receivable that were 90 to 180 days past due in Column (C).

Column (D): Enter the total amount of money owed to the labor organization by each listed entity or individual at the end of the reporting period that is more than 180 days past due. Enter the total amount of money owed to the labor organization in all other accounts receivable (those of less than $7,500 and not require to be itemized in Schedule 1) that are more than 180 days past due on the "Total from all other accounts receivable" line.

Click the "Save & Calculate" button at the top of the schedule and the system completes the

"Total of all itemized accounts receivable" line in Column (D) and enters the total accounts receivable that were more than 180 days past due in Column (D).

Column (E): Enter the total amount of money owed to the labor organization by each entity or individual that was liquidated, reduced or written off during the reporting period by the reporting labor organization without the receipt of cash sufficient to cover the total value of the account receivable. Enter on the "Total from all other accounts receivable" line the total amount of money owed to the labor organization in all other accounts receivable (those of less than $7,500 and not required to be itemized in Schedule1) that was liquidated, reduced or written off during the reporting period by the reporting labor organization without the receipt of cash sufficient to cover the total value of the account receivable.

Click the "Save & Calculate" button at the top of the schedule and the system completes the "Total of all itemized accounts receivable" line in Column (E) and enters the total liquidated accounts receivable in Column (E).

Provide in Item 75 (Additional Information) all details and circumstances in connection with the liquidation, reduction or writing off of any account receivable, in accordance with the instructions for Item 15 (Acquisition or Disposition of Assets).

SCHEDULE 2 – LOANS RECEIVABLE

Report details of all direct and indirect loans (whether or not evidenced by promissory notes or secured by mortgages) owed to the labor organization at any time during the reporting period by individuals, business enterprises, benefit plans, and other entities including labor organizations. An example of an indirect loan is a disbursement by the labor organization to an educational institution for the tuition expense of an officer, employee, or member that must be repaid to the labor organization by that individual. Be sure to report all loans that were made and repaid in full during the reporting period. Do not include investments in corporate bonds or mortgages purchased on a block basis through a bank or similar institution that must be reported in Schedule 7 (Investments Other Than U.S. Treasury Securities).

NOTE: Advances, including salary advances, are considered loans and must be reported in Schedule 2 (Loans Receivable). However, advances to officers and employees of the labor organization for travel expenses necessary for conducting official business are not considered loans if the following conditions are met:

- The amount of an advance for a specific trip does not exceed the amount of expenses reasonably expected to be incurred for official travel in the near future, and the amount of the advance is fully repaid or fully accounted for by vouchers or paid receipts within 30 days after the completion or cancellation of the travel.
- The amount of a standing advance to an officer or employee who must frequently travel on official business does not unreasonably exceed the average monthly travel expenses for which the individual is separately reimbursed after submission of vouchers or paid receipts, and the individual does not exceed 60 days without engaging in official travel.

See the instructions for Schedules 9 (Other Assets), 13 (All Officers and Disbursements to Officers) and 14 (Disbursements to Employees) for reporting travel advances that meet these criteria.

If additional lines are needed, click the "Add Loans Receivable" button at the top of the schedule. The system will add lines to the schedule in increments of ten.

Column (A): Enter the following information:

- The name of each officer, employee, or member whose total loan indebtedness to the labor organization, including any subsidiary organization, at any time during the reporting period exceeded $250, and the name of each business enterprise which had any loan indebtedness, regardless of amount, at any time during the reporting period;
- The purpose of each loan;
- The security given for each loan; and
- The terms of repayment for each loan.

For each officer or employee listed, indicate after each name either "O" (officer) or "E" (employee).

Column (B): Enter the loan amounts outstanding at the start of the reporting period from each listed individual and business enterprise. Enter the total of loans made to officers, employees, or members whose total individual loan indebtedness to the labor organization at any time during the reporting period did not exceed $250, and all loans, regardless of amount, made to other individuals and entities on the "Total of loans not listed above" line.

Click the "Save & Calculate" button at the top of the schedule and the system will enter the total for Column (B) on the "Total of all lines above" line in Schedule 2 and in Item 24 (Loans Receivable), Column (A) of Statement A.

Column (C): Enter the amount of loans made during the reporting period to each listed individual and business enterprise. Enter the total of all other loans made during the reporting period on the "Total of loans not listed above" line.

Click the "Save & Calculate" button at the top of the schedule and the system will enter the total for Column (C) on the "Total of all lines above" line in Schedule 2 and in Item 65 (Loans Made) of Statement B.

Columns (D)(1) and (D)(2): Enter the amount of loan repayments during the reporting period from each listed individual and business enterprise. Report in these columns only the portion of the payments applied toward principal; interest received must be reported in Item 40 (Interest). Use Column (D)(1) to report repayments received in cash. Use Column (D)(2) to report repayments made in a manner other than cash, such as repayments made by officers or employees by means of deductions from their salaries. Enter the amount of loan repayments from all other loans on the "Total of loans not listed above" line.

Click the "Save & Calculate" button at the top of the schedule and the system will enter the total for Columns (D)(1) and (D)(2) on the "Total of all lines above" line in Schedule 2 and the total from Column (D)(1) in Item 46 (Repayments of Loans Made) of Statement B. Explain in Item 75 (Additional Information) any non-cash amounts reported in Column (D)(2).

Column (E): Enter the loan amounts outstanding at the end of the reporting period for each listed individual and business enterprise.
Enter the total amount outstanding at the end of the reporting period for all other loans on the "Total of loans not listed above" line.

Click the "Save & Calculate" button at the top of the schedule and the system will enter the total for Column (E) on the "Total of all lines above" line in Schedule 2 and in Item 24 (Loans Receivable), Column (B) of Statement A. If any loans receivable were liquidated, reduced or written off during the reporting period, the reason and the amount must be reported in Item 75 (Additional Information).

NOTE: Section 503(a) of the LMRDA (29 U.S.C. 503) prohibits labor organizations from making direct or indirect loans to any officer or employee of the labor organization which results in a total indebtedness on the part of such officer or employee to the labor organization in excess of $2,000 at any time.

SCHEDULE 3 – SALE OF INVESTMENTS

Report details of the sale or redemption by the labor organization of U.S. Treasury securities, marketable securities, and other investments, during the reporting period. Include receipts from sales of mortgages that were purchased on a block basis through a bank or similar institution. Do not include the receipts from repayments by individual mortgagors, which must be reported in Schedule 2 (Loans Receivable) as loan repayments. You are not required to itemize the purchase or sale of marketable securities when the end seller or purchaser, i.e., the party transacting with the labor organization, is not known (such as sales of stock over a registered exchange). Instead, report these sales as aggregates over the reporting period pursuant to the instructions below. Sales of investments with a selling price of less than $5,000 or sales to a single party that aggregated to less than $5,000 also need not be itemized.

If additional lines are required click the "Add Investments Sales" button at the top of the schedule. The system will add lines to the schedule in increments of ten.

Column (A): Enter the name and address of the purchasers of investments from the labor organization. If reporting aggregated sales on a registered exchange, enter the name of the financial management firm.

Column (B): Enter a general description of the type of investment, such as U.S. Treasury securities, stocks, or bonds.

Column (C): Enter the date of the sale of each type of investment described in Column (B). If reporting aggregated sales on a registered exchange, identify the date range in which the transactions occurred.

Column (D): Enter the total cost of each type of investment (including any transaction costs) described in Column (B).

Column (E): Enter the value at which the investments were shown on the labor organization's books.

Column (F): Enter the gross sales (or contract) price of the investments.

Column (G): Enter the net amount received from the sale of the investments. If the amount received during the reporting period is less than the amount due (gross sales price less any deductions for selling expenses and repayments of secured loans or mortgages), the additional amount due to the labor organization must be reported in Schedule 9 (Other Assets) with a description sufficient to identify the type of asset. However, if a mortgage or note is taken back, it must be reported as a new loan in Schedule 2 (Loans Receivable).

Click the "Save & Calculate" button at the top of the schedule and the system enters the totals for Columns (D) through (G) on the "Total from all itemized sales of investments (lines (D)-(G) above)" line.

Enter the total cost, book value, gross sales, and net amount received of all non-itemized transactions relating to this schedule during the reporting period in the appropriate columns on the "Total from all other sales of investments" line. This is the total from your organization's books of all transactions relating to this schedule of less than $5,000 and transactions relating to this schedule with a single party that aggregated to less than $5,000.

Click the "Save & Calculate" button at the top of the schedule and the system enters the totals for columns (D) through (G) on the "total of all sales of investments" line.

Enter the total amount from the sale or redemption of U.S. Treasury securities, marketable securities, or other investments that was promptly reinvested (i.e., "rolled over") in U.S. Treasury securities, marketable securities, or other investments during the reporting period on the "Less Reinvestments" line. Calculate the total amount reinvested by adding, for each investment, the lower of each investment's original cost or the amount received from the sale or redemption that was actually reinvested. If only a portion of the amount received was reinvested, only the reinvested portion may be included on the Less Reinvestments line. Interest and dividends received during the reporting period must be reported in Items 40 (Interest) and 41 (Dividends).Click the "Save & Calculate" button at the top of the schedule and the system will enter the total "Net Sales" in Column (G) and in Item 43 (Sale of Investments) of Statement B.

SCHEDULE 4 – SALE OF FIXED ASSETS

Report details of the sale or redemption by the labor organization of fixed assets including those fixed assets that were expensed (that is, the cost of the asset was charged to current expenses, rather than entered on the books and periodically depreciated), during the reporting period.

Sales of fixed assets with a selling price less than $5,000 or sales to a single party that aggregated to less than $5,000 need not be itemized. You may report sales of fixed assets (excluding land, buildings, and vehicles) to a single source as aggregates over the reporting period pursuant to the instructions below. For example, if a labor organization sold office equipment to the same party multiple times throughout the reporting period, the labor organization may report these sales as an aggregate amount as long as those individual sales were less than $5,000.

Example: If a labor organization (Union A) sells a piece of furniture to another labor organization (Union B) for a sales price of $6,000, Union A must itemize that transaction individually.

If Union A then sells four more pieces of furniture to Union B, each for a sales price of $3,000, Union A must report these transactions as an aggregated amount on an individual line.

In this example, Union A must report two entries for the transactions with Union B: an itemized transaction detailing the $6,000 sale, and an aggregated transaction of four sales totaling $12,000.

Additionally, if Union A then sold a different type of fixed asset, such as a vehicle, Union B for $2,000, Union A is not required to itemize this transaction but must include it in the "Total of all other sales of fixed assets" line as noted below. If the sales price was above $5,000, Union A would have to report it on a separate line, as it is a vehicle.

If additional lines are required click the "Add Fixed Assets Sales" button at the top of the schedule. The system will add lines to the schedule in increments of ten.

Column (A): Enter the name and address of the purchasers of fixed assets from the labor organization.

Column (B): Enter a general description of the type of fixed asset sold. If land or building were sold, enter the location of the property, including the street address. If an automobile was sold, individually identify the automobile by make, model, and year. If reporting aggregated sales to a single source (individual sales of less than $5,000 and not required to be itemized), the description of each fixed asset sold to this source must be included. For example, if a labor organization is reporting the sale of chairs, tables, and desks to a single source throughout the reporting period, the labor organization must identify "office furniture" in the description column.

Column (C): Enter the date of the sale of each fixed asset described in Column (B). If reporting aggregated sales to a single source (other than land, buildings, or vehicles), identify the date range in which the transactions occurred.

Column (D): Enter the total cost of each type of fixed asset described in Column (B).

Column (E): Enter the value of at which the fixed assets were shown on the labor organization's books.

Column (F): Enter the gross sales (or contract) price of the fixed assets.

Column (G): Enter the net amount received from the sale of the fixed assets. If the amount received during the reporting period is less than the amount due (gross sales price less any deductions for selling expenses and repayments of secured loans or mortgages), the additional amount due to the labor organization must be reported in Schedule 9 (Other Assets) with a description sufficient to identify the type of asset. However, if a mortgage or note is taken back, it must be reported as a new loan in Schedule 2 (Loans Receivable).

Click the "Save & Calculate" button at the top of the schedule and the system enters the totals for Columns (D) through (G) on the "Total of all lines above" line.

Enter the total cost, book value, gross sales, and net amount received relating to this schedule during the reporting period in the appropriate columns on the "Total of all other sales of fixed assets" line.
This is the total from your organization's books of all transactions relating to this schedule of less than $5,000 and transactions relating to this schedule with a single party that aggregated to less than $5,000.

Click the "Save & Calculate" button at the top of the schedule and the system will enter the total "Net Sales" in Column (G) and in Item 43 (Sale of Investments) of Statement B.

SCHEDULE 5 – PURCHASE OF INVESTMENTS

Report details of the purchase by the labor organization of U.S. Treasury securities, marketable securities, and other investments during the reporting period. Include disbursements for mortgages purchased on a block basis through a bank or similar institution. You are not required to itemize the purchase or sale of marketable securities when the end seller or purchaser, i.e., the party transacting with the labor organization, is not known (such as sales of stock over a registered exchange). Instead, report these purchases as aggregates over the reporting period pursuant to the instructions below. Purchases of investments with a purchase price less than $5,000 or with a party from whom the labor organizations made purchases that aggregated to less than $5,000 also need not be itemized.

If additional lines are needed, click the "Add Investments Purchases" button at the top of the schedule. The system will add lines to the schedule in increments of ten.

Column (A): Enter the name and address of the sellers of investments to the labor organization. If reporting aggregated purchases on a registered exchange, enter the name of the financial management firm.

Column (B): Enter a general description of the type of investment, such as U.S. Treasury securities, stocks, bonds, etc.

Column (C): Enter the date of the purchase of each investment described in Column (B). If reporting an aggregated purchase price of securities when the end seller is not known, identify the date range in which the transactions occurred.

Column (D): Enter the total cost of each type of investment (including any transaction costs) described in Column (B).

Column (E): Enter the value at which the investments were entered on the labor organization's books. If assets were traded in on assets purchased, answer Item 15 (Acquisition or Disposition of Assets) "Yes," and provide in Item

75 (Additional Information) the cost, book value, and trade-in allowance in accordance with the instructions for Item 15.

Column (F): Enter the total amount disbursed for each type of investment purchased during the reporting period.

Click the "Save & Calculate "button at the top of the schedule and the system will enter the totals for Columns (D) through (F) on the "Total of all lines above" line.

Enter the total cost, book value, and total amount disbursed for all non-itemized transactions relating to this schedule during the reporting period in the appropriate columns on the "Total of all other purchases of investments" line. This is the total from your organization's books of all transactions relating to this schedule of less than $5,000 and transactions relating to this schedule with a single party that aggregated to less than $5,000.

Click the "Save & Calculate" button at the top of the schedule and the system will enter the totals for Columns (D) through (F) on the "Total of all purchases of investments" line.

Enter the total amount from the sale or redemption of U.S. Treasury securities, marketable securities, or other investments that was promptly reinvested (i.e., "rolled over") in U.S. Treasury securities, marketable securities, or other investments during the reporting period on the "Less Reinvestments" line. Calculate the total amount reinvested by adding, for each investment, the lower of each investment's original cost or the amount received from the sale or redemption that was actually reinvested. If only a portion of the amount received was reinvested, only the reinvested portion may be included on the Less Reinvestments line. Interest and dividends received during the reporting period must be reported in Items 40 (Interest) and 41 (Dividends). The total on the Less Reinvestments line must agree with the amount reported as Reinvestments on Schedule 3 (Sale of Investments).

Click the "Save & Calculate" button at the top of the schedule and the system will enter the "Net Purchases" in Column (F) and in Item 63 (Purchase of Investments) of Statement B.

SCHEDULE 6 – PURCHASE OF FIXED ASSETS

Report details of the purchase by the labor organization of fixed assets, including those fixed assets that were expensed (that is, the cost of the asset was charged to current expenses, rather than entered on the books and periodically depreciated), during the reporting period. Purchases of fixed assets with a purchase price less than $5,000 or with a party from whom the labor organization made purchases that aggregated to less than $5,000 need not be itemized. You may report purchases of fixed assets (excluding land, buildings, and vehicles) from a single source as aggregates over the reporting period pursuant to the instructions below. For example, if a labor organization purchased office equipment from the same party multiple times throughout the year, the labor organization may report these purchases as an aggregate amount as long as those individual purchases were less than $5,000.

Example: if a labor organization (Union A) purchases a piece of furniture from a different labor organization (Union B) for a purchase price of $6,000, Union A must itemize the transaction individually.

If Union A then purchases four additional pieces of furniture from Union B, each for a purchase price of $3,000, Union A must report these transactions as aggregated amounts on an individual line.

In this example, Union A must report two entries detailing the transactions with Union B: an itemized transaction detailing the $6,000 purchase, and an aggregated transaction for the four purchases totaling $12,000.

Additionally, if Union A then purchased a different type of fixed asset, such as a vehicle, from Union B for $2,000, Union A is not required to itemize this transaction but must include it in the "Total of all other purchases of fixed assets" line as noted below. If the sales price was above $5,000, Union A must report it on a separate line, as it is a vehicle.

If additional lines are needed, click the "Add Fixed Assets Purchases" button at the top of the schedule. The system will add lines to the schedule in increments of ten.

Column (A): Enter the name and address of the sellers of fixed assets to the labor organization.

Column (B): Enter a general description of the type of fixed asset purchased, such as land, automobile, etc. If land or building were purchased, enter the location of the property, including the street address. If an automobile

was sold, individually identify the automobile by make, model, and year. If an automobile was purchased, individually identify the automobile by make, model, and year. If reporting aggregated purchases from a single source (individual purchases of less than $5,000 and not required to be itemized), the description of each fixed asset purchased from this source. For example, if a labor organization is reporting the purchases of chairs, tables, and desks from a single source, the labor organization must identify furniture in the description column.

Column (C): Enter the date of the purchase of each fixed asset described in Column (B). If reporting aggregated purchases of fixed assets (other than land, buildings, or vehicles) from a single source, identify the date range in which the transactions occurred.

Column (D): Enter the total cost of each type of fixed asset (including any transaction costs) described in Column (B).

Column (E): Enter the value at which the fixed assets were entered on the labor organization's books. If assets were traded in on assets purchased, answer Item 15 (Acquisition or Disposition of Assets) "Yes," and provide in Item 75 (Additional Information) the cost, book value, and trade-in allowance in accordance with the instructions for Item 15.

Column (F): Enter the total amount disbursed for each type of fixed asset purchased during the reporting period. Do not include any unpaid balance that must be reported in Schedule 11 (Loans Payable) or Item 32 (Mortgages Payable) of Statement A.

Click the "Save & Calculate" button at the top of the schedule and the system will automatically enter the totals for Columns (D) through (F) on the "Total of lines (D)-(F) above" line.

Enter the total cost, book value, and total amount disbursed of all non-itemized transactions relating to this schedule during the reporting period in the appropriate columns on the "Total of all other purchases of fixed assets" line. This is the total from your organization's books of all transactions relating to this schedule of less than $5,000 and transactions related to this schedule with a single party that aggregated to less than $5,000.

Click the "Save & Calculate" button at the top of the schedule and the system will enter the totals for Columns (D) through (F) on the "Total of all purchases of fixed assets" line. The system will automatically enter the total of Column (F), Cash Paid, in Item 64.

SCHEDULE 7 – INVESTMENTS OTHER THAN U.S. TREASURY SECURITIES

Report details of all the labor organization's investments at the end of the reporting period, other than U.S. Treasury securities. Include mortgages purchased on a block basis and investments in any subsidiary organization not reported on a consolidated basis in accordance with method (1) explained in Section X of these instructions. Do not include savings accounts, certificates of deposit, or money market accounts, which must be reported in Item 22 (Cash) of Statement A.

Line A: Enter in Column (B) the total cost of all the labor organization's marketable securities including transaction costs such as brokerage commissions. Marketable securities are those for which current market values can be obtained from published reports of transactions in listed securities or in securities traded "over the counter," such as corporate stocks and bonds, stock and bond mutual funds, state and municipal bonds, and foreign government securities.

Line B: Enter in Column (B) the total book value of all the labor organization's marketable securities. Book value is the lower of cost or market value.

Line C: List in Column (A) each Marketable Security that has a book value over $5,000 and exceeds 5% of the total book value entered in Line B, Column (B) above and enter its book value in Column (B).

If additional lines are needed to complete Line C, click the "Add Marketable Securities" button in the schedule. The system will add lines to the schedule in increments of ten.

Line D: Enter in Column (B) the total cost, including any transaction costs, of all the labor organization's other investments (that is, those that are not U.S. Treasury securities or marketable securities). Include mortgages purchased on a block basis.

Line E: Enter in Column (B) the total book value of such other investments. Book value is the lower of cost or market value.

Line F: List in Line F, Column (A) each Other Investment that has a book value over $5,000 and exceeds 5% of the total book value entered on in Column (B) above and enter its book value in Column (B).

If additional lines are needed to complete Line F, click the "Add Marketable Securities" button in the schedule. The system adds lines to the schedule in increments of ten.

NOTE: If your organization has a subsidiary organization for which a separate report is being submitted in accordance with Section X of these instructions, the subsidiary organization must be reported in Schedule 7 if it is an investment. Enter in Line F the name of each subsidiary organization in Column (A) and its book value in Column (B).

If additional lines are required, click the Add Other Investments button on the top of the schedule. The system adds lines to the schedule in increments of ten.

Line G: Click the "Save & Calculate" button at the top of the schedule and the system will enter the total of Lines B and E on Line G and in Item 26 (Investments), Column (B) of Statement A.

SCHEDULE 8 – FIXED ASSETS

Report details of all fixed assets, such as land, buildings, automobiles and other vehicles, and office furniture and equipment owned by the labor organization at the end of the reporting period. Land and buildings must be itemized, whereas automobiles and other vehicles, and office furniture and equipment must be aggregated. Include fixed assets that were expensed (that is, the cost of the asset was charged to current expenses, rather than entered on the books and periodically depreciated), fully depreciated, or carried on the labor organization's books at scrap value or other nominal value.

Column (A): Enter under "Line A. Land (give location)" the location of any land and under "Line B. Buildings (give location)" the location of any buildings owned by the labor organization.

If additional lines are needed, click the "Add Land" button on Line A or the "Add Building" button on Line B, as applicable. The system will add lines to the schedule in increments of ten.

Column (B): Enter the cost or other basis of the fixed assets listed in Column (A).

Column (C): Enter the accumulated depreciation, if any, of the fixed assets (except land) listed in Column (A) whose cost or other basis is reported in Column (B). If the labor organization "expenses" fixed assets, also include in Column (C) the amount that the labor organization charged to expenses when the assets were purchased.

Column (D): Enter the amount at which the fixed assets listed in Column (A) are carried on the labor organization's books. Include the nominal amount, if any, at which fully depreciated assets are carried on the labor organization's books. The amount reported in Column (D) should be the difference between Columns (B) and (C).

Column (E): Enter the fair market value of land and of all assets listed in Column (A) that were expensed, fully depreciated, or depreciated to scrap value or nominal value. It is not necessary to secure a formal appraisal of the assets; a good faith estimate is sufficient. The value used for insurance purposes or for tax appraisals, for example, will normally be acceptable as representing the fair market value.

Click the "Save & Calculate" button at the top of the schedule and the system will enter the totals of Columns (B) through (E) on Line F, and the total on Line F, Column (D) in Item 27 (Fixed Assets), Column (B) of Statement A.

SCHEDULE 9 – OTHER ASSETS

Report details of all the labor organization's assets at the end of the reporting period other than Item 22 (Cash), Item 23 (Accounts Receivable), Item 24 (Loans Receivable), Item 25 (U.S. Treasury Securities), Item 26 (Investments), and Item 27 (Fixed Assets).

The labor organization's other assets must be described in Column (A) and may be classified by general groupings or bookkeeping categories, such as utility deposits, inventory of supplies for resale, or travel advances that are not required to be reported as loans as explained in the instructions for Schedule 2 (Loans Receivable), if the description is sufficient to identify the type of assets. Enter in Column (B) the value as shown on the labor organization's books of each asset or group of assets described in Column (A).

NOTE: If your organization has a subsidiary organization for which a separate report is being submitted in accordance with Section X of these instructions, the value of the subsidiary organization as shown on your organization's books must be reported in Schedule 9 if it is of a non-investment nature. Enter in Column (A) the name of any such subsidiary organization. Enter in Column (B) the value as shown on your organization's books of the net assets of any such subsidiary organization.

If additional lines are needed, click the "Add Other Assets" button at the top of the schedule. The system will add lines to the schedule in increments of ten.

Click the "Save & Calculate" button at the top of the schedule and the system will enter the Total Other Assets in Column (B) of Schedule 9 and in Item 28 (Other Assets), Column (B) of Statement A.

SCHEDULE 10 – ACCOUNTS PAYABLE AGING SCHEDULE

The labor organization must report 1) individual accounts that are valued at $7,500 or more and that are 90 days or more past due at the end of the reporting period or were liquidated, reduced or written off during the reporting period; and 2) the total aggregated value of all other accounts.

If additional lines are needed, click the "Add Accounts Payable" button at the top of the schedule. The system will add lines to the schedule in increments of ten.

Column (A): Enter the name of each entity or individual with which the labor organization has an account payable of $7,500 or more that is 90 days or more past due at the end of the reporting period or that was liquidated, reduced or written off during the reporting period without the disbursement of cash sufficient to cover the total value of the account payable.

Column (B): Enter the total amount of money owed by the labor organization to each listed entity or individual at the end of the reporting period. Enter the total amount of money owed by the labor organization in all other accounts payable not required to be itemized in Schedule 10 on the "Totals from all other accounts payable" line.

Click the "Save & Calculate" button at the top of the schedule and the system will complete the "Total of all itemized accounts payable" line in Column (B) and enter the total accounts payable in Column (B) and in Item 30, Column (D) of Statement A.

Column (C): Enter the total amount of money owed by the labor organization to the listed entity or individual at the end of the reporting period that is 90 to 180 days past due. Enter the total amount of money owed by the labor organization in all other accounts payable (those of less than $7,500) that are 90 to 180 days past due on the "Totals from all other accounts payable" line.

Click the "Save & Calculate" button at the top of the schedule and the system will complete the "Total of all itemized accounts payable" line in Column (C) and enter the total accounts payable that were 90 to 180 days past due in Column (C).

Column (D): Enter the total amount of money owed by the labor organization to each entity or individual at the end of the reporting period that is more than 180 days past due. Enter the total amount of money owed by the labor organization in all other accounts payable (those of less than $7,500 and not required to be itemized in Schedule 10) that are more than 180 days past due and on the "Total from all other accounts payable" line.

Click the "Save & Calculate" button at the top of the schedule and the system will complete the "Total of all itemized accounts payable" line in Column (D) and enter the total accounts payable that were more than 180 days past due in Column (D).

Column (E): Enter the total amount of money owed by the labor organization to each entity or individual that was written off during the reporting period by the reporting labor organization without the disbursement of cash sufficient to cover the total value of the account payable. Enter the total amount of money owed by the labor organization in all other accounts payable (those of less than $7,500 and not required to be itemized in Schedule 10) that was written off during the reporting period by the reporting labor organization without the disbursement of cash sufficient to cover the total value of the account payable on the "Total from all other accounts payable" line.

Click the "Save & Calculate" button at the top of the schedule and the system will complete the "Total of all itemized accounts payable" line in Column (E) and enter the total liquidated accounts payable in Column (E).

Provide in Item 75 (Additional Information) all details and circumstances in connection with the writing off of the account payable, including the reason and amount.

SCHEDULE 11 – LOANS PAYABLE

Report details of all loans payable on which the labor organization owed money at any time during the reporting period except those secured by mortgages or similar liens on real property (land or buildings) that must be reported in Item 32 (Mortgages Payable) of Statement A.

If additional lines are needed, click the "Add Loans Payable" button at the top of the schedule. The system will add lines to the schedule in increments of ten.

Column (A): Enter the name of each business enterprise to which a loan was payable. Also list the source of all other loans by general categories, such as labor organizations, individuals, etc.

Column (B): For each loan source listed in Column (A), enter the amount, if any, owed by the labor organization at the start of the reporting period.

Click the "Save & Calculate" button at the top of the schedule and the system will enter the total for Column (B) on the "Total of all above lines" line in Schedule 11 and in Item 31(Loans Payable), Column (C) of Statement A.

Column (C): For each loan source listed in Column (A), enter the amount, if any, obtained by the labor organization during the reporting period. If, due to discounting by a bank or for any other reason, the amount received from a loan was less than the face value of the note or the amount repayable, enter the amount actually received and explain in Item 75 (Additional Information).

Click the "Save & Calculate" button at the top of the schedule and the system will enter the total for Column (C) on the "Total of all above lines" line in Schedule 11 and in Item 45 (Loans Obtained) of Statement B.

Columns (D)(1) and (D)(2): For each loan source listed in Column (A), enter the amount, if any, that the labor organization repaid to the lender during the reporting period. Report only repayments of principal; interest paid must be reported in Schedule 29 (General Overhead). Use Column (D)(1) to report repayments made in cash. Use Column (D)(2) to report repayments made in a manner other than by cash, such as repayments made to a creditor by offsetting an amount owed by the creditor to the labor organization.

Click the "Save & Calculate" button at the top of the schedule and the system will enter the total for Columns (D)(1) and (D)(2) on the "Total of all above lines" line in Schedule 11 and the total for Column (D)(1) in Item 66 (Repayment of Loans Obtained) of Statement
B. Explain in Item 75 (Additional Information) any non-cash amounts reported in Column (D)(2).

Column (E): For each loan source listed in Column (A), enter the balance, if any, that the labor organization owed the listed lender at the end of the reporting period. If any loans payable were written off during the reporting period, the reason and amount must be reported in Item 75 (Additional Information).

Click the "Save & Calculate button" at the top of the schedule and the system will enter the total for Column (E) on the "Total of all above lines" line in Schedule 11 and in Item 31 (Loans Payable), Column (D) of Statement A.

SCHEDULE 12 – OTHER LIABILITIES

Report details of all the labor organization's liabilities at the end of the reporting period other than Item 30 (Accounts Payable), Item 31 (Loans Payable), and Item 32 (Mortgages Payable) of Statement A.

Any portion of withheld taxes or any other payroll or other deductions, which have not been transmitted at the end of the reporting period, are liabilities of the labor organization and must be reported in Schedule 12. Payroll or other deductions that are retained by the labor organization (such as repayments of loans to officers or employees) must be fully explained in Item 75 (Additional Information).

The labor organization's other liabilities must be described in Column (A) and may be classified by general groupings or bookkeeping categories if the description is sufficient to identify the type of liability. List separately any payroll taxes withheld but not yet paid, other unpaid payroll taxes of the labor organization, such as FICA taxes, and any funds collected on behalf of affiliates or members and not disbursed by the end of the reporting period. Do not include reserves for special purposes (for example, "Reserve for Building Fund") that are actually an allocation of certain assets for specific purposes rather than a liability.

If additional lines are needed, click the "Add Other Liabilities" button at the top of the schedule. The system will add lines to the schedule in increments of ten.

Enter in Column (B) the amount of each liability described in Column (A). Click the "Save & Calculate" button at the top of the schedule and the system will enter the total in Column (B) of Schedule 12 and in Item 33 (Other Liabilities), Column (D) of Statement A.

SCHEDULE 13 – ALL OFFICERS AND DISBURSEMENTS TO OFFICERS

List all the labor organization's officers and report all salaries and other direct and indirect disbursements to officers during the reporting period.

If additional lines are required, click the "Add Disbursements to Officers" button at the top of the schedule. The system will add lines to the schedule in increments of ten.

NOTE: A "direct disbursement" to an officer is a payment made by the labor organization to the officer in the form of cash, property, goods, services, or other things of value.

An "indirect disbursement" to an officer is a payment made by the labor organization to another party for cash, property, goods, services, or other things of value received by or on behalf of the officer. "On behalf of the officer" refers to a payment received by a party other than the officer or the labor organization for the personal interest or benefit of the officer. Such payments include those made through a credit arrangement under which charges are made to the account of the labor organization and are paid by the labor organization. For example, when a union, through its credit arrangements, is billed directly and pays the hotel bills of an officer who, during his workweek, resides at a hotel in the city where the union headquarters is located away from his legal residence in another city, the payments must be reported as disbursements to the officer.

Column (A): Enter in (A) the last name, first name, and middle initial of each person who held office in the labor organization at any time during the reporting period. Include all the labor organization's officers whether or not any salary or other disbursements were made to them or on their behalf by the labor organization. "Officer" is defined in section 3(n) of the LMRDA (29 U.S.C. 402) as "any constitutional officer, any person authorized to perform the functions of president, vice president, secretary, treasurer, or other executive functions of a labor organization, and any member of its executive board or similar governing body."

Column (B): Enter in (B) the title of the position each officer listed held during the reporting period. If an officer held more than one position during the reporting period, list each additional position and the dates on which the officer held the position in Item 75 (Additional Information).

Column (C): Use the drop-down menu to select the status of each officer: "N" for a new officer who took office during the reporting period; "P" for a past officer who was not in office at the end of the reporting period; or "C" for a continuing officer who was in office before the reporting period and was still in office at the end of the reporting period. If any officer was not elected at a regular election in accordance with the labor organization's constitution and bylaws or other governing documents on file with OLMS, explain the manner in which the officer was chosen in Item 75 (Additional Information).

Column (D): Enter the gross salary of each officer (before tax withholdings and other payroll deductions). Include disbursements for "lost time" or time devoted to union activities.

Column (E): Enter the total allowances made by direct and indirect disbursements to each officer on a daily, weekly, monthly, or other periodic basis. Do not include allowances paid on the basis of mileage or meals which must be reported in Column (G) or (H), as applicable.

Column (F): Enter the total disbursements made by the labor organization on behalf of each officer for benefits during the reporting period. Benefits to be reported in Column (F) include, for example, disbursements for life insurance, health insurance, and pensions made on behalf of the officer. Do not include salary bonuses, severance payments, or payments for accrued vacation, which should be reported in Column (D). Benefits reported here should reflect only those disbursements made on behalf of officers individually; aggregate benefits disbursements (such as bulk payments to a pension plan) should be reported in Schedule 31 (Benefits).

Column (G): Enter all direct and indirect disbursements to each officer that were necessary for conducting official business of the labor organization, except salaries or allowances which must be reported in Columns (D) and (E), respectively.

Examples of disbursements to be reported in Column (G) include all expenses that were reimbursed directly to an officer, meal allowances, mileage allowances, expenses for officers' meals and entertainment, and various goods and services furnished to officers but charged to the labor organization. Such disbursements should be included in Column (G) only if they were necessary for conducting official business; otherwise, report them in Column (H). Also include in Column (G) travel advances that are not considered loans as explained in the instructions for Schedule 2 (Loans Receivable).

Do not report the following disbursements in Schedule 13:

- Reimbursements to an officer for the purchase of investments or fixed assets, such as reimbursing an officer for a file cabinet purchased for office use, which must be reported in Schedule 6 (Purchase of Fixed Assets) and explained in Item 75 (Additional Information);
- Disbursements made by the labor organization to someone other than an officer as a result of transactions arranged by an officer in which property, goods, services, or other things of value were received by or on behalf of the labor organization rather than the officer, such as rental of offices and meeting rooms, purchase of office supplies, refreshments and other expenses of membership banquets or meetings, and food and refreshments for the entertainment of groups other than the officers and membership on official business;
- Office supplies, equipment, and facilities furnished to officers and paid by the labor organization for use in conducting official business; and
- Maintenance and operating costs of the labor organization's assets, including buildings, office furniture, and office equipment; however, see "Special Rules for Automobiles" below.

Column (H): Enter all other direct and indirect disbursements to each officer. Include all disbursements for which cash, property, goods, services, or other things of value were received by or on behalf of each officer and were essentially for the personal benefit of the officer and not necessary for conducting official business of the labor organization.

Include in Column (H) all disbursements for transportation by public carrier between the officer's home and place of employment or for other transportation not involving the conduct of official business. Also, include the operating and maintenance costs of all the labor organization's assets (automobiles, etc.) furnished to officers essentially for the officers' personal use rather than for use in conducting official business.

Do not include in Column (H) loans to officers, which must be reported in Schedule 2 (Loans Receivable).

Column (I): Click the “Save & Calculate” button at the top of the schedule and the system will add the amounts in Columns (D) through (H) on each line and enter the individual totals in Column (I).

The system will also enter the totals for all officers listed in Columns (D) through (H) on the “Total Officers Disbursements” line.

Enter the total amount of withheld taxes, payroll deductions, and all other deductions on the “Less Deductions” line.

Click the “Save & Calculate” button at the top of the schedule and the system will subtract the “Less Deductions” line from the “Total Officers Disbursements” line and enter the difference on the “Net Disbursements” line.

The system enters the amount on the ”Total Officers Disbursements” line in Item 70 (Officers) of Statement B.

SPECIAL RULES FOR AUTOMOBILES

Include in Column (H) of Schedule 13 that portion of the operating and maintenance costs of any automobile owned or leased by the labor organization to the extent that the use was for the personal benefit of the officer to whom it was assigned. This portion may be computed on the basis of the mileage driven on official business compared with the mileage for personal use. The portion not included in Column (H) must be reported in Column (G).

Alternatively, rather than allocating these operating and maintenance costs between Columns (G) and (H), if 50% or more of the officer's use of the vehicle was for official business, the labor organization may enter in Column (G) all disbursements relative to that vehicle with an explanation in Item 75 (Additional Information) indicating that the vehicle was also used part of the time for personal business. Likewise, if less than 50% of

the officer's use of the vehicle was for official business, the labor organization may report all disbursements relative to the vehicle in Column (H) with an explanation in Item 75 indicating that the vehicle was also used part of the time on official business.

The amount of decrease in the market value of an automobile used over 50% for the personal benefit of an officer must also be reported in Item 75.

SCHEDULE 14 – DISBURSEMENTS TO EMPLOYEES

Report all direct and indirect disbursements to employees of the labor organization during the reporting period. If additional lines are required, click the "Add Disbursements to Employees" button on the top of the schedule. The system adds lines to the schedule in increments of ten.

Include disbursements to individuals other than officers who receive lost time payments even if the labor organization does not otherwise consider them to be employees or does not make any other direct or indirect disbursements to them. The definitions of "direct disbursements" and "indirect disbursements" are the same as the definitions stated above in Schedule 13.

Column (A): Enter the last name, first name, and middle initial of each employee who during the reporting period received $10,000 or more in gross salaries, allowances, benefits, and other direct and indirect disbursements from the labor organization (including any subsidiary organizations) or from any affiliates of the labor organization. ("Affiliates" means labor organizations chartered by the same parent body, governed by the same constitution and bylaws, or having the relation of parent and subordinate.) The labor organization's report, however, should not include disbursements made by affiliates but should include only the disbursements made by the labor organization.

Column (B): Enter the position each listed employee held in the labor organization (including any subsidiary organizations).

Column (C): Enter the name of any affiliate that paid any salaries, allowances, benefits, or expenses on behalf of a listed employee. If a subsidiary of the labor organization paid any salaries, allowances, benefits, or expenses on behalf of a listed employee, see Section X of these Instructions for information about reporting these disbursements.

Columns (D) through (H): To complete Columns (D) through (H), follow the instructions for Columns (D) through (H) of Schedule 13.

Column (I): Click the "Save & Calculate" button at the top of the schedule and the system will add the amounts in Columns (D) through (H) on each line and enter the individual totals in Column (I). Enter in Columns (D) through (H) on the "Total Received By All Other Employees Making $10,000 Or Less," the totals of all gross salaries, allowances, and other disbursements for all employees of the labor organization not required to be listed above.

Click the "Save & Calculate" button at the top of the schedule and the system will add the amounts in Columns (D) through (H) on the "Total Received By All Other Employees Making $10,000 or Less" line and enter the total in Column (I). The system will also enter the total of all amounts listed in Columns (D) through (I) on the "Total Employees Disbursements" line.

Enter the total amount of withheld taxes, payroll deductions, and all other deductions on the "Less Deductions" line.

Click the "Save & Calculate" button on the page the system will subtract the "Less Deductions" line from the "Total Employees Disbursements" line and enter the difference on the "Net Disbursements" line.

The system enters the amount on the "Total Employee Disbursements" line in Item 71 (Employees) of Statement B.

SCHEDULE 15 – MEMBERSHIP STATUS

Enter in Column (A) the categories of membership tracked by the reporting labor organization. Define each category of membership in Item 75 (Additional Information). The definition should include a description of the members covered by the category and indicate whether the members pay full dues.

In addition to other membership categories, labor organizations must report the number of retiree members in Schedule 15, regardless of whether the labor organization tracks this category in its internal records. This category has been pre-filled in Column (A).

In Column (B) enter the number of members for each of the membership categories listed in Column (A). If the labor organization does not

have retiree members, enter a zero in the appropriate Column (B) line.

If additional lines are required, click the "Add Membership Statuses" button at the top of the schedule. The system will add lines to the schedule in increments of ten.

Members (Total of all lines above) – Click the "Save & Calculate" button at the top of the schedule and the system will enter on this line the total number of all members reported in Column (B). The system will also enter the total number of members in your organization in Item 20 (Number of Members).

Agency Fee Payers Line – Enter the total number of agency fee payers in your organization. Agency fee paying nonmembers are those who make payments in lieu of dues to the reporting labor organization as a condition of employment under a union security provision in a collective bargaining agreement.

Total Members/Fee Payers Line – Click the "Save & Calculate" button at the top of the schedule and the system will enter the total of all members of the labor organization and agency fee payers reported in Column (B) This total in Column (B) is not the total number of members of the labor organization reportable in Item 20.

Check the "Yes" box in Column (C) if the category of membership listed in Column (A) is generally eligible to vote in all union elections held by the labor organization. Describe in Item 75 (Additional Information) any voting restrictions that apply to a category in Column (A).

SCHEDULES 16 THROUGH 30

Schedules 16 through 30 provide detailed information on the financial operations of the labor organization in categories that reflect the services provided to union members. Receipts and disbursements are allocated to Schedules 16 through 30 and are either listed as individual entries or as aggregated entries.

NOTE: Before completing the Detailed Summary Pages for Schedules 16 through 30, you must complete the itemization pages as described below.

Allocating Receipts

Each receipt of the labor organization must be allocated to one of the receipt items in Statement B. Some of these items have backup schedules that require more detailed information. Schedules 16 through 23 reflect various receipt types received by labor unions in which all "major" receipts during the reporting period in the various categories must be separately identified. A "major" receipt includes: 1) any individual receipt of $5,000 or more; or 2) total receipts from any single entity or individual that aggregate to $5,000 or more during the reporting period. All other receipts in this schedule are aggregated. This process is discussed further below.

All receipts, other than those reported elsewhere in Statement B, must be allocated to Schedules 16 through 23, as appropriate.

Allocating Disbursements

Each disbursement of the labor organization must be allocated to one of the disbursement items in Statement B. Some of these items have backup schedules that require more detailed information. Schedules 24 through 30 reflect various services provided to union members by the union in which all "major" disbursements during the reporting period in the various categories must be separately identified. A "major" disbursement includes: 1) any individual disbursement of $5,000 or more; or 2) total disbursements to any single entity or individual that aggregate to $5,000 or more during the reporting period. All other disbursements in these schedules are aggregated.

All disbursements, other than those reported elsewhere in Statement B, must be allocated to Schedules 24 through 30, as appropriate.

Example 1: If the labor organization received a settlement of $4,999 in a small claims lawsuit, the receipt would not be individually identified, as long as the settlement was the only receipt from the entity or individual during the reporting period. The receipt would be aggregated with other small receipts in Line 3 of Schedule 23 (Other Receipts) on the Detailed Summary Page as discussed below.

Example 2: If the labor organization made three payments of $1,800 each to an office supplies vendor for office supplies used by employees engaged in contract negotiations during the reporting period, a single disbursement to the vendor of $5,400 would be listed in Line 1 on an itemization page for that vendor for Schedule 24 (Contract Negotiation and Administration) as discussed below.

Example 3: If a union pays a total of $5,500 to a printing company during the reporting year and determines that $5,050 should be allocated to

organizing costs, that amount must be identified in an itemization page for the printing company for Schedule 25 (Organizing). If the remaining $450 paid to the same printer over the course of the year was attributable to charitable expenses, that amount will be reported in Line 3 of Schedule 28 (Contributions, Gifts, and Grants) on the Detailed Summary Page but the printer need not be identified as a recipient of any funds expended for Contributions, Gifts, and Grants, since the total paid to the printer during the reporting year for services related to Contributions, Gifts, and Grants did not exceed $5,000.

Example 4: The labor organization has an ongoing contract with a law firm that provides a wide range of legal services. The labor organization makes a single payment of $10,000 each month to the law firm. In a particular month the law firm spent 50% of its time on contract negotiation litigation and 50% advising the labor organization regarding, and working for the enactment of, a new Federal law. The labor organization must allocate the payment for that month as two distinct disbursements of $5,000 each to Schedule 24 (Contract Negotiation and Administration), and Schedule 27 (Lobbying).

Procedures for Completing Schedules 16 Through 30

Before completing the Detailed Summary Pages for Schedules 16 through 30, complete an itemization page for each payer/payee for whom there is (1) an individual receipt/disbursement of $5,000 or more or (2) total receipts/disbursements that aggregate to $5,000 or more during the reporting period.

Enter in Column (A) the full name and business address of the entity or individual from which the receipt was received or to which the disbursement was made. Do not abbreviate the name of the entity or individual. If you do not know and cannot reasonably attain the full address, the city and state are sufficient. Enter in Column (B) the type of business or job classification of the entity or individual, such as printing company, office supplies vendor, lobbyist, think tank, marketing firm, legal counsel, etc.

If additional lines are needed to complete Columns (C) through (E) of the itemization page, click the "Add Receipts For This Payer" button for Schedules 16 through 23 or the "Add Disbursements for This Payee" button for Schedules 24 through 30 in Column (A) of the itemization page. The system will add lines to the itemization page in increments of ten.

Enter in Column (C) the purpose of each individual receipt/disbursement for that payee/payer of $5,000 or more, which means a brief statement or description of the reason the receipt/disbursement was made. Examples of adequate descriptions include the following: preparing organizing campaign pamphlets, staffing a help desk, opposition research, litigation regarding representation issues, litigation regarding a refusal to bargain charge, grievance arbitration, get-out-the-vote, voter education, advocating or opposing legislation, job retraining, etc.

Enter in Column (D) the date that the receipt/disbursement was made. The format for the date must be mm/dd/yyyy. The date of receipt/disbursement for reporting purposes is the date the labor organization actually received or disbursed the money.

Enter in Column (E) the amount of the receipt/disbursement.

Click the "Save & Calculate" button at the top of the itemization page and the system will enter total of all itemized transactions for this payee/payer on the "Total Itemized Transaction with this Payee/Payer" line.

Enter the total of all non-itemized transactions for the payee/payer (that is, all individual transactions of less than $5,000 each) on the "Total Non-Itemized Transactions with this Payee/Payer" line.

Click the Save & Calculate" button at the top of the itemization page again and the system will enter the total of all transactions for this payee/payer, both itemized and non-itemized, on the "Total Transactions with this Payee/Payer for this Schedule" line.

Special Instructions for Reporting Credit Card Disbursements

Disbursements to credit card companies may not be reported as a single disbursement to the credit card company as the vendor. Instead, charges appearing on credit card bills paid during the reporting period must be allocated to the recipient of the payment by the credit card company according to the same process as described above.

The Department recognizes that filers will not always have the same access to information regarding credit card payments as with other

transactions. Filers should report all of the information required in the itemization schedules that is available to the union.

For instance, in the case of a credit card transaction for which the receipt(s) and monthly statement(s) do not provide the full legal name of a payee and the union does not have access to any other documents that would contain the information, the union should report the name as it appears on the receipt(s) and statement(s).

Similarly, if the receipt(s) and statement(s) do not include a full street address, the union should report as much information as is available and no less than the city and state.

Once these transactions have been incorporated into the union's recordkeeping system they can be treated like any other transaction for purposes of assigning a description and purpose.

In instances when a credit card transaction is canceled and the charge is refunded in whole or part by entry of a credit on the credit card statement, the charge should be treated as a disbursement, and the credit should be treated as a receipt. In reporting a credit of $5,000 or more as a receipt, Column (C) must indicate that the receipt was in refund of a disbursement, and must identify the disbursement by date and amount.

Special Procedures for Reporting Confidential Information

Filers may use the procedure described below to report the following types of information:

- Information that would identify individuals paid by the union to work in a non-union bargaining unit in order to assist the union in organizing employees, provided that such individuals are not employees of the union who receive more than $10,000 in the aggregate in the reporting year from the union. Employees receiving more than $10,000 must be reported on Schedule 14 – Disbursements to Employees;
- Information that would expose the reporting union's prospective organizing strategy. The union must be prepared to demonstrate that disclosure of the information would harm an organizing drive. Absent unusual circumstances, information about past organizing drives should not be treated as confidential;
- Information that would provide a tactical advantage to parties with whom the reporting union or an affiliated union is engaged or will be engaged in contract negotiations. The union must be prepared to demonstrate that disclosure of the information would harm a contract negotiation. Absent unusual circumstances information about past contract negotiations should not be treated as confidential;
- Information pursuant to a settlement that is subject to a confidentiality agreement, or that the union is otherwise prohibited by law from disclosing; and,
- Information in those situations where disclosure would endanger the health or safety of an individual.

With respect to these specific types of information, if the reporting union can demonstrate that itemized disclosure of a specific major receipt or disbursement, or aggregated receipt or disbursement would be adverse to the union's legitimate interests, the union may include the receipt or disbursement in Line 3 of Summary Schedules 23 (Other Receipts), 24 (Contract Negotiation and Administration), 25 (Organizing) or 30 (Union Administration). In Item 75 (Additional Information) the union must identify each schedule from which any itemized receipts or disbursements were excluded because of an asserted legitimate interest in confidentiality based on one of the first three reasons listed above. No notation need be made for exclusion of information disclosure of which is prohibited by law or that would endanger the health or safety of an individual. The notation must describe the general types of information that were omitted from the schedule, but the name of the payer/payee, date, and amount of the transaction(s) is not required. This procedure may not be used for Schedules 26 through 29.

A union member, however, has the statutory right "to examine any books, records, and accounts necessary to verify" the union's financial report if the member can establish "just cause" for access to the information. 29 U.S.C. 431(c); 29 U.S.C. CFR 403.8 (2002). Any exclusion of itemized receipts or disbursements from Schedules 25, 26, 27 or 32 for one of the first three reasons listed above would constitute a *per se* demonstration of "just cause" for purposes of this Act. Consequently, any union member (and the Department), upon request, has the right to review the undisclosed information that otherwise

would have appeared in the applicable schedule if the union withholds the information in order to protect confidentiality interests. Exclusion of information disclosure of which is prohibited by law or that would endanger the health or safety of an individual creates no per se demonstration of "just cause."

Procedures for Completing the Detailed Summary Pages

The Detailed Summary Pages are used to summarize Schedules 16 through 30.

For Summary Schedules 16-23 the system enters on Line 1 of each summary schedule the total of all itemized receipts during the reporting period from named payers. This is the sum of the amounts entered on the "Total Itemized Transactions with this Payee/Payer" line on all itemization pages for the schedule.

The system enters on Line 2 the total of all non-itemized receipts from named payers. This is the sum of the amounts entered on the "Total of All Non-Itemized Transactions with this Payee/Payer" line in all itemization pages for Schedule 23.

Enter on Line 3 the total of all other receipts during the reporting period relating to the schedule. This is the total from your organization's books of all receipts during the reporting period relating to this schedule for payers who did not have a single receipt of $5,000 or more or receipts that aggregated to $5,000 or more.

The system enters on Line 4 the total of Lines 1 through 3 and forwards this total to Item 49 of Statement B.

For Summary Schedules 24–30, the system enters on Line 1 of each summary schedule the total of all itemized disbursements during the reporting period to named vendors. This is the sum of the amounts entered on the "Total of All Itemized Transactions with this Payee/Payer" line in all itemization pages for the schedule. The system enters on Line 2 of each summary schedule the total of all non-itemized disbursements to named vendors. This is the sum of the amounts entered on the "Total of All Non-Itemized Transactions with this Payee/Payer" line in all itemization pages for the schedule.

Enter on Line 3 the total of all other disbursements during the reporting period relating to the schedule. This is the total from your organization's books of all disbursements during the reporting period relating to this schedule for payees who did not have a single disbursement of $5,000 or more or disbursements that aggregated to $5,000 or more.

The system enters on Line 4 the total of Lines 1 through 3 and forwards this total to the appropriate line item of Statement B.

Example: If in Schedule 24 (Contract Negotiation and Administration) a labor organization has $200,000 in itemized disbursements of $5,000 or more to vendors, $35,000 in non- itemized disbursements of less than $5,000 each to those vendors, and $7,000 in disbursements to vendors who did not receive a major disbursement for contract negotiations and administration, then the system will enter $200,000 in Line 1, and $35,000 in Line 2, and the filer will enter $7,000 in Line 3 of Schedule 24 on the Detailed Summary Page. The total of Lines 1 through 3 is $242,000, which the system will enter in Line 4 of the summary schedule and Item 51 (Contract Negotiation and Administration) of Statement B.

SCHEDULE 16 – DUES AND AGENCY FEES

Report the labor organization's dues and agency fees from all sources during the reporting period. Enter the total dues including regular dues, working dues, etc. received by the labor organization. Include dues received directly by the organization from members, dues received from employers through a checkoff arrangement, and dues transmitted to the organization by a parent body or other affiliate. Report the full dues received, including any portion that will later be transmitted to an intermediate or parent body as per capita tax. Also report in Schedule 16 payments in lieu of dues received from any nonmember employees as a condition of employment under a union security provision in a collective bargaining agreement.

If an intermediate or parent body receives dues checkoff directly from an employer on behalf of the reporting organization, do not report the portion retained by that organization for per capita tax or other purposes, such as a special assessment. Any amounts retained by the intermediate body or parent body other than per capita tax must be explained in Item 75 (Additional Information). For example, if the

intermediate body or parent body retained $500 of the reporting organization's dues checkoff as payment for supplies purchased from that body by the reporting organization, this should be explained in Item 75, but the $500 should not be reported as a receipt or disbursement on either organization's Form LM-2 Long Form. If, however, the intermediate body or parent body disbursed part of the reporting organization's dues checkoff on that organization's behalf, this amount should be included in the appropriate disbursement item on the reporting organization's Form LM-2 Long Form. For example, if the intermediate body or parent body disbursed $500 of the reporting organization's dues checkoff to an attorney who had provided lobbying services to the reporting organization, this amount should be reported in Item 54 and as a disbursement in Schedule 27 (Lobbying) of the reporting organization's Form LM-2 Long Form.

Do not report in Schedule 16 dues that the reporting organization collected on behalf of other organizations for transmittal to them. For example, if the reporting organization received dues from a member of an affiliate who worked in the reporting organization's jurisdiction, the dues collected on the affiliate's behalf must be reported in Item 47 and on Schedule 21 (On Behalf of Affiliates for Transmittal to Them).

For all itemized receipts in this category:

Enter in Column (A) of an itemization page the full name and business address of the entity or individual from which the union received $5,000 or more in Dues and Agency Fees during the reporting period. Do not abbreviate the name of the entity or individual. Do not include personal addresses of individual union members. If you do not know and cannot reasonably obtain the full address of the entity or individual, the city and state are sufficient.

Enter in Column (B) the type of business or job classification of the entity or individual from which the union received $5,000 or more in Dues and Agency Fees during the reporting period.

If additional lines are needed to complete Columns (C) through (E) for this Payer, click the “Add Receipts of Dues and Agency Fees for This Payer” button in Column (A) of the itemization page. The system will add lines to the itemization page in increments of ten.

Enter in Column (C) the purpose of each individual receipt of $5,000 or more from the payer in sufficient detail to determine why the receipt cannot be allocated to another schedule.

Enter in Column (D) the date that each individual receipt of $5,000 or more was received. The format for the date must be mm/dd/yyyy. The date of receipt for reporting purposes is the date the labor organization actually received the money.

Enter in Column (E) the amount of each individual receipt of $5,000 or more.

Enter the total of all non-itemized receipts of Dues and Agency Fees from this payer (that is, all individual receipts of less than $5,000 each) on the “Total Non-Itemized Transactions with this Payee/Payer” line.

When you have completed entering all of the information for this payer, click the “Save & Calculate” button at the top of the itemization page and the system will enter the total in Column (E) on the “Total Itemized Transactions with this Payee/Payer” and the “Total of All Transactions with this Payee/Payer for This Schedule” lines.

An itemization page must be completed for each payer. Only one payer should be reported per page.

To create a new Dues and Agency Fees itemization page for a new payer, click the “Add Dues and Agency Fees” button at the top of the itemization page and a new itemization page will open.

Follow the instructions above to complete any additional Dues and Agency Fees itemization pages.

By clicking the “Show Payer” drop down arrow at the top of a Schedule 16 itemization page, you can select and view all of the Dues and Agency Fees itemization pages you have completed.

As you complete each itemization page, click the “Save & Calculate” button at the top of the page and the total itemized transactions will be added to line 1 of Summary Schedule 16 on the Detailed Summary Page, and the total non-itemized transactions will be added to Line 2 of the Summary Schedule.

Enter on Line 3 of Summary Schedule 16 the total amount of all other receipts relating to this schedule from other payers during the reporting period. This is the total from your organization’s

books of all receipts relating to this schedule from payers who did not provide a single receipt of $5,000 or more or receipts that aggregated
$5,000 or more.

The system adds Lines 1 through 3 and enters the total on Line 4 of Summary Schedule 16 and in Item 36 (Dues and Agency Fees) of Statement B.

SCHEDULE 17 – PER CAPITA TAX

Report the total per capita tax received by your organization if your organization is an intermediate or parent body during the reporting period. Include the per capita tax portion of dues received directly by your organization from members of affiliates, per capita tax received from subordinates, either directly or through intermediaries, and the per capita tax portion of dues received through a checkoff arrangement whereby local dues are remitted directly to an intermediate or parent body by employers. Do not include dues collected on behalf of subordinate organizations for transmittal to them. For example, if a parent body received dues checkoff directly from an employer and returned the local's portion of the dues, the parent body must report its portion of the dues checkoff (per capita tax) in Schedule 17 and report the dues received on behalf of the local in Schedule 21 (On Behalf of Affiliates for Transmittal to Them).

For all itemized receipts in this category:

Enter in Column (A) of an itemization page the full name and business address of the entity or individual from which the union received $5,000 or more in Per Capita Tax during the reporting period. Do not abbreviate the name of the entity or individual. If you do not know and cannot reasonably obtain the full address of the entity or individual, the city and state are sufficient.

Enter in Column (B) the type of business or job classification of the entity or individual from which the union received $5,000 or more in Per Capita Tax during the reporting period. If additional lines are needed to complete Columns (C) through (E) for this Payer, click the "Add Receipts of Per Capita Tax for This Payer" button in Column (A) of the itemization page. The system will add lines to the itemization page in increments of ten.

Enter in Column (C) the purpose of each individual receipt of $5,000 or more from the payer in sufficient detail to determine why the receipt cannot be allocated to another schedule.

Enter in Column (D) the date that each individual receipt of $5,000 or more was received. The format for the date must be mm/dd/yyyy. The date of receipt for reporting purposes is the date the labor organization actually received the money.

Enter in Column (E) the amount of each individual receipt of $5,000 or more.

Enter the total of all non-itemized receipts for Per Capita Tax from this payer (that is, all individual receipts of less than $5,000 each) on the "Total Non-Itemized Transactions with this Payee/Payer" line.

When you have completed entering all of the information for this payer, click the "Save & Calculate" button at the top of the itemization page and the system will enter the total in Column (E) on the "Total Itemized Transactions with this Payee/Payer" and the "Total of All Transactions with this Payee/Payer for This Schedule" lines.

An itemization page must be completed for each payer. Only one payer should be reported per page.

To create a new Per Capita Tax itemization page for a new payer, click the "Add Per Capita Tax" button at the top of the itemization page and a new itemization page will open. Follow the instructions above to complete any additional Per Capita Tax itemization pages.

By clicking the "Show Payer" drop down arrow at the top of a Schedule 17 itemization page, you can select and view all of the Per Capita Tax itemization pages you have completed.

As you complete each itemization page, click the "Save & Calculate" button at the top of the page and the total itemized transactions will be added to line 1 of Summary Schedule 17 on the Detailed Summary Page, and the total non-itemized transactions will be added to Line 2 of the Summary Schedule.
Enter on Line 3 of Summary Schedule 17 the total amount of all other receipts relating to this schedule from other payers during the reporting period. This is the total from your organization's books of all receipts relating to this schedule from payers who did not provide a single receipt of $5,000 or more or receipts that aggregated $5,000 or more.

The system adds Lines 1 through 3 and enters the total on Line 4 of Summary Schedule 17 and in Item 37 (Per Capita Tax) of Statement B.

SCHEDULE 18 – FEES, FINES, ASSESSMENTS, WORK PERMITS

Report the labor organization's receipts from fees, fines, assessments, work permits from all sources during the reporting period. Receipts by the labor organization on behalf of affiliates for transmittal to them must be reported in Schedule 21/Item 47 (On Behalf of Affiliates for Transmittal to Them). For all itemized receipts in this category:

Enter in Column (A) of an itemization page the full name and business address of the entity or individual from which the union received $5,000 or more in Fees, Fines, Assessments, Work Permits during the reporting period. Do not abbreviate the name of the entity or individual. If you do not know and cannot reasonably obtain the full address of the entity or individual, the city and state are sufficient.

Enter in Column (B) the type of business or job classification of the entity or individual from which the union received $5,000 or more in Fees, Fines, Assessments, Work Permits during the reporting period.

If additional lines are needed to complete Columns (C) through (E) for this Payer, click the "Add Receipts of Fees, Fines, Assessments, Work Permits for This Payer" button in Column (A) of the itemization page. The system will add lines to the itemization page in increments of ten.

Enter in Column (C) the purpose of each individual receipt of $5,000 or more from the payer in sufficient detail to determine why the receipt cannot be allocated to another schedule.

Enter in Column (D) the date that each individual receipt of $5,000 or more was received. The format for the date must be mm/dd/yyyy. The date of receipt for reporting purposes is the date the labor organization actually received the money.

Enter in Column (E) the amount of each individual receipt of $5,000 or more.

Enter the total of all non-itemized receipts of Fees, Fines, Assessments, Work Permits from this payer (that is, all individual receipts of less than $5,000 each) on the "Total Non-Itemized Transactions with this Payee/Payer" line.

When you have completed entering all of the information for this payer, click the "Save & Calculate" button at the top of the itemization page and the system will enter the total in Column (E) on the "Total Itemized Transactions with this Payee/Payer" and the "Total of All Transactions with this Payee/Payer for This Schedule" lines.

An itemization page must be completed for each payer. Only one payer should be reported per page.

To create a new Fees, Fines, Assessments, Work Permits Tax itemization page for a new payer, click the "Add Fees, Fines, Assessments, Work Permits" button at the top of the itemization page and a new itemization page will open.

Follow the instructions above to complete any additional Fees, Fines, Assessments, Work Permits itemization pages.

By clicking the "Show Payer" drop down arrow at the top of a Schedule 18 itemization page, you can select and view all of the Fees, Fines, Assessments, Work Permits itemization pages you have completed.

As you complete each itemization page, click the "Save & Calculate" button at the top of the page and the total itemized transactions will be added to line 1 of Summary Schedule 18 on the Detailed Summary Page, and the total non-itemized transactions will be added to Line 2 of the Summary Schedule.

Enter on Line 3 of Summary Schedule 18 the total amount of all other receipts relating to this schedule from other payers during the reporting period. This is the total from your organization's books of all receipts relating to this schedule from payers who did not provide a single receipt of $5,000 or more or receipts that aggregated $5,000 or more.

The system adds Lines 1 through 3 and enters the total on Line 4 of Summary Schedule 18 and in Item 38 (Fees, Fines, Assessments, Work Permits) of Statement B.

SCHEDULE 19 – SALE OF SUPPLIES

Report the labor organization's sale of supplies from all sources during the reporting period, such as union logo clothing, lapel pins, bumper stickers, etc.

For all itemized receipts in this category:

Enter in Column (A) of an itemization page the full name and business address of the entity or individual from which the union received $5,000 or more in Sale of Supplies during the reporting period. Do not abbreviate the name of the entity or individual. If you do not know and cannot reasonably obtain the full address of the entity or individual, the city and state are sufficient.

Enter in Column (B) the type of business or job classification of the entity or individual from which the union received $5,000 or more in Sale of Supplies during the reporting period.

If additional lines are needed to complete Columns (C) through (E) for this Payer, click the "Add Receipts from Sale of Supplies for This Payer" button in Column (A) of the itemization page. The system will add lines to the itemization page in increments of ten.

Enter in Column (C) the purpose of each individual receipt of $5,000 or more from the payer in sufficient detail to determine why the receipt cannot be allocated to another schedule.

Enter in Column (D) the date that each individual receipt of $5,000 or more was received. The format for the date must be mm/dd/yyyy. The date of receipt for reporting purposes is the date the labor organization actually received the money.

Enter in Column (E) the amount of each individual receipt of $5,000 or more.

Enter the total of all non-itemized receipts of Sale of Supplies from this payer (that is, all individual receipts of less than $5,000 each) on the "Total Non-Itemized Transactions with this Payee/Payer" line.

When you have completed entering all of the information for this payer, click the "Save & Calculate" button at the top of the itemization page and the system will enter the total in Column (E) on the "Total Itemized Transactions with this Payee/Payer" and the "Total of All Transactions with this Payee/Payer for This Schedule" lines.

An itemization page must be completed for each payer. Only one payer should be reported per page.

To create a new Sale of Supplies itemization page for a new payer, click the "Add Sale of Supplies" button at the top of the itemization page and a new itemization page will open.

Follow the instructions above to complete any additional Sale of Supplies itemization pages.

By clicking the "Show Payer" drop down arrow at the top of a Schedule 19 itemization page, you can select and view all of the Sale of Supplies itemization pages you have completed.

As you complete each itemization page, click the "Save & Calculate" button at the top of the page and the total itemized transactions will be added to line 1 of Summary Schedule 19 on the Detailed Summary Page, and the total non-itemized transactions will be added to Line 2 of the Summary Schedule.

Enter on Line 3 of Summary Schedule 19 the total amount of all other receipts relating to this schedule from other payers during the reporting period. This is the total from your organization's books of all receipts relating to this schedule from payers who did not provide a single receipt of $5,000 or more or receipts that aggregated to $5,000 or more.

The system adds Lines 1 through 3 and enters the total on Line 4 of Summary Schedule 19 and in Item 39 (Sale of Supplies) of Statement B.

SCHEDULE 20 – RENTS

Report the labor organization's rents from all sources during the reporting period.

For all itemized receipts in this category:

Enter in Column (A) of an itemization page the full name and business address of the entity or individual from which the union received $5,000 or more in Rents during the reporting period. Do not abbreviate the name of the entity or individual. If you do not know and cannot reasonably obtain the full address of the entity or individual, the city and state are sufficient.

Enter in Column (B) the type of business or job classification of the entity or individual from which the union received $5,000 or more in Rents during the reporting period.

If additional lines are needed to complete Columns (C) through (E) for this Payer, click the "Add Receipts of Rent for This Payer" button in Column (A) of the itemization page. The system will add lines to the itemization page in increments of ten.

Enter in Column (C) the purpose of each individual receipt of $5,000 or more from the payer in sufficient detail to determine why the receipt cannot be allocated to another schedule.

Enter in Column (D) the date that each individual receipt of $5,000 or more was received. The format for the date must be mm/dd/yyyy. The date of receipt for reporting purposes is the date the labor organization actually received the money.

Enter in Column (E) the amount of each individual receipt of $5,000 or more.

Enter the total of all non-itemized receipts of Rent from this payer (that is, all individual receipts of less than $5,000 each) on the "Total Non-Itemized Transactions with this Payee/Payer" line.

When you have completed entering all of the information for this payer, click the "Save & Calculate" button at the top of the itemization page and the system will enter the total in Column (E) on the "Total Itemized Transactions with this Payee/Payer" and the "Total of All Transactions with this Payee/Payer for This Schedule" lines.

An itemization page must be completed for each payer. Only one payer should be reported per page.

To create a new Rents itemization page for a new payer, click the "Add Rents" button at the top of the itemization page and a new itemization page will open.
Follow the instructions above to complete any additional Rents itemization pages.

By clicking the "Show Payer" drop down arrow at the top of a Schedule 22 itemization page, you can select and view all of the Rents itemization pages you have completed.

As you complete each itemization page, click the "Save & Calculate" button at the top of the page and the total itemized transactions will be added to line 1 of Summary Schedule 20 on the Detailed Summary Page, and the total non-itemized transactions will be added to Line 2 of the Summary Schedule.

Enter on Line 3 of Summary Schedule 20 the total amount of all other receipts relating to this schedule from other payers during the reporting period. This is the total from your organization's books of all receipts relating to this schedule from payers who did not provide a single receipt of $5,000 or more or receipts that aggregated $5,000 or more.

The system adds Lines 1 through 3 and enters the total on Line 4 of Summary Schedule 20 and in Item 42 (Rents) of Statement B.

SCHEDULE 21 – ON BEHALF OF AFFLIATES FOR TRANSMITTAL TO THEM

Report the labor organization's receipts on behalf of affiliates for transmittal to them from all sources during the reporting period. Enter the total amount of dues, fees, fines, assessments, and work permit fees received by the labor organization, through a checkoff arrangement or otherwise, on behalf of affiliates for transmittal to them. Do not include the amount withheld by the labor organization for per capita taxes or other purposes, such as loan repayments, which must be reported elsewhere in Statement B. When the receipts reported in Schedule 21/Item 47 are transmitted to affiliates, the disbursement must be reported in related Item 67 (To Affiliates of Funds Collected on Their Behalf).

For all itemized receipts in this category:

Enter in Column (A) of an itemization page the full name and business address of the entity or individual from which the union received $5,000 or more in receipts On Behalf of Affiliates for Transmittal to Them during the reporting period. Do not abbreviate the name of the entity or individual. If you do not know and cannot reasonably obtain the full address of the entity or individual, the city and state are sufficient.

Enter in Column (B) the type of business or job classification of the entity or individual from which the union received $5,000 or more receipts in On Behalf of Affiliates for Transmittal to Them during the reporting period.
If additional lines are needed to complete Columns (C) through (E) for this Payer, click the "Add Receipts On Behalf of Affiliates for Transmittal to Them for This Payer" button in Column (A) of the itemization page. The system will add lines to the itemization page in increments of ten.

Enter in Column (C) the purpose of each individual receipt of $5,000 or more from the payer in sufficient detail to determine why the receipt cannot be allocated to another schedule.

Enter in Column (D) the date that each individual receipt of $5,000 or more was received. The format for the date must be mm/dd/yyyy. The date of receipt for reporting purposes is the date the labor organization actually received the money.

Enter in Column (E) the amount of each individual receipt of $5,000 or more.

Enter the total of all non-itemized receipts On Behalf of Affiliates for Transmittal to Them from this payer (that is, all individual receipts of less than $5,000 each) on the "Total Non-Itemized Transactions with this Payee/Payer" line.

When you have completed entering all of the information for this payer, click the "Save & Calculate" button at the top of the itemization page and the system will enter the total in Column (E) on the "Total Itemized Transactions with this Payee/Payer" and the "Total of All Transactions with this Payee/Payer for This Schedule" lines.

An itemization page must be completed for each payer. Only one payer should be reported per page.

To create a new On Behalf of Affiliates for Transmittal to Them itemization page for a new payer, click the "Add On Behalf of Affiliates for Transmittal to Them" button at the top of the itemization page and a new itemization page will open.

Follow the instructions above to complete any additional On Behalf of Affiliates for Transmittal to Them itemization pages.

By clicking the "Show Payer" drop down arrow at the top of a Schedule 21 itemization page, you can select and view all of the On Behalf of Affiliates for Transmittal to Them itemization pages you have completed.
As you complete each itemization page, click the "Save & Calculate" button at the top of the page and the total itemized transactions will be added to line 1 of Summary Schedule 21 on the Detailed Summary Page, and the total non-itemized transactions will be added to Line 2 of the Summary Schedule.

Enter on Line 3 of Summary Schedule 21 the total amount of all other receipts relating to this schedule from other payers during the reporting period. This is the total from your organization's books of all receipts relating to this schedule from payers who did not provide a single receipt of $5,000 or more or receipts that aggregated $5,000 or more.

The system adds Lines 1 through 3 and enters the total on Line 4 of Summary Schedule 21 and in Item 47 (On Behalf of Affiliates for Transmittal to Them) of Statement B.

SCHEDULE 22 – FROM MEMBERS FOR DISBURSEMENT ON THEIR BEHALF

Report the labor organization's receipts from members for disbursement on their behalf from all sources during the reporting period. Enter the total receipts from members that are specifically designated by them for disbursement on their behalf; for example, contributions from members for transmittal by the labor organization to charities.

When receipts that are reported in Schedule 22/Item 48 are transmitted, the disbursement must be reported in related Item 68 (On Behalf of Individual Members).

For all itemized receipts in this category:

Enter in Column (A) of an itemization page the full name and business address of the entity or individual from which the union received $5,000 or more in receipts From Members for Disbursement on their Behalf during the reporting period. Do not abbreviate the name of the entity or individual. If you do not know and cannot reasonably obtain the full address of the entity or individual, the city and state are sufficient.

Enter in Column (B) the type of business or job classification of the entity or individual from which the union received $5,000 or more in receipts From Members for Disbursement on their Behalf during the reporting period.

If additional lines are needed to complete Columns (C) through (E) for this Payer, click the "Add Receipts From Members for Disbursement on their Behalf for This Payer" button in Column (A) of the itemization page.
The system will add lines to the itemization page in increments of ten.

Enter in Column (C) the purpose of each individual receipt of $5,000 or more from the payer in sufficient detail to determine why the receipt cannot be allocated to another schedule.

Enter in Column (D) the date that each individual receipt of $5,000 or more was received. The format for the date must be mm/dd/yyyy. The date of receipt for reporting purposes is the date the labor organization actually received the money.

Enter in Column (E) the amount of each individual receipt of $5,000 or more.

Enter the total of all non-itemized receipts From Members for Disbursement on their Behalf from this payer (that is, all individual receipts of less than $5,000 each) on the "Total Non-Itemized Transactions with this Payee/Payer" line.

When you have completed entering all of the information for this payer, click the "Save & Calculate" button at the top of the itemization page and the system will enter the total in Column (E) on the "Total Itemized Transactions with this Payee/Payer" and the "Total of All Transactions with this Payee/Payer for This Schedule" lines.

An itemization page must be completed for each payer. Only one payer should be reported per page.

To create a new From Members for Disbursement on their Behalf itemization page for a new payer, click the "Add From Members for Disbursement on their Behalf" button at the top of the itemization page and a new itemization page will open.
Follow the instructions above to complete any additional From Members for Disbursement on their Behalf itemization pages.

By clicking the "Show Payer" drop down arrow at the top of a Schedule 22 itemization page, you can select and view all of the From Members for Disbursement on their Behalf itemization pages you have completed.

As you complete each itemization page, click the "Save & Calculate" button at the top of the page and the total itemized transactions will be added to line 1 of Summary Schedule 22 on the Detailed Summary Page, and the total non-itemized transactions will be added to Line 2 of the Summary Schedule.

Enter on Line 3 of Summary Schedule 22 the total amount of all other receipts relating to this schedule from other payers during the reporting period. This is the total from your organization's books of all receipts relating to this schedule from payers who did not provide a single receipt of $5,000 or more or receipts that aggregated
$5,000 or more.

The system adds Lines 1 through 3 and enters the total on Line 4 of Summary Schedule 22 and in Item 48 (From Members for Disbursement on their Behalf) of Statement B.

SCHEDULE 23 – OTHER RECEIPTS

Report the labor organization's receipts from all sources during the reporting period, other than those that must be reported elsewhere in Statement B, such as reimbursements from officers and employees for excess expense payments or travel advances not reported as loans in Schedule 2 (Loans Receivable); receipts from fundraising activities such as raffles, bingo games, and dances; funds received from a parent body, other unions, or the public for strike fund assistance; funds received from surety companies; and receipts from another labor organization that merged into the labor organization.

For all itemized receipts in this category:

Enter in Column (A) of an itemization page the full name and business address of the entity or individual from which the union received $5,000 or more in Other Receipts during the reporting period. Do not abbreviate the name of the entity or individual. If you do not know and cannot reasonably obtain the full address of the entity or individual, the city and state are sufficient.

Enter in Column (B) the type of business or job classification of the entity or individual from which the union received $5,000 or more in Other Receipts during the reporting period.

If additional lines are needed to complete Columns (C) through (E) for this Payer, click the "Add Receipts for This Payer" button in Column (A) of the itemization page. The system will add lines to the itemization page in increments of ten.

Enter in Column (C) the purpose of each individual receipt of $5,000 or more from the payer in sufficient detail to determine why the receipt cannot be allocated to another schedule.

Enter in Column (D) the date that each individual receipt of $5,000 or more was received. The format for the date must be mm/dd/yyyy. The date of receipt for reporting purposes is the date

the labor organization actually received the money.

Enter in Column (E) the amount of each individual receipt of $5,000 or more.

Enter the total of all non-itemized receipts from this payer (that is, all individual receipts of less than $5,000 each) on the "Total Non-Itemized Transactions with this Payee/Payer" line.

When you have completed entering all of the information for this payer, click the "Save & Calculate" button at the top of the itemization page and the system will enter the total in Column (E) on the "Total Itemized Transactions with this Payee/Payer" and the "Total of All Transactions with this Payee/Payer for This Schedule" lines.

An itemization page must be completed for each payer. Only one payer should be reported per page.

To create a new Other Receipts itemization page for a new payer, click the "Add Other Receipts" button at the top of the itemization page and a new itemization page will open. Follow the instructions above to complete any additional Other Receipts itemization pages.

By clicking the "Show Payer" drop down arrow at the top of a Schedule 25 itemization page, you can select and view all of the Other Receipts itemization pages you have completed.

As you complete each itemization page, click the "Save & Calculate" button at the top of the page and the total itemized transactions will be added to line 1 of Summary Schedule 23 on the Detailed Summary Page, and the total non-itemized transactions will be added to Line 2 of the Summary Schedule.

Enter on Line 3 of Summary Schedule 23 the total amount of all other receipts relating to this schedule from other payers during the reporting period. This is the total from your organization's books of all receipts relating to this schedule from payers who did not provide a single receipt of $5,000 or more or receipts that aggregated$5,000 or more.

The system adds Lines 1 through 3 and enters the total on Line 4 of Summary Schedule 23 and in Item 49 (Other Receipts) of Statement B.

SCHEDULE 24 – CONTRACT NEGOTIATION AND ADMINISTRATION

Report the labor organization's direct and indirect disbursements to all entities and individuals during the reporting period associated with preparation for, and participation in, the negotiation of collective bargaining agreements and the administration and enforcement of the agreements made by the labor organization. Do not include strike benefits that must be reported in Item 60 (Strike Benefits) of Statement B.

For all major disbursements in this category:

Enter in Column (A) of an itemization page the full name and business address of the entity or individual to which the disbursement was made. Do not abbreviate the name of the entity or individual. If you do not know and cannot reasonably obtain the full address of the entity or individual, the city and state are sufficient.

Enter in Column (B) the type of business or job classification of the entity or individual to which the union disbursed $5,000 or more in Contract Negotiation and Administration during the reporting period, such as printing company, office supplies vendor, legal counsel, etc.

If additional lines are required to complete Columns (C) through (E) for this Payee, click the "Add Disbursements for This Payee" button in Column (A) of the itemization page. The system adds lines to the itemization page in increments of ten.

Enter in Column (C) the purpose of each individual disbursement of $5,000 or more, which means a brief statement or description of the reason the disbursement was made. Examples of adequate descriptions include the following: contract negotiation, grievance arbitration, litigation regarding the interpretation of a collective bargaining agreement, staffing a help desk, litigation regarding a refusal to bargain, etc. Neither the name of the employer nor the specific bargaining unit that is the subject of the organizing activity need be identified.

Enter in Column (D) the date that each individual disbursement of $5,000 or more was made. The format for the date must be mm/dd/yyyy. The date of disbursement for reporting purposes is the date the labor organization actually disbursed the money.

Enter in Column (E) the amount of each individual disbursement of $5,000 or more.

Enter the total of all non-itemized disbursements to this payee (that is, all individual disbursements of less than $5,000 each) on the "Total Non-Itemized Transactions with this Payee/Payer" line.

When you have completed entering all of the information for this payee, click the "Save & Calculate" button at the top of the itemization page and the system will enter the totals in Column (E) on the "Total Itemized Transactions with this Payee/Payer" line and on the "Total of All Transactions with this Payee/Payer for This Schedule" line.

An itemization page must be completed for each payee who met the itemization threshold during the reporting period. Only one payee should be reported per page.

To create a new Contract Negotiation and Administration itemization page for a new payee, click the "Add Contract Negotiation and Administration" button at the top of the itemization page and a new itemization page will open. Follow the instructions above to complete any additional Contract Negotiation and Administration itemization pages.

By clicking the "Show Payee" drop down arrow at the top of the Schedule 24 page, you can select and view all of the Contract Negotiation and Administration Itemization pages you have completed.

As you complete each itemization page, click the "Save & Calculate" button at the top of the page and the total itemized transactions will be added to line 1 of Summary Schedule 24 on the Detailed Summary Page and the total non-itemized transactions will be added to Line 2 of the Summary Schedule.

Enter the total amount of all other disbursements relating to this schedule made to other payees during the reporting period on Line 3 of Summary Schedule 24. This is the total from your organization's books of all disbursements relating to this schedule made to payees who did not have a single disbursement of $5,000 or more or disbursements that aggregated $5,000 or more.

The system adds Lines 1 through 3 and enters the total on Line 4 of Summary Schedule 24 and in Item 51 (Contract Negotiation and Administration) of Statement B.

SCHEDULE 25 – ORGANIZING

Report the labor organization's direct and indirect disbursements to all entities and individuals during the reporting period associated with efforts to become the exclusive bargaining representative for any unit of employees, or to prevent losing a unit in a decertification election or to another labor organization, or to recruit new members.

For all major disbursements in this category:

Enter in Column (A) of an itemization page the full name and business address of the entity or individual to which the disbursement was made. Do not abbreviate the name of the entity or individual. If you do not know and cannot reasonably obtain the full address of the entity or individual, the city and state are sufficient.

Enter in Column (B) the type of business or job classification of the entity or individual to which the union disbursed $5,000 or more in Organizing during the reporting period, such as printing company, office supplies vendor, legal counsel, etc.

If additional lines are required to complete Columns (C) through (E) for this Payee, click the "Add Disbursements for This Payee" button in Column (A) of the itemization page.
The system adds lines to the itemization page in increments of ten.

Enter in Column (C) the purpose of each individual disbursement of $5,000 or more, which means a brief statement or description of the reason the disbursement was made. Examples of adequate descriptions include the following: preparing organizing campaign pamphlets, opposition research, recruiting new members, etc. Neither the name of the employer nor the specific bargaining unit that is the subject of the organizing activity need be identified.

Enter in Column (D) the date that each individual disbursement of $5,000 or more was made. The format for the date must be mm/dd/yyyy. The date of disbursement for reporting purposes is the date the labor organization actually disbursed the money.

Enter in Column (E) the amount of each individual disbursement of $5,000 or more.

Enter the total of all non-itemized disbursements for organizing to this payee (that is, all individual disbursements of less than

$5,000 each) on the "Total Non-Itemized Transactions with this Payee/Payer" line.

When you have completed entering all of the information for this payee, click the "Save & Calculate" button at the top of the itemization page and the system will enter the totals in Column (E) on the "Total Itemized Transactions with this Payee/Payer" line and on the "Total of All Transactions with this Payee/Payer for This Schedule" line.

An itemization page must be completed for each payee who met the itemization threshold during the reporting period. Only one payee should be reported per page.

To create a new Organizing itemization page for a new payee, click the "Add Organizing" button at the top of the itemization page and a new itemization page will open.
Follow the instructions above to complete any additional Organizing itemization pages.
By clicking the "Show Payee" drop down arrow at the top of the Schedule 25 page, you can select and view all of the Organizing itemization pages you have completed.

As you complete each itemization page, click the "Save & Calculate" button at the top of the page and the total itemized transactions will be added to line 1 of Summary Schedule 25 on the Detailed Summary Page and the total non-itemized transactions will be added to Line 2 of the Summary Schedule.

Enter the total amount of all other disbursements relating to this schedule made to other payees during the reporting period on Line 3 of Summary Schedule 25. This is the total from your organization's books of all disbursements relating to this schedule made to payees who did not have a single disbursement of $5,000 or more or disbursements that aggregated $5,000 or more.

The system adds Lines 1 through 3 and enters the total on Line 4 of Summary Schedule 25 and in Item 52 (Organizing) of Statement B.

SCHEDULE 26 – POLITICAL ACTIVITIES

Report the labor organization's direct and indirect disbursements to all entities and individuals during the reporting period associated with political disbursements or contributions in money.

A political disbursement or contribution is one that is intended to influence the selection, nomination, election, or appointment of anyone to a Federal, state, or local executive, legislative or judicial public office, or office in a political organization, or the election of Presidential or Vice Presidential electors, and support for or opposition to ballot referenda. It does not matter whether the attempt succeeds. Include disbursements for communications with members (or agency fee paying nonmembers) and their families for registration, get-out-the-vote and voter education campaigns, the expenses of establishing, administering and soliciting contributions to union segregated political funds (or PACs), disbursements to political organizations as defined by the IRS in 26 U.S.C. 527, and other political disbursements.

For all major disbursements in this category:
Enter in Column (A) of an itemization page the full name and business address of the entity or individual to which the disbursement was made. Do not abbreviate the name of the entity or individual. If you do not know and cannot reasonably obtain the full address of the entity or individual, the union may report only the city and state.

Enter in Column (B) the type of business or job classification of the entity or individual to which the union disbursed $5,000 or more for Political Activities during the reporting period, such as campaign advisor, marketing firm, fund raiser, printing company, office supplies vendor, legal counsel, etc.

If additional lines are needed to complete Columns (C) through (E) for this Payee, click the "Add Disbursements for This Payee" button in Column (A) of the itemization page.
The system will add lines to the itemization page in increments of ten.

Enter in Column (C) the purpose of each individual disbursement of $5,000 or more, which means a brief statement or description of the reason the disbursement was made.

Examples of adequate descriptions include the following: a registration drive, get-out-the-vote campaign, voter education campaign, fund raising, etc. The specific campaign should be identified whenever possible. Distinguish between activities in the United States and activities in foreign countries.

Enter in Column (D) the date that each individual disbursement of $5,000 or more was made. The format for the date must be mm/dd/yyyy. The date of disbursement for

reporting purposes is the date the labor organization actually disbursed the money.

Enter in Column (E) the amount of each individual disbursement of $5,000 or more.

Enter the total of all non-itemized disbursements to this payee (that is, all individual disbursements of less than $5,000 each) on the "Total Non-Itemized Transactions with this Payee/Payer" line.

When you have completed entering all of the information for this payee, click the "Save & Calculate" button at the top of the itemization page and the system will add the amounts in Column (E), and enter the sum on the "Total Itemized Transactions with this Payee/Payer" line and complete the "Total of All Transactions with this Payee/Payer for This Schedule" line.

An initial itemization page must be completed for each payee who met the itemization threshold during the reporting period. Only one payee should be reported per page.

To create a new "Political Activities" itemization page for a new payee, click the "Add Political Activities" button at the top of the page and a new itemization page opens. Follow the instructions above to complete any additional Political Activities itemization pages.

By clicking the Show Payee drop down arrow at the top of the Schedule 26 page, you can select and view all of the "Political Activities" itemization pages you have completed.

As you complete each itemization page, click the "Save & Calculate" button at the top of the page and the total itemized transactions will be added to line 1 of Summary Schedule 26 on the Detailed Summary Page and the total non-itemized transactions will be added to Line 2 of the Summary Schedule.

Enter the total amount of all other transactions relating to this schedule made to other payees during the reporting period on Line 3 of Summary Schedule 26. This is the total from your organization's books of all transactions relating to this schedule made to payees who did not have a single disbursement of $5,000 or more or transactions that aggregated $5,000 or more.

The system adds Lines 1 through 3 and enters the total on Line 4 of Summary Schedule 26 and in Item 53 (Political Activities) of Statement B.

SCHEDULE 27 – LOBBYING

Report the labor organization's direct and indirect disbursements to all entities and individuals during the reporting period associated with dealing with the executive and legislative branches of the Federal, state, and local governments and with independent agencies and staffs to advance the passage or defeat of existing or potential laws or the promulgation or any other action with respect to rules or regulations (including litigation expenses). It does not matter whether the lobbying attempt succeeds.

For all major disbursements in this category:

Enter in Column (A) of an itemization page the full name and business address of the entity or individual to which the disbursement was made. Do not abbreviate the name of the entity or individual. If you do not know and cannot reasonably obtain the full address of the entity or individual, the union may report only the city and state.

Enter in Column (B) the type of business or job classification of the entity or individual to which the union disbursed $5,000 or more for Lobbying during the reporting period, such as lobbyist, marketing firm, think tank, issue advocacy group, printing company, office supplies vendor, legal counsel, etc.

If additional lines are needed to complete Columns (C) through (E) for this Payee, click the "Add Disbursements for This Payee" button in Column (A) of the itemization page. The system will add lines to the itemization page in increments of ten.

Enter in Column (C) the purpose of each individual disbursement of $5,000 or more, which means a brief statement or description of the reason the disbursement was made.

Examples of adequate descriptions include the following: voter education campaign, fund raising, advocating or opposing legislation (including litigation challenging such legislation) advocating or opposing regulations (including litigation challenging such regulations), etc. The specific legislation, regulation, referendum, etc. should be identified whenever possible. Distinguish between activities in the United States and activities in foreign countries.

Enter in Column (D) the date that each individual disbursement of $5,000 or more was

made. The format for the date must be mm/dd/yyyy. The date of disbursement for reporting purposes is the date the labor organization actually disbursed the money.

Enter in Column (E) the amount of each individual disbursement of $5,000 or more.

Enter the total of all non-itemized disbursements to this payee (that is, all individual disbursements of less than $5,000 each) on the "Total Non-Itemized Transactions with this Payee/Payer" line.

When you have completed entering all of the information for this payee, click the "Save & Calculate" button at the top of the itemization page and the system will add the amounts in Column (E), and enter the sum on the "Total Itemized Transactions with this Payee/Payer" line and complete the "Total of All Transactions with this Payee/Payer for This Schedule" line.

An initial itemization page must be completed for each payee who met the itemization threshold during the reporting period. Only one payee should be reported per page.

To create a new "Lobbying" itemization page for a new payee, click the "Add Lobbying Activities" button at the top of the page and a new itemization page opens. Follow the instructions above to complete any additional Lobbying itemization pages.

By clicking the Show Payee drop down arrow at the top of the Schedule 27 page, you can select and view all of the "Lobbying "itemization pages you have completed.

As you complete each itemization page, click the "Save & Calculate" button at the top of the page and the total itemized transactions will be added to line 1 of Summary Schedule 27 on the Detailed Summary Page and the total non-itemized transactions will be added to Line 2 of the Summary Schedule.

Enter the total amount of all other transactions relating to this schedule made to other payees during the reporting period on Line 3 of Summary Schedule 27. This is the total from your organization's books of all transactions relating to this schedule made to payees who did not have a single disbursement of $5,000 or more or transactions that aggregated $5,000 or more.

The system adds Lines 1 through 3 and enters the total on Line 4 of Summary Schedule 27 and in Item 54 (Lobbying) of Statement B.

SCHEDULE 28 – CONTRIBUTIONS, GIFTS, AND GRANTS

Report the labor organization's direct and indirect disbursements to all entities and individuals during the reporting period associated with contributions, gifts, and grants, other than those listed on Schedules 24 through 27 and 31. Include, for example, charitable contributions, contributions to scholarship funds, etc.

For all major disbursements in this category:

Enter in Column (A) of an itemization page the full name and business address of the entity or individual to which the disbursement was made. Do not abbreviate the name of the entity or individual. If you do not know and cannot reasonably obtain the full address of the entity or individual, the union may report only the city and state.

Enter in Column (B) the type of business or job classification of the entity or individual to which the union disbursed $5,000 or more in Contributions, Gifts, and Grants during the reporting period, such as charity, scholarship fund, state or local affiliate, etc.

If additional lines are needed to complete Columns (C) through (E) for this Payee, click the "Add Disbursements for This Payee" button in Column (A) of the itemization page.
The system will add lines to the itemization page in increments of ten.

Enter in Column (C) the purpose of each individual disbursement of $5,000 or more, which means a brief statement or description of the reason the disbursement was made.

Examples of adequate descriptions include the following: medical research, community development, job retraining, education, disaster and relief assistance, athletic and youth sponsorships, etc.
Enter in Column (D) the date that each individual disbursement of $5,000 or more was made. The format for the date must be mm/dd/yyyy. The date of disbursement for reporting purposes is the date the labor organization actually disbursed the money.

Enter in Column (E) the amount of each individual disbursement of $5,000 or more.

Enter the total of all non-itemized disbursements to this payee (that is, all individual disbursements of less than $5,000 each) on the "Total Non-Itemized Transactions with this Payee/Payer" line.

When you have completed entering all of the information for this payee, click the "Save & Calculate" button at the top of the itemization page and the system will add the amounts in Column (E) and enter the sum on the "Total Itemized Transactions with this Payee/Payer" line, and it will complete the "Total of All Transactions with this Payee/Payer for This Schedule" line.

An initial itemization page must be completed for each payee who met the itemization threshold during the reporting period. Only one payee should be reported per page.

To create a new "Contributions, Gifts & Grants" itemization page for a new payee, click the "Add Contributions, Gifts & Grants" button on the top of the page and a new page opens. Follow the instructions above to complete any additional "Contributions, Gifts & Grants" itemization pages.

By clicking the "Show Payee" drop down arrow at the top of the Schedule 28 page, you can select and view all of the "Contributions, Gifts and Grants "itemization pages you have completed.

As you complete each itemization page, click the "Save & Calculate" button at the top of the page and the total itemized transactions will be added to line 1 of Summary Schedule 28 on the Detailed Summary Page and the total non-itemized transactions will be added to Line 2 of the Summary Schedule.

Enter the total amount of all other transactions relating to this schedule made to other payees during the reporting period on Line 5 of Summary Schedule 28. This is the total from your organization's books of all disbursements relating to this schedule made to payees who did not have a single disbursement of $5,000 or more or disbursements that aggregated to $5,000 or more.

The system totals Lines 1 through 3 and enters that amount on Line 4 of Summary Schedule 28 and in Item 55 (Contributions, Gifts and Grants) of Statement B.

SCHEDULE 29 – GENERAL OVERHEAD

Report the labor organization's direct and indirect disbursements to all entities and individuals during the reporting period associated with general overhead that cannot be allocated to any of the other disbursement categories in Statement B.

Some disbursements for overhead do not support a specific function, so these disbursements should be reported in this schedule. Include support personnel at the labor organization's headquarters, such as building maintenance personnel and security guards, and other overhead costs.

For all major disbursements in this category:

Enter in Column (A) of an Initial Itemization Page the full name and business address of the entity or individual to which the disbursement was made. Do not abbreviate the name of the entity or individual.

If you do not know and cannot reasonably obtain the full address of the entity or individual, the union may report only the city and state.

Enter in Column (B) the type of business or job classification of the entity or individual to which the union disbursed $5,000 or more in General Overhead during the reporting period, such as office supplies vendor, landlord, mortgage lender, cleaning firm, security firm, etc.

If additional lines are needed to complete Columns (C) through (E) for this Payee, click the "Add Disbursements for This Payee" button in Column (A) of the itemization page. The system will add lines to the itemization page in increments of ten.

Enter in Column (C) the purpose of the disbursement of $5,000 or more, in sufficient detail to determine why the disbursement cannot be allocated to another schedule.

Enter in Column (D) the date that each individual disbursement of $5,000 or more was made. The format for the date must be mm/dd/yyyy. The date of disbursement for reporting purposes is the date the labor organization actually disbursed the money.

Enter in Column (E) the amount of each individual disbursement of $5,000 or more.

Enter the total of all non-itemized disbursements to this payee (that is, all individual disbursements of less than $5,000 each) on the "Total Non-Itemized Transactions with this Payee/Payer" line.

When you have completed entering all of the information for this payee, click the "Save & Calculate" button at the top of the itemization page and the system will add the amounts in Column (E) and enter the sum on the "Total Itemized Transactions with this Payee/Payer" line, and it will complete the "Total of All Transactions with this Payee/Payer for This Schedule" line.

An itemization page must be completed for each payee who met the itemization threshold during the reporting period. Only one payee should be reported per page.

To create a new "General Overhead" itemization page for a new payee, click the "Add Overhead" button at the top of the page and a new itemization page opens. Follow the instructions above to complete any additional "General Overhead" itemization pages.

By clicking the "Show Payee" drop down arrow at the top of the Schedule 29 page, you can select and view all of the General Overhead itemization pages you have completed.

As you complete each itemization page, click the "Save & Calculate" button at the top of the page and the total itemized transactions will be added to line 1 of Summary Schedule 29 on the Detailed Summary Page and the total non-itemized transactions will be added to Line 2 of the Summary Schedule.

Enter the total amount of all other transactions relating to this schedule made to other payees during the reporting period on Line 3 of Summary Schedule 29. This is the total from your organization's books of all disbursements relating to this schedule made to payees who did not have a single disbursement of $5,000 or more or disbursements that aggregated $5,000 or more.

The system totals Lines 1 through 3 and enters that amount on Line 4 of Summary Schedule 29 and in Item 56 (General Overhead) of Statement B.

SCHEDULE 30 – UNION ADMINISTRATION

Report the labor organization's direct and indirect disbursements to all entities and individuals during the reporting period associated with union administration. Union administration includes disbursements relating to the nomination and election of union officers, the union's regular membership meetings, intermediate, national and international meetings, union disciplinary proceedings, the administration of trusteeships, and the administration of apprenticeship and member education programs (not including political education which should be reported in Schedule 26 or 27).

For all major disbursements in this category:

Enter in Column (A) of an Itemization Page the full name and business address of the entity or individual to which the disbursement was made. Do not abbreviate the name of the entity or individual. If you do not know and cannot reasonably obtain the full address of the entity or individual, the union may report only the city and state.

Enter in Column (B) the type of business or job classification of the entity or individual to which the union disbursed $5,000 or more for Union Administration during the reporting period, such as printing company, office supplies vendor, legal counsel, etc.

If additional lines are needed to complete Columns (C) through (E) for this Payee, click the "Add Disbursements for This Payee" button in Column (A) of the itemization page. The system will add lines to the itemization page in increments of ten.

Enter in Column (C) the purpose of the disbursement of $5,000 or more in sufficient detail to determine why the disbursement cannot be allocated to another schedule. For example, printing of election ballots, rental of meeting facilities for a union convention, printing of transcripts of trusteeship hearing, etc.

Enter in Column (D) the date that each individual disbursement of $5,000 or more was made. The format for the date must be mm/dd/yyyy. The date of disbursement for reporting purposes is the date the labor organization actually disbursed the money. Enter in Column (E) the amount of each individual disbursement of $5,000 or more.

Enter the total of all non-itemized disbursements to this payee (that is, all individual receipts of less than $5,000 each) on the "Total Non- Itemized Transactions with this Payee/Payer" line.

When you have completed entering all of the information for this payee, click the "Save & Calculate" button at the top of the itemization

page and the system will add the amounts in Column (E), and enter the sum on the

Statement B and associated schedules in a single location for member transparency.

For all itemized transactions in this schedule:

Column (A): Enter the full name and address of the foreign entity or individual. At minimum, include the city and country of the entity or individual. A full street address should be provided where available.

Column (B): Enter the type of business or job classification of the foreign entity or individual, such as foreign labor organization, foreign law firm, foreign consultant, etc., and indicate whether the type of transaction is classified as a receipt or disbursement.

Column (C): Enter the purpose of each individual transaction of $5,000 or more in sufficient detail to identify the nature of the transaction.

Column (D): Enter the date the transaction was made or received. The format for the date must be mm/dd/yyyy.

Column (E): Enter the amount of each individual transaction of $5,000 or more.

Enter the total of all non-itemized transactions with this foreign entity or individual (that is, all individual transactions of less than $5,000 each) on the "Total Non-Itemized Transactions with this Payee/Payer" line.

When you have completed entering all information for this foreign entity or individual, click the "Save & Calculate" button and the system will enter the totals on the "Total Itemized Transactions with this Payee/Payer" and "Total of All Transactions with this Payee/Payer for This Schedule" lines.
An itemization page must be completed for each foreign entity or individual. Only one foreign entity or individual should be reported per page.
To create a new Foreign Transactions itemization page for a new foreign entity or individual, click the "Add Foreign Transactions" button at the top of the itemization page.

NOTE: International labor organizations that maintain Canadian locals or other locals based in a foreign nation must report transactions with those locals in Schedule 32. Transactions that are denominated in a foreign currency must be converted to U.S. dollars at the exchange rate in effect on the date of the transaction.

STATEMENT A ASSETS AND LIABILITIES

ASSETS

The system pre-fills Columns (A) and (C) (Start of Reporting Period) from your organization's report for the previous fiscal year. If the data is inaccurate, however, it can be edited manually. Be sure to explain any changes in Item 75 (Additional Information).

22. CASH — Enter the total of all the labor organization's cash on hand and on deposit at the start and end of the reporting period in Columns (A) and (B), respectively. Include all cash on hand, such as undeposited cash, checks, and money orders; petty cash; and cash in safe deposit boxes. Cash on deposit includes funds in banks, credit unions, and other financial institutions, such as checking accounts, savings accounts, certificates of deposit, and money market accounts. Also, include any interest credited to the labor organization's account during the reporting period.

NOTE: The checking account balances reported should be obtained from the labor organization's books as reconciled with the balances shown on bank statements.

23. ACCOUNTS RECEIVABLE — Ordinarily, accounts receivable are moneys due for goods sold or services rendered evidenced by notes, statements, invoices, or other written evidence of a present obligation. Enter in Column (A) the total of all gross accounts receivable at the start of the reporting period. The software will enter in Column (B) the total of all gross accounts receivable at the end of the reporting period from Column (B) of Schedule 1 (Accounts Receivable Aging Schedule). If accounts receivable are carried on the labor organization's books at net (gross accounts receivable less the allowance for doubtful accounts), the labor organization may report the allowance for doubtful accounts in Item 75 (Additional Information).

24. LOANS RECEIVABLE — Enter in Column (A) the total of all gross loans receivable at the start of the reporting period, which is also reported in Column (B) of Schedule 2 (Loans Receivable). The system will enter the total of all gross loans receivable at the end of the reporting period in Column (B) from Column (E) of Schedule 2.

25. U.S. TREASURY SECURITIES — Enter the

total value of all U.S. Treasury securities as shown on the labor organization's books at the start and end of the reporting period in Columns (C) and (B), respectively. If the value reported is different from the original cost, the original cost must be reported in Item 75 (Additional Information). Other U.S. Government obligations, state and municipal bonds, and foreign government securities must be reported in Schedule 7 (Investments Other Than U.S. Treasury Securities) under "Marketable Securities" and in Item 26 (Investments).

26. INVESTMENTS — Enter in Column (A) the total book value at the start of the reporting period of all investments other than U.S. Treasury securities, which are reported in Item 25 (U.S. Treasury Securities).

The system will enter in Column (B) the total reported in Column (D) of Schedule 7 (Investments Other Than U.S. Treasury Securities).

27. FIXED ASSETS — Enter in Column (A) the total value as shown on the labor organization's books at the start of the reporting period of all fixed assets, such as land, buildings, automobiles, and office furniture and equipment. The system will enter in Column (B) the total reported in Column (D) of Schedule 8 (Fixed Assets).

28. OTHER ASSETS — Enter in Column (A) the total value as shown on the labor organization's books at the start of the reporting period of all assets not reported in Items 22 through 27. The system will enter in Column (B) the total reported in Column (B) of Schedule 9 (Other Assets).

29. TOTAL ASSETS — Click the "Save & Calculate" button at the top of Statement A and the system will total Items 22 through 28, Columns (A) and (B), and enter the respective totals in Item 29.

LIABILITIES

30. ACCOUNTS PAYABLE — Ordinarily, accounts payable are those obligations incurred on an open account for goods and services rendered. Enter in Column (C) the total of all gross accounts payable at the start of the reporting period. The system will enter the total of all gross accounts payable at the end of the reporting period in Column (D) from Column (B) of Schedule 10 (Accounts Payable Aging Schedule).

31. LOANS PAYABLE — Enter in Column (C) the total of all gross loans payable at the start of the reporting period, which is also reported in Column (B) of Schedule 11 (Loans Payable). The system will enter the total of all gross loans payable at the end of the reporting period in Column (D) from Column (E) of Schedule 11 (Loans Payable).

32. MORTGAGES PAYABLE — Enter the total amount of the labor organization's obligations that were secured by mortgages or similar liens on real property (land or buildings) at the start and end of the reporting period in Columns (C) and (D), respectively.

33. OTHER LIABILITIES — Enter in Column (C) the total amount as shown on the labor organization's books at the start of the reporting period of all liabilities not reported in Items 30 through 32. The system will enter in Column (D) the total reported in Column (B) of Schedule 12 (Other Liabilities).

34. TOTAL LIABILITIES — Click the "Save & Calculate" button at the top of Statement A and the system will add the amounts in Items 30 through 33, Columns (C) and (D), and enter the respective amounts in Item 34. The system will also complete Item 35 (Net Assets) as explained in the next instruction.

35. NET ASSETS — As indicated in the previous instruction, when Item 34 is completed and the "Save & Calculate" button at the top of Statement A is clicked, the system subtracts Item 34 (Total Liabilities), Column (C) from Item 29 (Total Assets), Column (A) and enters the difference in Item 35, Column (C). The system also subtracts Item 34, Column (D) from Item 29, Column (B) and enters the difference in Item 35, Column (D).

STATEMENT B RECEIPTS AND DISBURSEMENTS

Under Statement B, receipts must be recorded when money is actually received by the labor organization and disbursements must be recorded when money is actually paid out by the labor organization.

The purpose of Statement B is to report the flow of cash in and out of the labor organization during the reporting period. Transfers between separate bank accounts or between special funds of the labor organization, such as vacation

or strike funds, do not represent the flow of cash in and out of the labor organization. Therefore, these transfers should not be reported as receipts and disbursements of the labor organization. For example, do not report a transfer of cash from the labor organization's savings account to its checking account.
Likewise, the use of funds reported in Item 22 (Cash) of Statement A to purchase certificates of deposit and the redemption of certificates of deposit should not be reported in Statement B.

Since Statement B reports all cash flowing in and out of the labor organization, "netting" is not permitted. "Netting" is the offsetting of receipts against disbursements and reporting only the balance (net) as either a receipt or disbursement. For example, if an officer received $1,000 from the labor organization for convention expenses, used only $800 and returned the remaining $200, the $1,000 disbursement must be reported in Schedule 13 (All Officers and Disbursements to Officers) and the appropriate disbursement Schedule 24 through 30, and the $200 receipt must be reported in Schedule 23 (Other Receipts). It would be incorrect to report only an $800 net disbursement to the officer.

Receipts and disbursements by an agent on behalf of the labor organization are considered receipts and disbursements of the labor organization and must be reported in the same detail as other receipts and disbursements. For example, if the labor organization owns a building managed by a rental agent, the agent's rental receipts and disbursements for expenses must be reported on the labor organization's Form LM-2. Also, if the labor organization's parent body or an intermediate body functions as an agent receiving and disbursing funds of the labor organization to third parties, these receipts and disbursements must be reported on the labor organization's Form LM-2 Long Form. For example, if a parent body receives the labor organization's dues and makes disbursements from that money to pay the labor organization's bills (such as payments to an attorney for legal services), those receipts and disbursements must be reported on the labor organization's Form LM-2 Long Form.

CASH RECEIPTS

36. DUES AND AGENCY FEES – The system will enter the total reported on Summary Schedule 16, Line 4.

37. PER CAPITA TAX —The system will enter the total reported on Summary Schedule 17, Line 4.

38. FEES, FINES, ASSESSMENTS, WORK PERMITS — The system will enter the total reported on Summary Schedule 18, Line 4.

39. SALE OF SUPPLIES — The system will enter the total reported on Summary Schedule 19, Line 4.

40. INTEREST — Enter your organization's total amount of interest.

41. DIVIDENDS — Enter your organization's total amount of dividends.

42. RENTS — The system will enter the total reported on Summary Schedule 20, Line 4.

43. SALE OF INVESTMENTS — The system will enter the total "Net Sales" reported in Column (G) of Schedule 3 (Sale of Investments).

44. SALE OF FIXED ASSETS — The system will enter the total "Net Sales" reported in Column (G) of Schedule 4 (Sale of Fixed Assets).

45. LOANS OBTAINED — The system will enter the total reported in Column (C) of Schedule 11 (Loans Payable).

46. REPAYMENTS OF LOANS MADE — The system will enter the total reported in Column (D)(1) of Schedule 2 (Loans Receivable).

47. ON BEHALF OF AFFILIATES FOR TRANSMITTAL TO THEM — The system will enter the total reported on Summary Schedule 21, Line 4.

48. FROM MEMBERS FOR DISBURSEMENT ON THEIR BEHALF — The system will enter the total reported on Summary Schedule 22, Line 4.

49. OTHER RECEIPTS — The system will enter the total reported on Summary Schedule 23, Line 4.

50. TOTAL RECEIPTS — Click the "Save & Calculate" button at the top of Statement B and the system will add the amounts in Items 36 through 49 and enter the total in Item 50.

CASH DISBURSEMENTS

51. CONTRACT NEGOTIATION AND ADMINISTRATION – The system will enter the total from Summary Schedule 24, Line 4.

52. ORGANIZING – The system will enter the total from Summary Schedule 25, line 4.

53. POLITICAL ACTIVITIES – The system will enter the total from Summary Schedule 26, Line 4.

54. LOBBYING – The system will enter the total from Summary Schedule 27, Line 4.

55. CONTRIBUTIONS, GIFTS, AND GRANTS – The system will enter the total from Summary Schedule 28, Line 4.

56. GENERAL OVERHEAD – The system will enter the total from Summary Schedule 29, Line 4.

57. UNION ADMINISTRATION – The system will enter the total from Summary Schedule 30, Line 4.

58. BENEFITS – The system will enter the total reported in Column (C) of Schedule 31 (Benefits).

59. PER CAPITA TAX — Enter your organization's total amount of per capita tax paid as a condition or requirement of affiliation with your parent national or international union, state and local central bodies, a conference, joint or system board, joint council, federation, or other labor organization.

60. STRIKE BENEFITS – Enter the total amount of all disbursements made to, or on behalf of the members (or agency fee paying nonmembers) of the labor organization, and others, associated with strikes (including recognitional strikes), work stoppages and lockouts during the reporting period.

61. FEES, FINES, ASSESSMENTS, ETC. — Enter the total amount of fees, fines, assessments, and similar disbursements made by the labor organization to a parent body or other labor organization.

62. SUPPLIES FOR RESALE — Enter the labor organization's total disbursements for purchases of supplies such as union logo clothing, lapel pins, bumper stickers, etc. for resale.

63. PURCHASE OF INVESTMENTS — The system will enter the total reported in Column (F) of Schedule 5 (Purchase of Investments).

64. PURCHASE OF FIXED ASSETS – The system will enter the total reported in Column (F) of Schedule 6 (Purchase of Fixed Assets).

65. LOANS MADE — The system will enter the total reported in Column (C) of Schedule 2 (Loans Receivable).

66. REPAYMENT OF LOANS OBTAINED — The system will enter the total reported in Column (D)(1) of Schedule 11 (Loans Payable).

67. TO AFFILIATES OF FUNDS COLLECTED ON THEIR BEHALF — Enter the total disbursements of funds collected on behalf of affiliates by the labor organization. This amount usually is the same as the amount reported in related Item 47 (On Behalf of Affiliates for Transmittal to Them). Any such funds not disbursed by the end of the reporting period are liabilities of the labor organization and must be reported in Schedule 12 (Other Liabilities).

68. ON BEHALF OF INDIVIDUAL MEMBERS — Enter the total disbursements of funds collected from members by the labor organization that were specifically designated by them for disbursement on their behalf. This amount usually is the same as the amount reported in related Item 48 (From Members for Disbursement on Their Behalf). Any such funds not disbursed by the end of the reporting period are liabilities of the labor organization and must be reported in Schedule 12 (Other Liabilities).

69. DIRECT TAXES – Enter all taxes assessed against and paid by your organization, including your organization's FICA taxes as an employer. Do not include disbursements for the transmittal of taxes withheld from the salaries of officers and employees which must be reported in Item 73 (Withholding Taxes and Other Payroll Deductions). Also, do not include indirect taxes, such as sales and excise taxes, for purchases reported in other disbursement items.

70. OFFICERS – The system will enter the total officer disbursements reported in Schedule 13 (All Officers and Disbursements to Officers).

71. EMPLOYEES – The system will enter the total employee disbursements reported in

Schedule 14 (Disbursements to Employees).

72. SUBTOTAL — Click the "Save & Calculate" button at the top of Statement B and the system will add the amounts in Items 51 through 71 and enter the subtotal in Item 72.

73. WITHHOLDING TAXES AND OTHER PAYROLL DEDUCTIONS –

a. Total Withheld - Enter the total amount of withholding taxes and all other payroll deductions during the reporting period.

b. Total Disbursed - Enter the total amount of withholding taxes and all other payroll deductions that were disbursed by your organization during the reporting period. This includes your organization's total disbursements to Federal, state, county, and municipal government agencies for the transmittal of taxes withheld from the salaries of officers and employees, including officers' and employees' portion of FICA taxes and all disbursements for the transmittal of other payroll deductions.

c. Total Withheld But Not Disbursed – Click the "Save & Calculate" button at the top of Statement B and the system will subtract Item 73b from Item 73a and enter the difference in Item 73c. The system will also complete Item 74 (Total Disbursements) as explained in the next instruction.

74. TOTAL DISBURSEMENTS – As indicated in the previous instruction, when Item 73c is completed and the "Save & Calculate" button at the top of Statement B is clicked the system subtracts Item 73c from Item 72 and enters the difference in Item 74.

NOTE: The following worktable may be used to determine that the figures for receipts, disbursements, and cash are correctly reported on the labor organization's Form LM-2 Long Form:

A. Cash at Start of Reporting Period — Item 22, Column (A)
$ _____

B. Add: Total Receipts — Item 50
$_____

C. Total of Lines A and B
$_____

D. Subtract: Total Disbursements — Item 74
$_____

E. Cash at End of Period
$_____

If Line E does not equal the amount reported in Item 22, Column (B), there is an error in the labor organization's report, which should be corrected.

ADDITIONAL INFORMATION AND SIGNATURES

75. ADDITIONAL INFORMATION — Use Item 75 to provide additional information as indicated on Form LM-2-Long Form and in these instructions. Enter the number of the item to which the information relates in the Item Number column if the system has not entered the number.

76-77. SIGNATURES — The completed Form LM-2 Long Form that is filed with OLMS must be signed by both the president and treasurer, or corresponding principal officers, of the labor organization. If an officer other than the president or treasurer performs the duties of the principal executive or principal financial officer, the other officer may sign the report. If an officer other than the president or treasurer signs the report, enter the correct title in the title field next to the signature and explain in Item 75 (Additional Information) why the president or treasurer did not sign the report.

Before signing the form, enter the telephone number at which the signatories conduct official business and the date. Click the Validation button at the top of the form to ensure that the report passes validation.

NOTE: Upon registering with OLMS, the signatories and preparers must enter the email addresses they use to conduct union business, in order to file the form via the OLMS Electronic Forms System. While the email addresses will not appear on the report, OLMS may use the email address of the signatories and any preparers to contact the union concerning LMRDA compliance.

To sign the form, click the signature spaces provided. Fill in the requested information in the screen that pops up.

XII. LABOR ORGANIZATIONS THAT HAVE CEASED TO EXIST

If a labor organization has gone out of existence as a reporting labor organization, the last

president and treasurer or the officials responsible for winding up the affairs of the labor organization must file a terminal financial report for the period from the beginning of the fiscal year to the date of termination. A terminal financial report must be filed if the labor organization has gone out of business by disbanding, merging into another organization, or being merged and consolidated with one or more labor organizations to form a new labor organization. A terminal financial report is not required if the labor organization changed its affiliation but continues to function as a separate reporting labor organization.

The terminal financial report must be filed on Form LM-2 Long Form if the labor organization filed its previous annual report on Form LM-2 Long Form and must be submitted within 30 days after the date of termination.
To complete a terminal report on Form LM-2 Long Form, follow the instructions in Section XI and, in addition:

- Enter the date the labor organization ceased to exist in Item 2 after the word "Through." The format for the date must be mm/dd/yyyy.
- Select Item 3(c) indicating that the labor organization ceased to exist during the reporting period and that this is the labor organization's terminal Form LM-2 Long Form.
- Provide in Item 75 (Additional Information) a detailed statement of the reason the labor organization ceased to exist. Also report in Item 75 plans for the disposition of the labor organization's cash and other assets, if any (for example, transfer of cash and assets to the parent body). Provide the name and address of the person or organization that will retain the records of the terminated organization. If the labor organization merged with another labor organization, report that organization's name, address, and 6-digit file number.

Contact the nearest OLMS field office if you have questions about filing a terminal report.

If You Need Assistance

The Office of Labor-Management Standards has field offices located in the following cities to assist you if you have any questions concerning LMRDA and CSRA reporting requirements.

Atlanta-Nashville
Boston-Buffalo
Chicago
Cincinnati-Cleveland
Dallas-New Orleans
Denver-St. Louis
Detroit-Milwaukee
Los Angeles
Philadelphia-Pittsburgh
New York
San Francisco-Seattle
Washington

Consult the OLMS website at www.dol.gov/olms for the address and telephone number of the nearest field office. You may also contact OLMS via email at OLMS-Public@dol.gov or call (202) 693-0123.

Copies of labor organization annual financial reports, employer reports, and labor relations consultant reports filed for the year 2000 and after can be viewed and printed at www.unionreports.gov.

Information about OLMS, including key personnel and telephone numbers, compliance assistance materials, the text of the LMRDA, and related Federal Register and Code of Federal Regulations documents, is also available on the OLMS website at www.dol.gov/olms.

OMB Control Number 1245-0003
Expiration Date: 01/31/2028
Revised 06/2026

Office of Labor-Management Standards
Washington, DC 20210

FORM LM-2 LABOR ORGANIZATION ANNUAL REPORT

MUST BE USED BY LABOR ORGANIZATIONS WITH $350,000 to $39,999,999 IN TOTAL ANNUAL RECEIPTS AND LABOR ORGANIZATIONS IN TRUSTEESHIP

Form Approved
Office of Management and Budget
No. 1245-0003
Expires 01-31-2028

This report is mandatory under P.L. 86-257, as amended. Failure to comply may result in criminal prosecution, fines, or civil penalties as provided by 29 U.S.C. 439 or 440.

READ THE INSTRUCTIONS CAREFULLY BEFORE PREPARING THIS REPORT.

For Official Use Only	1. FILE NUMBER	2. PERIOD COVERED MO DAY YEAR From Through	3. (a) AMENDED — If this is an amended report, check here: ☐ (b) HARDSHIP — If filing under hardship procedures check here: ☐ (c) TERMINAL — If this is a terminal report, check here: ☐ (d) TRUSTEESHIP—If the Labor Organization is under trusteeship, check here: ☐

4. AFFILIATION OR ORGANIZATION NAME	5. DESIGNATION (Local, Lodge, etc.)	6. DESIGNATION NUMBER
7. UNIT NAME (if any)		
9. Are your organization's records kept at its mailing address? Yes ☐ No ☐ (If "No," provide address in Item 75.)		

8. MAILING ADDRESS (Type or print in capital letters.)

First Name	Last Name
P.O. Box - Building and Room Number	
Number and Street	
City	
State	ZIP Code + 4

75. ADDITIONAL INFORMATION (Text entered will appear on last page of form. To enter comments, press the "General Additional Information" button.)

Each of the undersigned, duly authorized officers of the above labor organization, declares, under penalty of perjury and other applicable penalties of law, that all of the information submitted in this report (including the information contained in any accompanying documents) has been examined by the signatory and is, to the best of the undersigned's knowledge and belief, true, correct, and complete. (See Section VI on penalties in the instructions.)

76. SIGNED:_____ PRESIDENT (If other title, see instructions.)
_____ / / _____ ( ) —
Date Telephone Number

77. SIGNED:_____ TREASURER (If other title, see instructions.)
_____ / / _____ ( ) —
Date Telephone Number

COMPLETE ITEMS 10 THROUGH 21

FILE NUMBER: ☐ ☐

10 (a) During the reporting period did the labor organization create or participate in the administration of a trust or other fund or organization, as defined in the instructions, which provides benefits for members or their beneficiaries?

Yes ☐ No ☐

10 (b). During the reporting period did an officer or employee paid $10,000 or more by the labor organization also receive $10,000 or more as an officer or employee of another labor organization in gross salaries, allowances, and other direct and indirect disbursements?

Yes ☐ No ☐

11(a). During the reporting period did the labor organization have a political action committee (PAC) fund?

Yes ☐ No ☐

11(b). During the reporting period did the labor organization have a subsidiary organization as defined in Section X of these Instructions?

Yes ☐ No ☐

12. During the reporting period did the labor organization have an audit or review of its books and records by an outside accountant or by a parent body auditor/representative?

Yes ☐ No ☐

13. During the reporting period did the labor organization experience and/or discover any loss or shortage of funds or other assets? (Answer "Yes" even if there has been repayment or recovery.)

Yes ☐ No ☐

14. What is the maximum amount recoverable under the labor organization's fidelity bond for a loss caused by any officer, employee or agent of the labor organization who handled union funds?

15. During the reporting period did the labor organization acquire or dispose of any assets in any manner other than by purchase or sale?

Yes ☐ No ☐

16. Were any of the labor organization's assets pledged as security or encumbered in any other way at the end of the reporting period?

Yes ☐ No ☐

17. Did the labor organization have any contingent liabilities at the end of the reporting period?

Yes ☐ No ☐

18 (a) During the reporting period did the labor organization have any changes in its constitution and bylaws, other than rates of dues and fees, or in practices/procedures listed in the instructions?

Yes No

18 (b) Enter the date of the labor organization's current Constitution and Bylaws

20 How many members did the labor organization have at the end of the reporting period? (Total from the Members Line of Schedule 15)

21 What is the date of the labor organization's next regular election of officers?

21. What are the labor organization's rates of dues and fees? (Enter a minimum and maximum if more than one rate applies for any line.)

Rates of Dues and Fees

Dues/Fees	Amount		Unit	Minimum	Maximum
(a) Regular Dues/Fees		per			
(b) Working Dues/Fees		per			
(c) Initiation Fees		per			
(d) Transfer Fees		per			
(e) Work Permits		per			

| | | |

FILE NUMBER:

STATEMENT A – ASSETS AND LIABILITIES
Complete Schedules 1 Through 24 Before Completing Statement A

ASSETS

ASSETS	Schedule Number	Start of Reporting Period (A)	End of Reporting Period (B)
22. Cash			
23. Accounts Receivable	1		
24. Loans Receivable	2		
25. U.S. Treasury Securities			
26. Investments	7		
27. Fixed Assets	8		
28. Other Assets	9		
29. TOTAL ASSETS			

LIABILITIES

LIABILITIES	Schedule Number	Start of Reporting Period (C)	End of Reporting Period (D)
30. Accounts Payable	10		
31. Loans Payable	11		
32. Mortgages Payable			
33. Other Liabilities	12		
34. TOTAL LIABILITIES			

35. NET ASSETS (Item 29 Less Item 34)		

FILE NUMBER:

STATEMENT B – RECEIPTS AND DISBURSEMENTS
Complete Schedules 1 Through 24 Before Completing Statement B

Item CASH RECEIPTS	SCH #	AMOUNT
36. Dues and Agency Fees		
37. Per Capita Tax		
38. Fees, Fines, Assessments, Work Permits		
39. Sale of Supplies		
40. Interest		
41. Dividends		
42. Rents		
43. Sale of Investments	3	
44. Sale of Fixed Assets	4	
45. Loans Obtained	11	
46. Repayments of Loans Made	2	
47. On Behalf of Affiliates for Transmittal to Them		
48. From Members for Disbursement on Their Behalf		
49. Other Receipts	16	
50. TOTAL RECEIPTS		

Item CASH DISBURSEMENTS		SCH #	AMOUNT
51. Contract Negotiation and Administration		17	
52. Organizing		18	
53. Political Activities		19	
54. Lobbying		20	
55. Contributions, Gifts, and Grants		21	
56. General Overhead		22	
57. Union Administration		23	
58. Benefits		24	
59. Per Capita Tax			
60. Strike Benefits			
61. Fees, Fines, Assessments, etc.			
62. Supplies for Resale			
63. Purchase of Investments		5	
64. Purchase of Fixed Assets		6	
65. Loans Made		2	
66. Repayment of Loans Obtained		11	
67. To Affiliates of Funds Collected on Their Behalf			
68. On Behalf of Individual Members			
69. Direct Taxes			
70. Officers		13	
71. Employees		14	
72. Subtotal			
73. Withholding Tax and Payroll Deductions			
73a. Total Withheld			
73b. Less Total Disbursed			
73c. Total Withheld But Not Disbursed			
74. TOTAL DISBURSEMENTS (Line 72 – 73c)			

SCHEDULE 1 – ACCOUNTS RECEIVABLE AGING SCHEDULE FILE NUMBER:

Entity or Individual Name (A)	Total Account Receivable (B)	90 - 180 Days Past Due (C)	180+ Days Past Due (D)	Liquidated Account Receivable (E)
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				
16.				
17.				
18.				
19.				
20.				
21.				
22.				
23.				
24.				
25.				
Total of all itemized accounts receivable				
Total from all other accounts receivable				
Totals (Total of Column (B) will be automatically entered in Item 23, Column (B))				

SCHEDULE 2 – LOANS RECEIVABLE

FILE NUMBER:

List below loans to officers, employees, or members which at any time during the reporting period exceeded $250 and list all loans to business enterprises regardless of amount. (A)	Loans Outstanding at Start of Period (B)	Loans Made During Period (C)	Repayments Received During Period		Loans Outstanding at End of Period (E)
			Cash (D)(1)	Other Than Cash (D)(2)	
1. Name: _____ Purpose: _____ Security: _____ Terms of Repayment: _____					
2. Name: _____ Purpose: _____ Security: _____ Terms of Repayment: _____					
3. Name: _____ Purpose: _____ Security: _____ Terms of Repayment: _____					
4. Name: _____ Purpose: _____ Security: _____ Terms of Repayment: _____					
Total of loans not listed above					
Total of all lines above					
Totals will be automatically entered in Column (A) ..... Item 24 ..... Item 65 ..... Item 46 ..... Item 75 with Explanation ..... Item 24 Column (B)					

SCHEDULE 3 – SALE OF INVESTMENTS

FILE NUMBER:

Name and Address of Purchaser or Financial Management Firm (A)	Description (B)	Date of Sale (C)	Cost (D)	Book Value (E)	Gross Sales Price (F)	Amount Received (G)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						
Total from all itemized sales of investments (lines (D)-(G) above)						
.Total from all other sales of investments						
Total of all sales of investments						
			Less Reinvestments			
		(The total from Net Sales Line will be automatically entered in Item 43.)	**Net Sales**			

SCHEDULE 4 – SALE OF FIXED ASSETS

FILE NUMBER:

Name and Address of Purchaser (A)	Description (B)	Date of Sale (C)	Cost (D)	Book Value (E)	Gross Sales Price (F)	Amount Received (G)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						
Total of all lines above						
Total of all other sales of fixed assets						
Total of all sales of fixed assets						
		(The total from Amount Received (G) Line will be automatically entered in Item 44.)				

SCHEDULE 5 – PURCHASE OF INVESTMENTS

FILE NUMBER:

Name and Address of Seller or Financial Management Firm (A)	Description (B)	Date of Purchase (C)	Cost (D)	Book Value (E)	Cash Paid (F)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
Total of all lines above					
Total of all other purchases of investments					
Total of all purchases of investments					
			Less Reinvestments		
		(The total from Net Purchases Line will be automatically entered in Item 63.)	**Net Purchases**		

SCHEDULE 6– PURCHASE OF FIXED ASSETS

FILE NUMBER:

Name and Address of Seller (A)	Description (B)	Date of Purchase (C)	Cost (D)	Book Value (E)	Cash Paid (F)
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
Total of lines (D)-(F) above					
Total of all other purchases of fixed assets					
Total of all purchases of fixed assets					
		(The total from Cash Paid Column (F) Line will be automatically entered in Item 64)			

SCHEDULE 7 – INVESTMENTS FILE NUMBER:

Description (A)	Amount (B)
Marketable Securities	
A. Total Cost	
B. Total Book Value	
C. List each marketable security which has a book value over $5,000 and exceeds 5% of Line B.	
(1)	
(2)	
(3)	
(4)	
Other Investments	
D. Total Cost	
E. Total Book Value	
F. List each other investment which has a book value over $5,000 and exceeds 5% of Line E. Also, list each subsidiary for which separate reports are attached.	
(1)	
(2)	
(3)	
(4)	
(5)	
G. Total of Lines B and E (Total from Line G will be automatically entered in Item 26, Column (B))	

SCHEDULE 8 –FIXED ASSETS

FILE NUMBER:

Description (A)	Cost or Other Basis (B)	Total Depreciation or Amount Expensed (C)	Book Value (D)	Value (E)
A. Land (give location)				
1.				
2.				
3.				
B. Buildings (give location)				
1.				
2.				
3.				
C. Automobiles and Other Vehicles				
D. Office Furniture and Equipment				
E. Other Fixed Assets				
F. **Totals of Lines A through E** (Column (D) Total will be automatically entered in Item 27, Column (B))				

SCHEDULE 9 – OTHER ASSETS FILE NUMBER:

Description (A)	Book Value (B)
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	
12.	
13.	
14.	
Total (Total will be automatically entered in Item 28, Column (B))	

SCHEDULE 10 – ACCOUNTS PAYABLE AGING SCHEDULE

FILE NUMBER:

Entity or Individual Name (A)	Total Account Payable (B)	90 - 180 Days Past Due (C)	180+ Days Past Due (D)	Liquidated Account Payable (E)
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				
16.				
17.				
18.				
19.				
20.				
21.				
22.				
23.				
24.				
25.				
Total of all Itemized Accounts Payable				
Total from all other accounts payable				
Totals (Total for Column (B) will be automatically entered in Item 30, Column (D))				

SCHEDULE 11 – LOANS PAYABLE

FILE NUMBER:

Source of Loans Payable at Any Time During the Reporting Period (A)	Loans Owed at Start of Period (B)	Loans Obtained During Period (C)	Repayment Made During Period		Loans Owed at End of Period (E)
			Cash (D)(1)	Other Than Cash (D)(2)	
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					
13.					
Total Loans Payable					
Totals will be automatically entered in Column (C)	……Item 31	……Item 45	……Item 66	……Item 75 with Explanation	Item 31 Column (D)

SCHEDULE 12 – OTHER LIABILITIES

FILE NUMBER:

Description (A)	Amount at End of Period (B)
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	
12.	
13.	
Total Other Liabilities (Total will be automatically entered in Item 33, Column (D))	

SCHEDULE 13 – ALL OFFICERS AND DISBURSEMENT TO OFFICERS

FILE NUMBER:

(A) Name First, MI	(B) Title	(C) Status Last,	(D) Gross Salary Disbursements (before any deductions)	(E) Allowances Disbursed	(F) Disbursements for Official Business	(G) Other Disbursements not reported in (D) through (F)	(H) Total
1 A							
B							
C							
2 A							
B							
C							
3 A							
B							
C							
4 A							
B							
C							

TOTAL OFFICER DISBURSEMENTS						
LESS DEDUCTIONS						
NET DISBURSEMENTS						

SCHEDULE 14 – DISBURSEMENTS TO EMPLOYEES

FILE NUMBER:

(A) Name Last, First, MI		(B) Title	(C) Other Payer	(D) Gross Salary Disbursements (before any deductions)	(E) Allowances Disbursed	(F) Disbursements for Official Business	(G) Other Disbursements not reported in (D) through (F).	(H) Total
1	A							
	B							
	C							
2	A							
	B							
	C							
3	A							
	B							
	C							
4	A							
	B							
	C							

TOTAL RECEIVED BY ALL OTHER EMPLOYEES MAKING $10,000 OR LESS					

TOTAL EMPLOYEE DISBURSEMENTS					
LESS DEDUCTIONS					
NET DISBURSEMENTS					

SCHEDULE 15 – MEMBERSHIP STATUS

FILE NUMBER:

Category of Membership (A)	Number (B)	Voter Eligibility (C)
1.Retiree Members		Yes
2.		Yes
3.		Yes
4.		Yes
5.		Yes
6.		Yes
7.		Yes
Members (Total of all lines above)		
Agency Fee Payers*		
Total Members/Fee Payers (Total of Members and Fee Payers Lines)		
*Agency Fee Payers are not considered members of the labor organization		

FILE NUMBER:

DETAILED SUMMARY PAGE - SCHEDULES 16 THROUGH 23

Complete Itemization Pages BEFORE the Detailed Summary Page

SCHEDULE 16 OTHER RECEIPTS	1. Named Payer Itemized Receipts		
	2. Named Payer Non-Itemized Receipts		
	3. All Other Receipts		Item 49
	4. Total Receipts *(add Lines 1 through 3)*		
SCHEDULE 17 CONTRACT NEGOTIATION AND ADMINISTRATION	1. Named Payee Itemized Disbursements		
	2. Named Payee Non-Itemized Disbursements		
	3. All Other Disbursements		Item 51
	4. Total Disbursements *(add Lines 1 through 3)*		
SCHEDULE 18 ORGANIZING	1. Named Payee Itemized Disbursements		
	2. Named Payee Non-Itemized Disbursements		
	3. All Other Disbursements		Item 52
	4. Total Disbursements *(add Lines 1 through 3)*		
SCHEDULE 19 POLITICAL ACTIVITIES	1. Named Payee Itemized Disbursements		
	2. Named Payee Non-Itemized Disbursements		
	3. All Other Disbursements		Item 53
	4. Total Disbursements *(add Lines 1 through 3)*		

SCHEDULE 20 LOBBYING	1. Named Payee Itemized Disbursements		
	2. Named Payee Non-Itemized Disbursements		
	3. All Other Disbursements		Item 54
	4. Total Disbursements *(add Lines 1 through 3)*		
SCHEDULE 21 CONTRIBUTIONS, GIFTS, AND GRANTS	1. Named Payee Itemized Disbursements		
	2. Named Payee Non-Itemized Disbursements		
	3 All Other Disbursements		Item 55
	4. Total Disbursements *(add Lines 1 through 3)*		
SCHEDULE 22 GENERAL OVERHEAD	1. Named Payee Itemized Disbursements		
	2. Named Payee Non-Itemized Disbursements		
	3. All Other Disbursements		Item 56
	4. Total Disbursements *(add Lines 1 through 3)*		
SCHEDULE 23 UNION ADMINISTRATION	1. Named Payee Itemized Disbursements		
	2. Named Payee Non-Itemized Disbursements		
	3. All Other Disbursements		Item 57
	4. Total Disbursements *(add Lines 1 through 3)*		

SCHEDULE 16 – OTHER RECEIPTS

FILE NUMBER:

Complete Itemization Pages BEFORE the Detailed Summary Page

Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
(B) Type or Classification			
	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		
	Total of All Transactions with this Payee/Payer for This Schedule		

SCHEDULE 17 – CONTRACT NEGOTIATION AND ADMINISTRATION

FILE NUMBER:

Complete Itemization Pages BEFORE the Detailed Summary Page

Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
(B) Type or Classification			
	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		
	Total of All Transactions with this Payee/Payer for This Schedule		

SCHEDULE 18 – ORGANIZING

FILE NUMBER:

Complete Itemization Pages BEFORE the Detailed Summary Page

Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
(B) Type or Classification			
	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		
	Total of All Transactions with this Payee/Payer for This Schedule		

SCHEDULE 19 – POLITICAL ACTIVITIES

FILE NUMBER:

Complete Itemization Pages BEFORE the Detailed Summary Page

Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
(B) Type or Classification			
	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		
	Total of All Transactions with this Payee/Payer for This Schedule		

SCHEDULE 20 – LOBBYING

FILE NUMBER:

Complete Itemization Pages BEFORE the Detailed Summary Page

Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
(B) Type or Classification			
	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		
	Total of All Transactions with this Payee/Payer for This Schedule		

SCHEDULE 21 – CONTRIBUTIONS, GIFTS, AND GRANTS

FILE NUMBER:

Complete Itemization Pages BEFORE the Detailed Summary Page

Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
(B) Type or Classification			
	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		
	Total of All Transactions with this Payee/Payer for This Schedule		

SCHEDULE 22 – GENERAL OVERHEAD

FILE NUMBER:

Complete Itemization Pages BEFORE the Detailed Summary Page

Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
(B) Type or Classification			
	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		
	Total of All Transactions with this Payee/Payer for This Schedule		

SCHEDULE 23 – UNION ADMINISTRATION

FILE NUMBER:

Complete Itemization Pages BEFORE the Detailed Summary Page

Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
(B) Type or Classification			
	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		
	Total of All Transactions with this Payee/Payer for This Schedule		

SCHEDULE 24 – BENEFITS

FILE NUMBER:

Description (A)	To Whom Paid (B)	Amount (C)
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.		
12.		
13.		
14.		
15.		
16.		
17.		
18.		
19.		
20.		
21.		
22.		
Total of all lines above (Total will be automatically entered in Item 58.)		

FILE NUMBER:

75. ADDITIONAL INFORMATION SUMMARY

Public reporting burden for this collection of information is estimated to average 343.1 hours per response. For filers who have subsidiary organizations, as defined in Section X of these instructions, an additional public reporting burden is estimated to average 88 hours per response. These estimates include the time for reviewing instructions, searching existing data sources, gathering and maintaining data needed, and completing and reviewing the collection of information. Persons are not required to respond to the collection of information unless it displays a currently valid OMB control number. Reporting of this information is mandatory and is required by the Labor-Management Reporting and Disclosure Act of 1959, as amended, for the purpose of public disclosure. As this is public information, there are no assurances of confidentiality. If you have any comments regarding this estimate or any other aspect of this information collection, including suggestions for reducing this burden, please send them to the U.S. Department of Labor, Office of Labor-Management Standards, Room N-5609, 200 Constitution Avenue, NW, Washington, DC 20210.

INSTRUCTIONS FOR FORM LM-2 LABOR ORGANIZATION ANNUAL REPORT

GENERAL INSTRUCTIONS

I. WHO MUST FILE

Every labor organization subject to the Labor-Management Reporting and Disclosure Act, as amended (LMRDA), the Civil Service Reform Act (CSRA), or the Foreign Service Act (FSA) must file a financial report, Form LM-2 Long Form, Form LM-2, Form LM-3, or Form LM-4, each year with the Office of Labor-Management Standards (OLMS) of the U.S. Department of Labor. These laws cover labor organizations that represent employees who work in private industry, employees of the U.S. Postal Service, and most Federal government employees. Labor organizations that include or represent only state, county, or municipal government employees are not covered by these laws and, therefore, are not required to file. If you have a question about whether the labor organization is required to file, contact the nearest OLMS field office listed at the end of these instructions.

II. WHAT FORM TO FILE

Every labor organization subject to the LMRDA, CSRA, or FSA with total annual receipts of $40,000,000 or more must file the Form LM-2 Long Form. Labor organizations with total annual receipts between $350,000 and $39,999,999 must file Form LM-2.

Labor organizations with total annual receipts of less than $350,000 may file the simplified Form LM-3, if not in trusteeship as defined in Section IX (Labor Organization In Trusteeship) of these instructions. Labor organizations with total annual receipts of less than $25,000 may file the abbreviated annual report Form LM-4, if not in trusteeship.

The term "total annual receipts" means all financial receipts of the labor organization during its fiscal year, regardless of the source, including receipts of any special funds as described in Section VIII (Funds To Be Reported) or as described in Section X (Labor Organizations With Subsidiary Organizations). Receipts of an LMRDA section 3(l) trust in which the labor organization is interested (as described in Information Item 10(a)) should not be included in the total annual receipts of the labor organization when determining which form to file, unless the 3(l) trust is a subsidiary organization of the union.

III. WHEN TO FILE

Form LM-2 must be filed within 90 days after the end of the labor organization's fiscal year (12- month reporting period). The law does not authorize the Department to grant an extension of time for filing reports. The penalties for delinquency are described in Section VI (Officer Responsibilities and Penalties) of these instructions.

If the labor organization went out of existence during its fiscal year, a terminal financial report must be filed within 30 days after the date it ceased to exist. See Section XII (Labor Organizations That Have Ceased to Exist) of these instructions for information on filing a terminal financial report.

IV. HOW TO FILE

Form LM-2 must be submitted electronically to the Department via the OLMS Electronic Forms System (EFS) linked from the OLMS website (www.dol.gov/olms). Form LM-2 filers will be able to file reports in paper format only if they assert a temporary hardship exemption.

NOTE: Upon registering with OLMS, the signatories and preparers must enter the email addresses they use to conduct union business, in order to file the form via the OLMS Electronic Forms System. While the email addresses will not appear on the report, OLMS may use the email address of the signatories and any preparers to contact the union concerning LMRDA compliance.

If you have difficulty navigating the system, or have questions about its functions and features, call the OLMS Help Desk at: (866) 401-1109. For questions concerning the reporting requirements, please send an email to OLMS-Public@dol.gov or call (202) 693-0123.

TEMPORARY HARDSHIP EXEMPTION:

If a labor organization experiences unanticipated technical difficulties that prevent the timely preparation and submission of an electronic filing, the organization may assert a temporary hardship exemption to prepare and submit Form LM-2 in paper format by the required due date. An electronic format copy of the filed paper format document shall be submitted to the Department within ten business days after the required due date. Indicate in Item 3 (Amended, Hardship, Terminal or Trusteeship Report) that the labor organization is filing under the hardship exemption procedures. Unanticipated technical difficulties that may result in additional delays should be brought to the attention of OLMS by email at OLMS-Public@dol.gov, by phone at 202-693- 0123.

NOTE: If either the paper filing or the electronic filing is not received in the timeframe specified above, the report will be considered delinquent.

V. PUBLIC DISCLOSURE

The LMRDA requires that the Department make labor organization financial reports available for inspection by the public. Reports may be viewed and downloaded from the OLMS website at www.unionreports.gov. For assistance, please email OLMS-Public@dol.gov or call (202) 693-0123

VI. OFFICER RESPONSIBILITIES AND PENALTIES

The president and treasurer or the corresponding principal officers of the labor organization required to sign Form LM-2 are personally responsible for its filing and accuracy. Under the LMRDA, officers are subject to criminal penalties for willful failure to file a required report and for false reporting. False reporting includes making any false statement or misrepresentation of a material fact while knowing it to be false, or for knowingly failing to disclose a material fact in a required report or in the information required to be contained in it or in any information required to be submitted with it.

The reporting labor organization and the officers required to sign Form LM-2 are also subject to civil prosecution for violations of the filing requirements. Section 210 of the LMRDA (29 U.S.C. 440) provides that "whenever it shall appear that any person has violated or is about to violate any of the provisions of this title, the Secretary may bring a civil action for such relief (including injunctions) as may be appropriate."

Under the CSRA and FSA and implementing regulations, false reporting and failure to report may result in administrative enforcement action and litigation. The officers responsible for signing Form LM-2 are also subject to criminal penalties for false reporting and perjury under Sections 1001 of Title 18 and 1746 of Title 28 of the United States Code.

VII. RECORDKEEPING

The officers required to file Form LM-2 are responsible for maintaining records that will provide in sufficient detail the information and data necessary to verify the accuracy and completeness of the report. The records must be kept for at least 5 years after the date the report is filed. Any record necessary to verify, explain or clarify the report must be retained, including, but not limited to, vouchers, worksheets, receipts, applicable resolutions, and any electronic documents, including recordkeeping software, used to complete, read, and file the report.

VIII. FUNDS TO BE REPORTED

The labor organization must report financial information on Form LM-2 for all funds of the labor organization. Include any special purpose funds or accounts, such as strike funds, vacation funds, and scholarship funds even if they are not part of the labor organization's general treasury.

All labor organization political action committee (PAC) funds are considered to be labor organization funds. However, to avoid duplicate reporting, PAC funds that are kept separate from your labor organization's treasury are not required to be included in your organization's Form LM-2 if publicly available reports on the PAC funds are filed with a Federal or state agency.

Your organization is required to report financial information about any "subsidiary organizations." Financial information about your organization and its subsidiary organizations may be combined on a single Form LM-2 or you may attach to your Form LM-2 report the regular annual report of the

financial condition and operations of the subsidiary organization with a signed certification by an independent public accountant, as described in Section X (Labor Organizations With Subsidiary Organizations).

If combining the information concerning subsidiary organizations, be sure to include the requested information and amounts for the subsidiary organizations as well as for all other assets of your union in all items.

SPECIAL INSTRUCTIONS FOR CERTAIN ORGANIZATIONS

IX. LABOR ORGANIZATIONS IN TRUSTEESHIP

Any labor organization that has placed a subordinate labor organization in trusteeship is responsible for filing the subordinate's annual financial report. A trusteeship is defined in section 3(h) of the LMRDA (29 U.S.C. 402) as "any receivership, trusteeship, or other method of supervision or control whereby a labor organization suspends the autonomy otherwise available to a subordinate body under its constitution or bylaws."

Annual financial reports filed for any labor organization in trusteeship that has less than $40,000,000 in annual receipts may be filed on Form LM-2 or the Form LM-2 Long Form. The report must be signed by the president and treasurer or corresponding principal officers of the labor organization that imposed the trusteeship. The trustees of the subordinate labor organization must also sign and date Form LM-2. To add signature blocks, click on the “Add Signature Block” button on the bottom of page 1.

X. LABOR ORGANIZATIONS WITH SUBSIDIARY ORGANIZATIONS

The labor organization must disclose assets, liabilities, receipts, and disbursements of a subsidiary organization.

Within the meaning of these instructions, a subsidiary organization is defined as any separate organization of which the ownership is wholly vested in the reporting labor organization or its officers or its membership, which is governed or controlled by the officers, employees, or members of the reporting labor organization, and which is wholly financed by the reporting labor organization. A subsidiary organization is considered to be wholly financed if the initial financing was provided by the reporting labor organization even if the subsidiary organization is currently wholly or partially self- sustaining. An example of a subsidiary organization is a building corporation which holds title to a building; the labor organization owns the building corporation, selects the officers, and finances the operation of the building corporation.

A labor organization is required to report financial information for each of its subsidiary organizations using one of the following methods:

Method (1) — Consolidate the financial information for the subsidiary organization and the labor organization on a single Form LM-2.

Method (2) — File, with the labor organization’s Form LM-2, the regular annual report of the financial condition and operations of the subsidiary organization, accompanied by a statement signed by an independent public accountant certifying that the financial report presents fairly the financial condition and operations of the subsidiary organization and was prepared in accordance with generally accepted accounting principles.

Financial information reported separately for subsidiary organizations under method (2) must include the name of the subsidiary organization and the name and file number of the labor organization as shown on its Form LM-2. The financial report of the subsidiary organization must cover the same reporting period as that used by the reporting labor organization.

When method (2) is used and the subsidiary organization is an investment, the financial interest of the reporting labor organization in the subsidiary organization must be reported in Item 26 (Investments) and in Schedule 7 (Investments) of the labor organization’s Form LM-2.

When method (2) is used and the subsidiary organization is of a non-investment nature, the financial interest of the reporting labor organization in the subsidiary organization must be reported in Item 28 (Other Assets) and in Schedule 9 (Other Assets) of the labor organization’s Form LM-2.

The same type of information required on Form LM-2 regarding disbursements to officers and employees and loans made by labor organizations must also be reported with respect to the subsidiary organization. In method (1) the information relating to the subsidiary organization must be combined with that of the labor organization and reported on the labor organization’s Form LM-2 on Schedule 13 (All Officers and Disbursements to Officers) and Schedule 14 (Disbursements to Employees) and Statement A, Item 24 (Loans Receivable) and

Schedule 2 (Loans Receivable) in the detail required by the instructions. If method (2) is used, an attachment must be submitted containing the information required by the instructions for Schedules 2, 13, and 14.

The information regarding loans made by the subsidiary organization must include in Schedule 2 (Loans Receivable) a listing of the names of each officer, employee, or member of the labor organization and each officer or employee of the subsidiary organization whose total loan indebtedness to the subsidiary organization, to the labor organization, or to both at any time during the reporting period exceeded $250. However, if method (2) is used, the amount reported by the subsidiary organization should be only the amount owed to the subsidiary organization.

The annual financial report must also include on Schedule 13 (All Officers and Disbursements to Officers) all disbursements made by the subsidiary organization to or on behalf of its officers and officers of the labor organization. The report must also list on Schedule 14 (Disbursements to Employees) the name and position of the subsidiary organization's employees whose total gross salaries, allowances, and other disbursements from the subsidiary organization, the reporting labor organization, and any affiliates were more than $10,000. However, if method (2) is used, only the disbursements of the subsidiary organization for its employees must be reported.

XI. COMPLETING FORM LM-2

INTRODUCTION

Most pages have a "Save & Calculate" button to total and transfer data to fields in various parts of the form. You may click on one or more of these buttons as you fill out the form at any time.

You may click on the "Validate Form" button at any time to check for errors. This action will generate an "Validation Summary Page" listing any errors that will need to be corrected before you will be able to sign the form. The signature field will be enabled once validation is passed.

INFORMATION ITEMS 1–9

Items 1, 2, and 4-8 are "pre-filled" items. These fields are filled in by the system based on information you entered when you accessed the form from our website. You cannot edit the information pre-filled in Items 1, and 2.

1. FILE NUMBER — The system will enter the labor organization's 6-digit file number here and at the top of each page of Form LM-2. If the labor organization does not have the number on file and cannot obtain the number from prior reports filed with the Department, the number can be obtained from the OLMS website at www.unionreports.gov, or by contacting the nearest OLMS field office.

2. PERIOD COVERED — The system will enter the beginning and ending dates of the period covered by your fiscal year. The system will also permit you to change the end date, if needed. If you need further assistance, contact OLMS by email at OLMS-Public@dol.gov or by phone at (202) 693-0123.

If the labor organization changed its fiscal year, the ending date in Item 2 should be the labor organization's new fiscal year ending date and the labor organization should indicate in Item 75 (Additional Information) that the report is for a period of less than 12 months because its fiscal year has changed. For example, if the labor organization's fiscal year ending date changes from June 30 to December 31, a report must be filed for the partial year from July 1 to December 31. Thereafter, the labor organization's annual report should cover a full 12-month period from January 1 to December 31.

3. AMENDED, HARDSHIP EXEMPTED, TERMINAL, OR TRUSTEESHIP REPORT — Do not complete this item unless this report is an amended, hardship exempted, or terminal report or the labor organization is under trusteeship. Select Item 3(a) if the labor organization is filing an amended report correcting a previously filed report. Select Item 3(b) if the labor organization is filing under the hardship exemption procedures defined in Section IV. Select Item 3(c) if the labor organization has gone out of business by disbanding, merging into another labor organization, or being merged and consolidated with one or more labor organizations to form a new labor organization, and this is the labor organization's terminal report. Be sure the date the labor organization ceased to exist is entered in Item 2 (Period Covered) after the word "Through." See Section XII (Labor Organizations That Have Ceased to Exist) of these instructions for more information on filing a terminal report. Select Item 3(d) if the report is being filed by a labor organization for a subordinate labor organization that it has placed in trusteeship. Use Form LM-2 Long Form only for labor organizations in trusteeships with $40,000,000 or more in annual receipts. Use Form LM-2 for labor organizations in trusteeship with less than $40,000,000 in annual

receipts.

4. AFFILIATION OR ORGANIZATION NAME — The system accesses this information from the OLMS database and will enter the name of the national or international labor organization that granted the labor organization a charter. "Affiliates," within the meaning of these instructions, are labor organizations chartered by the same parent body, governed by the same constitution and bylaws, or having the relationship of parent and subordinate. For example, a parent body is an affiliate of all of its subordinate bodies, and all subordinate bodies of the same parent body are affiliates of each other.

If the labor organization has not reported such an affiliation, the system will enter the name of the labor organization as currently identified in the labor organization's constitution and bylaws or other organizational documents.

This field cannot be edited. If the labor organization needs to change this information, contact OLMS by email at OLMS-Public@dol.gov or by phone at (202) 693-0123.

5. DESIGNATION — The system will enter the specific designation that is used to identify the labor organization, such as Local, Lodge, Branch, Joint Board, Joint Council, District Council, etc. This field cannot be edited. If the labor organization needs to change this information, contact OLMS by email at OLMS-Public@dol.gov or by phone at (202) 693-0123.

6. DESIGNATION NUMBER — The system will enter the number or other identifier, if any, by which the labor organization is known. This field cannot be edited. If the labor organization needs to change this information, contact OLMS by email at OLMS-Public@dol.gov or by phone at (202) 693-0123.

7. UNIT NAME — The system will enter any additional or alternate name by which the labor organization is known, such as "Chicago Area Local." This field cannot be edited. If the labor organization needs to change this information, contact OLMS by email at OLMS-Public@dol.gov or by phone at (202) 693-0123.

8. MAILING ADDRESS — The system accesses the union's mailing address on record in the OLMS database and enters it in Item 8. The first and last name of the person, if any, to whom such mail should be sent and any building and room number should be included. These fields can be edited.

9. PLACE WHERE RECORDS ARE KEPT — If the records required to be kept by the labor organization to verify this report are kept at the address reported in Item 8 (Mailing Address), answer "Yes." If not, answer "No" and provide in Item 75 (Additional Information) the address where the labor organization's records are kept.

INFORMATION ITEMS 10–21

Answer Items 10 through 21 as instructed. Select the appropriate box for those questions requiring a "Yes" or "No" answer; do not leave both boxes blank. Enter a single "0" in the boxes for items requiring a number or dollar amount if there is nothing to report.

10. (a) TRUSTS OR FUNDS— Answer "Yes" to Item 10(a), if the labor organization has an interest in a trust or other fund as defined in 29 U.S.C. 402(l). A trust in which a labor organization is interested is a trust or other fund as defined in Section 3(l) of the LMRDA (29 U.S.C. 402(l)) as

…a trust or other fund or organization (1) which was created or established by a labor organization, or one or more of the trustees or one or more members of the governing body of which is selected or appointed by a labor organization, and (2) a primary purpose of which is to provide benefits for the members of such labor organization or their beneficiaries.

The determination whether a particular entity is a trust in which a labor organization is interested will be based on the facts in each case.

Additionally, provide in Item 75 (Additional Information) the full name, address, and purpose of each trust or other fund. Indicate in Item 75 if a report has been filed for the trust or other fund under the Employee Retirement Income Security Act of 1974 (ERISA) and the ERISA file number (Employer Identification Number — EIN) and plan number, if any.

If financial information is already available as a result of the disclosure requirements of a Federal statute other than ERISA or LMRDA, list the name of any government agency, such as the Internal Revenue Service (IRS), with which the trust files a publicly available report, and the relevant file number of the trust, or otherwise indicate where the relevant report may be viewed.

10.(b) OTHER LABOR ORGANIZATION PAYMENTS TO OFFICERS AND

EMPLOYEES—Answer "Yes" to Item 10(b), if an officer or employee was paid $10,000 or more in salary, wages, and allowances by your organization and was paid $10,000 or more in salary, wages, and allowances as an officer or employee of another labor organization. In calculating whether an officer or employee was paid $10,000 or more include allowances paid on a daily, weekly, monthly, or other periodic basis. If the labor organization answered "Yes" to 10(b), provide in Item 75 (Additional Information) the name of each officer or employee, the name of the other labor organization(s), the officers' or employees' position in the other labor organization(s) and the file number of the labor organization(s).

11. POLITICAL ACTION COMMITTEE FUNDS AND SUBSIDIARY ORGANIZATIONS — If the labor organization answered "Yes" to Item 11(a), in reference to a political action committee, provide in Item 75 (Additional Information) the full name of each separate political action committee (PAC) and list the name of any government agency, such as the Federal Election Commission or a state agency, with which the PAC has filed a publicly available report, and the relevant file number of the PAC. (PAC funds kept separate from the labor organization's treasury need not be included in the labor organization's Form LM-2 if publicly available reports on the PAC funds are filed with a Federal or state agency.)

If the labor organization answered "Yes" to Item 11(b), in reference to a subsidiary organization, provide in Item 75 (Additional Information) the name, address, and purpose of each subsidiary organization. Indicate whether the information concerning its financial condition and operations is included in this Form LM-2 or in a separate report. See Section X of these instructions for information on reporting subsidiary organizations.

12. AUDIT OR REVIEW OF BOOKS AND RECORDS — If the labor organization answered "Yes" to Item 12, indicate in Item 75 (Additional Information) whether the audit or review was performed by an outside accountant or a parent body auditor/representative. If an outside accountant performed the audit or review, provide the name of the accountant or accounting firm. Report any audit or review by an outside accountant or a parent body auditor/representative in which the labor organization's books and records were examined to verify their accuracy and validity. The term "audit or review" does not include providing assistance in developing a bookkeeping system, providing routine bookkeeping services, or merely compiling information from the labor organization's books and records to prepare Form LM-2 or other financial reports. Also, do not answer "Yes" to Item 12 if an audit committee or trustees of the labor organization performed the audit or review.

13. LOSSES OR SHORTAGES — Answer "Yes" to Item 13 if the labor organization experienced and/or discovered a loss, shortage, or other discrepancy in its finances during the period covered. Describe the loss or shortage in detail in Item 75 (Additional Information), including such information as the amount of the loss or shortage of funds or a description of the property that was lost, how it was lost, and to what extent, if any, there has been an agreement to make restitution or any recovery by means of repayment, fidelity bond, insurance, or other means.

14. FIDELITY BOND — Enter the maximum amount recoverable for a loss caused by any officer, employee, or agent of the labor organization who handled the labor organization's funds. Enter "0" if the labor organization was not covered by a fidelity bond during the reporting period.

NOTE: If a labor organization has property and annual financial receipts that exceeded $5,000, each of the labor organization's officers, employees, and agents who handles funds or other property of the labor organization must be bonded. The amount of the bond must be at least 10% of the value of the funds handled by the individual during the last reporting period, up to a maximum bond of $500,000. The bond must be obtained from a surety company approved by the Secretary of the Treasury. If you have any questions or need more information about bonding requirements, contact the nearest OLMS field office.

15. ACQUISITION OR DISPOSITION OF ASSETS — If the labor organization answered "Yes" to Item 15, describe in Item 75 (Additional Information) the manner in which the labor organization acquired or disposed of the asset(s), such as donating office furniture or equipment to charitable organizations, trading in assets, writing off a receivable, or giving away other tangible or intangible property of the labor organization. Include the type of asset, its value, and the identity of the recipient or donor, if any. Also report in Item 75 the cost or other basis at which any acquired assets were entered on the labor organization's books or the cost or other basis at which any assets disposed of were carried on the labor organization's books. For example, assets may be entered on the labor organization's books at cost and carried at that

value; carried at cost less accumulated depreciation; or carried at scrap value or other nominal value because the assets were fully depreciated or were expensed when purchased (that is, the cost was charged to current expenses rather than entered on the books and periodically depreciated).

For assets that were traded in, enter in Item 75 the cost, book value, and trade-in allowance.

16. PLEDGED OR ENCUMBERED ASSETS — If the labor organization answered "Yes" to Item 16, identify in Item 75 (Additional Information) all of the labor organization's assets pledged or encumbered in any way (such as those pledged as collateral for a loan) at the end of the reporting period. Also report in Item 75 their fair market value and provide details of transactions related to the encumbrance.

17. CONTINGENT LIABILITIES — If the labor organization answered "Yes" to Item 17, describe in Item 75 (Additional Information) the transactions or events resulting in the contingent liabilities and include the identity of the claimant or creditor. Contingent liabilities are potential obligations that may or may not develop into actual liabilities in the future. Examples of a contingent liability are a loan co-signed by the labor organization, or a pending lawsuit that could result in the labor organization being ordered to pay damages or make other payments.

A pending administrative or judicial action is considered a contingent liability that must be reported in Item 17 if, in the opinion of legal counsel, it is reasonably possible that the labor organization will be required to make some payment. Such administrative or judicial actions must be reported as contingent liabilities regardless of whether or not the possible losses would have a materially adverse effect on the labor organization's financial condition. List in Item 75 each administrative or judicial action, including the case number, court, and caption.

18. CHANGES IN CONSTITUTION AND BYLAWS OR PRACTICES AND PROCEDURES — If the labor organization answered "Yes" to Item 18(a) because the labor organization's constitution and bylaws were changed during the reporting period (other than rates of dues and fees), a dated copy of the new constitution and bylaws must be submitted to OLMS as an electronic attachment to the Form LM-2.

If the labor organization is governed by a uniform or model constitution and bylaws prescribed by the labor organization's parent national or international body, the labor organization's parent body may file the constitution and bylaws on the labor organization's behalf. If the parent body files a constitution and bylaws on the labor organization's behalf, answer "Yes" to Item 18(a) and state that fact in Item 75 (Additional Information). If the labor organization has any supplemental governing documents or has modified a model constitution and bylaws, the labor organization must file these documents.

If the labor organization answered "Yes" to Item 18(a) because the labor organization changed any of the practices/procedures listed below during the reporting period and the practices/procedures are not described in the labor organization's constitution or bylaws, the labor organization must file an amended Form LM-1 (Labor Organization Information Report) to update information on file with the Department:

- qualifications for or restrictions on membership;
- levying assessments;
- participating in insurance or other benefit plans;
- authorizing disbursement of labor organization funds;
- auditing financial transactions of the labor organization;
- calling regular and special meetings;
- authorizing bargaining demands;
- ratifying contract terms;
- authorizing strikes;
- disciplining or removing officers or agents for breaches of their trust;
- imposing fines and suspending or expelling members including the grounds for such action and any provision made for notice, hearing, judgment on the evidence, and appeal procedures;
- selecting officers and stewards and any representatives to other bodies composed of labor organizations' representatives;
- invoking procedures by which a member may protest a defect in the election of officers (including not only all procedures for initiating an election protest but also all procedures for subsequently appealing an adverse decision, e.g., procedures for appeals to superior or parent bodies, if any); and
- issuing work permits.

Information on obtaining Form LM-1 may be obtained from the OLMS website at www.olms.dol.gov or from any OLMS field office.

NOTE: Federal employee labor organizations subject solely to the Civil Service Reform Act or Foreign Service Act are not required to submit an amended Form LM-1 to describe revised or changed practices/procedures.

Enter the month and year of the labor organization's current constitution and bylaws in Item 18(b). The format for the dates must be month and year (mm/yyyy).

19. NEXT REGULAR ELECTION — Enter the month and year of the labor organization's next regular election of general officers (president, vice president, treasurer, secretary, etc.). Do not report the date of any interim election to fill vacancies.

20. NUMBER OF MEMBERS — After Schedule 15 is completed and the "Save & Calculate" button is clicked, the system will enter the total number of members into Item 20.

21. DUES AND FEES — Enter the dues and fees established by the labor organization. If more than one rate applies, enter the minimum and maximum rates. Enter "0" where appropriate.

Line (a): Enter the regular dues, fees or other periodic payments that a member must pay to be in good standing in the labor organization, including the calendar basis for the payment (per month, per year, etc.). Include only the dues or fees of regular members and not dues or fees of members with special rates, such as apprentices, retirees, or unemployed members.

Line (b) If individuals covered by your organization's collective bargaining agreement(s) pay "working" dues in addition to their regular dues, enter the amount or percent of "working" dues, including the basis for the payment (per hour, per month, etc.).

Line (c): Enter the initiation fees required from new members.

Line (d): Enter the fees other than dues required from transferred members. Such fees are those charged to persons applying for a transfer of membership to the labor organization from another labor organization with the same affiliation. Do not report fees charged to members transferring from one class of membership to another within the labor organization.

Line (e): If the labor organization issues work permits, enter the fees required and enter the calendar basis for the payment (per month, per year, etc.). Work permit fees are fees charged to nonmembers of the labor organization who work within its jurisdiction. Do not report as work permit fees those fees charged to nonmember applicants for membership pending acceptance of their membership application, or fees charged to persons applying for transfer of membership to the labor organization pending acceptance of their application for transfer.

FINANCIAL DETAILS

REPORT ONLY DOLLAR AMOUNTS

Report all amounts in dollars only. Round cents to the nearest dollar. Amounts ending in $.01 through $.49 should be rounded down. Amounts ending in $.50 through $.99 should be rounded up.

REPORTING CLASSIFICATIONS

Complete all items and lines on the form. Do not use different accounting classifications or change the wording of any item or line.

BEGINNING AND ENDING AMOUNTS

Entries in Schedules 2 and 11 and in Statement A must report amounts for both the start and the end of the reporting period. The amounts entered for the start of the reporting period on the labor organization's report should be identical to the amounts entered for the end of the reporting period on last year's report. If the amounts are not the same, fully explain the difference in Item 75 (Additional Information).

COMPLETE SCHEDULES FIRST

Complete Schedules 1 through 24 before completing Statements A and B. Be sure to complete all applicable lines in Schedules 1 through 24. As you complete the schedules, the system will transfer some of the totals to the appropriate items in Statements A and B. You must enter the remaining totals manually.

COMPLETE ALL ITEMS 22 THROUGH 72

Complete all remaining items in Statement A and Statement B. Enter "0" where appropriate.

SCHEDULES 1 THROUGH 14

SCHEDULE 1 – ACCOUNTS RECEIVABLE AGING SCHEDULE

The labor organization must report 1) all accounts with an entity or individual that aggregate to a

value of $7,500 or more and that are 90 days or more past due at the end of the reporting period or were liquidated, reduced or written off during the reporting period; and 2) the total aggregated value of all other accounts receivable.

If additional lines are needed, click the "Add Accounts Receivable" button at the top of the schedule. The system will add lines to the schedule in increments of ten.

Column (A): Enter the name of each entity or individual with which the labor organization has an account receivable of $7,500 or more that is 90 days or more past due at the end of the reporting period or that was liquidated, reduced or written off during the reporting period without the receipt of cash sufficient to cover the total value of the account receivable.

Column (B): Enter the total amount of money owed to the labor organization by each listed entity or individual at the end of the reporting period. Enter on the "Totals from all other accounts receivable" line the total amount of money owed to the labor organization in all other accounts receivable not required to be itemized in Schedule 1.

Click the "Save & Calculate" button at the top of the schedule and the system completes the "Total of all itemized accounts receivable" line in Column (B) and enters the total accounts receivable in Column (B) and in Item 23, Column (B) of Statement A.

Column (C): Enter the total amount of money owed to the labor organization by each listed entity or individual at the end of the reporting period that is 90 to 180 days past due. Enter the total amount of money owed to the labor organization in all other accounts receivable (those of less than $7,500) that are 90 to 180 days past due and are not required to be itemized in Schedule 1 on the "Total from all other accounts receivable" line.

Click the "Save & Calculate" button at the top of the schedule and the system completes the "Total of all itemized accounts receivable" line in Column (C) and enters the total accounts receivable that were 90 to 180 days past due in Column (C).

Column (D): Enter the total amount of money owed to the labor organization by each listed entity or individual at the end of the reporting period that is more than 180 days past due.

Enter the total amount of money owed to the labor organization in all other accounts receivable (those of less than $7,500 and not require to be itemized in Schedule 1) that are more than 180 days past due on the "Totals from all other accounts receivable" line.

Click the "Save & Calculate" button at the top of the schedule and the system completes the "Total of all itemized accounts receivable" line in Column (D) and enters the total accounts receivable that were more than 180 days past due in Column (D).

Column (E): Enter the total amount of money owed to the labor organization by each entity or individual that was liquidated, reduced or written off during the reporting period by the reporting labor organization without the receipt of cash sufficient to cover the total value of the account receivable. Enter on the "Totals from all other accounts receivable" line the total amount of money owed to the labor organization in all other accounts receivable (those of less than $7,500 and not required to be itemized in Schedule 1) that was liquidated, reduced or written off during the reporting period by the reporting labor organization without the receipt of cash sufficient to cover the total value of the account receivable.

Click the "Save & Calculate" button at the top of the schedule and the system completes the "Total of all itemized accounts receivable" line in Column (E) and enters the total liquidated accounts receivable in Column (E).

Provide in Item 75 (Additional Information) all details and circumstances in connection with the liquidation, reduction or writing off of any account receivable, in accordance with the instructions for Item 15 (Acquisition or Disposition of Assets).

SCHEDULE 2 – LOANS RECEIVABLE

Report details of all direct and indirect loans (whether or not evidenced by promissory notes or secured by mortgages) owed to the labor organization at any time during the reporting period by individuals, business enterprises, benefit plans, and other entities including labor organizations. An example of an indirect loan is a disbursement by the labor organization to an educational institution for the tuition expense of an officer, employee, or member that must be repaid to the labor organization by that individual. Be sure to report all loans that were made and repaid in full during the reporting period. Do not include investments in corporate bonds or mortgages purchased on a block basis through a bank or similar institution that must be reported in Schedule 7 (Investments).

NOTE: Advances, including salary advances, are considered loans and must be reported in Schedule 2 (Loans Receivable). However, advances to officers and employees of the labor organization for travel expenses necessary for conducting official business are not considered loans if the following conditions are met:

- The amount of an advance for a specific trip does not exceed the amount of expenses reasonably expected to be incurred for official travel in the near future, and the amount of the advance is fully repaid or fully accounted for by vouchers or paid receipts within 30 days after the completion or cancellation of the trip.

- The amount of a standing advance to an officer or employee who must frequently travel on official business does not unreasonably exceed the average monthly travel expenses for which the individual is separately reimbursed after submission of vouchers or paid receipts, and the individual does not exceed 60 days without engaging in official travel.

See the instructions for Schedules 9 (Other Assets), 13 (All Officers and Disbursements to Officers) and 14 (Disbursements to Employees) for reporting travel advances that meet these criteria.

If additional lines are needed, click the "Add Loans Receivable" button at the top of the schedule. The system will add lines to the schedule in increments of ten.

Column (A): Enter the following information:

- The name of each officer, employee, or member whose total loan indebtedness to the labor organization, including any subsidiary organization, at any time during the reporting period exceeded $250, and the name of each business enterprise which had any loan indebtedness, regardless of amount, at any time during the reporting period;
- The purpose of each loan;
- The security given for each loan; and
- The terms of repayment for each loan.

For each officer or employee listed, indicate after each name either "O" (officer) or "E" (employee).

Column (B): Enter the loan amounts outstanding at the start of the reporting period from each listed individual and business enterprise. Enter the total of loans made to officers, employees, or members whose total individual loan indebtedness to the labor organization at any time during the reporting period did not exceed $250, and all loans, regardless of amount, made to other individuals and entities on the "Total of loans not listed above" line.

Click the "Save & Calculate" button at the top of the schedule and the system will enter the total for Column (B) on the "Totals of all lines above" line in Schedule 2 and in Item 24 (Loans Receivable), Column (A) of Statement A.

Column (C): Enter the amount of loans made during the reporting period to each listed individual and business enterprise. Enter the total of all other loans made during the reporting period on the "Total of loans not listed above" line.

Click the "Save & Calculate" button at the top of the schedule and the system will enter the total for Column (C) on the "Totals of all lines above" line in Schedule 2 and in Item 65 (Loans Made) of Statement B.

Columns (D)(1) and (D)(2): Enter the amount of loan repayments during the reporting period from each listed individual and business enterprise. Report in these columns only the portion of the payments applied toward principal; interest received must be reported in Item 40 (Interest). Use Column (D)(1) to report repayments received in cash. Use Column (D)(2) to report repayments made in a manner other than cash, such as repayments made by officers or employees by means of deductions from their salaries. Enter the amount of loan repayments from all other loans on the "Total of loans not listed above" line.

Click the "Save & Calculate" button at the top of the schedule and the system will enter the total for Columns (D)(1) and (D)(2) on the "Totals of all lines above" line in Schedule 2 and the total from Column (D)(1) in Item 46 (Repayments of Loans Made) of Statement B. Explain in Item 75 (Additional Information) any non-cash amounts reported in Column (D)(2).

Column (E): Enter the loan amounts outstanding at the end of the reporting period for each listed individual and business enterprise.
Enter the total amount outstanding at the end of the reporting period for all other loans on the "Totals of loans not listed above" line.

Click the "Save & Calculate" button at the top of the schedule and the system will enter the total for Column (E) on the "Total of all lines above" line in Schedule 2 and in Item 24 (Loans Receivable), Column (B) of Statement A. If any loans receivable were liquidated, reduced or written off during the reporting period, the reason and the amount must be reported in Item 75 (Additional Information).

NOTE: Section 503(a) of the LMRDA (29 U.S.C. 503) prohibits labor organizations from making direct or indirect loans to any officer or employee of the labor organization which results in a total indebtedness on the part of such officer or employee to the labor organization in excess of $2,000 at any time.

SCHEDULE 3 – SALE OF INVESTMENTS

Report details of the sale or redemption by the labor organization of U.S. Treasury securities, marketable securities, and other investments, during the reporting period. Include receipts from sales of mortgages that were purchased on a block basis through a bank or similar institution. Do not include the receipts from repayments by individual mortgagors, which must be reported in Schedule 2 (Loans Receivable) as loan repayments. You are not required to itemize the sale of marketable securities when the end purchaser, i.e., the party transacting with the labor organization, is not known (such as sales of stock over a registered exchange). Instead, report these sales as aggregates over the reporting period pursuant to the instructions below. Sales of investments with a selling price of less than $5,000 or sales to a single party that aggregated to less than $5,000 also need not be itemized.

If additional lines are required, click the “Add Investments Sales” button at the top of the schedule. The system will add lines to the schedule in increments of ten.

Column (A): Enter the name and address of the purchasers of investments from the labor organization. If reporting aggregated sales on a registered exchange, enter the name of the financial management firm.

Column (B): Enter a general description of the type of investment sold, such as U.S. Treasury securities, stocks, or bonds.

Column (C): Enter the date of the sale of each type of investment described in Column (B). If reporting aggregated sales on a registered exchange, identify the date range in which the transactions occurred.

Column (D): Enter the total cost of each type of investment (including any transaction costs) described in Column (B).

Column (E): Enter the value at which the investments were shown on the labor organization's books.

Column (F): Enter the gross sales (or contract) price of the investments.

Column (G): Enter the net amount received from the sale of the investments. If the amount received during the reporting period is less than the amount due (gross sales price less any deductions for selling expenses and repayments of secured loans or mortgages), the additional amount due to the labor organization must be reported in Schedule 9 (Other Assets) with a description sufficient to identify the type of asset. However, if a mortgage or note is taken back, it must be reported as a new loan in Schedule 2 (Loans Receivable).

Click the “Save & Calculate” button at the top of the schedule and the system enters the totals for Columns (D) through (G) on the “Total from all itemized sales of investments (lines (D)-(G) above)” line.

Enter the total cost, book value, gross sales, and net amount received of all non-itemized transactions relating to this schedule during the reporting period in the appropriate columns on the “Total from all other sales of investments” line. This is the total from your organization’s books of all transactions relating to this schedule of less than $5,000 and transactions relating to this schedule with a single party that aggregated to less than $5,000.

Click the “Save & Calculate” button at the top of the schedule and the system enters the totals for columns (D) through (G) on the “Total of all sales of investments” line.

Enter the total amount from the sale or redemption of U.S. Treasury securities, marketable securities, or other investments that was promptly reinvested (i.e., "rolled over") in U.S. Treasury securities, marketable securities, or other investments during the reporting period on the “Less Reinvestments” line. Calculate the total amount reinvested by adding, for each investment, the lower of each investment's original cost or the amount received from the sale or redemption that was actually reinvested. If only a portion of the amount received was reinvested, only the reinvested portion may be included on the ‘‘Less Reinvestments” line. Interest and dividends received during the reporting period must be reported in Items 40 (Interest) and 41 (Dividends).

Click the “Save & Calculate” button at the top of the schedule and the system will enter the total ”Net Sales” in Column (G) and in Item 43 (Sale of Investments) of Statement B.

SCHEDULE 4 – SALE OF FIXED ASSETS

Report details of the sale or redemption by the labor organization of fixed assets, including those fixed assets that were expensed (that is, the cost of the asset was charged to current expenses, rather than entered on the books and periodically depreciated), during the reporting period.

Sales of fixed assets with a selling price less than $5,000 or sales to a single party that aggregated to less than $5,000 need not be itemized. You may report sales of fixed assets (excluding land, buildings, and vehicles) to a single source as aggregates over the reporting period pursuant to the instructions below. For example, if a labor organization sold office equipment to the same party multiple times throughout the reporting period, the labor organization may report these sales as an aggregate amount as long as those individual sales were less than $5,000.

Example: If a labor organization (Union A) sells a piece of furniture to another labor organization (Union B) for a sales price of $6,000, Union A must itemize that transaction individually.

If Union A then sells four more pieces of furniture to Union B, each for a sales price of $3,000, Union A must report these transactions as an aggregated amount on an individual line.

In this example, Union A must report two entries for the transactions with Union B: an itemized transaction detailing the $6,000 sale and an aggregated transaction of four sales totaling $12,000.

Additionally, If Union A then sold a separate type of fixed asset, for example a vehicle, to Union B for $2,000, Union A is not required to itemize this transaction but must include it in the "Total of all other sales of fixed assets" line as noted below. If the sales price was above $5,000, Union A would have to report the transaction on a separate line, as it is a vehicle.

If additional lines are required, click the "Add Fixed Assets Sales" button at the top of the schedule. The system will add lines to the schedule in increments of ten.

Column (A): Enter the name and address of the purchasers of fixed assets from the labor organization.

Column (B): Enter a general description of the type of fixed asset sold. If land or building were sold, enter the location of the property, including the street address. If an automobile was sold, individually identify the automobile by make, model, and year. If reporting aggregated sales to a single source (individual sales of less than $5,000 and not required to be itemized),the description of each fixed asset sold to this source must be included. For example, if a labor organization is reporting the sale of chairs, tables, and desks to a single source throughout the reporting period, the labor organization must identify "office furniture" in the description column.

Column (C): Enter the date of the sale of each fixed asset described in Column (B). If reporting aggregated sales to a single source (other than land, buildings, or vehicles), identify the date range in which the transactions occurred.

Column (D): Enter the total cost of each type of fixed asset described in Column (B).

Column (E): Enter the value at which the fixed assets were shown on the labor organization's books.

Column (F): Enter the gross sales (or contract) price of the fixed assets.

Column (G): Enter the net amount received from the sale of the fixed assets. If the amount received during the reporting period is less than the amount due (gross sales price less any deductions for selling expenses and repayments of secured loans or mortgages), the additional amount due to the labor organization must be reported in Schedule 9 (Other Assets) with a description sufficient to identify the type of asset. However, if a mortgage or note is taken back, it must be reported as a new loan in Schedule 2 (Loans Receivable).

Click the "Save & Calculate" button at the top of the schedule and the system enters the totals for Columns (D) through (G) on the "Total of all lines above" line.

Enter the total cost, book value, gross sales, and net amount received relating to this schedule during the reporting period in the appropriate columns on the "Total of all other sales of fixed assets" line. This is the total from your organization's books of all transactions relating to this schedule of less than $5,000 and transactions relating to this schedule with a single party that aggregated to less than $5,000.

Click the "Save & Calculate" button at the top of the schedule and the system will enter the total "Net Sales" in Column (G) and in Item 44 (Sale of Fixed Assets) of Statement B.

SCHEDULE 5 – PURCHASE OF INVESTMENTS

Report details of the purchase by the labor organization of U.S. Treasury securities, marketable securities, and other investments during the reporting period. Include disbursements for mortgages purchased on a block basis through a bank or similar institution. You are not required to itemize the purchase or sale of marketable securities when the end seller or purchaser, i.e., the party transacting with the labor organization, is not known (such as sales of stock over a registered exchange). Instead, report these purchases as aggregates over the reporting period pursuant to the instructions below. Purchases of investments with a purchase price less than $5,000 or with a party from whom the labor organizations made purchases that aggregated to less than $5,000 also need not be itemized.

If additional lines are needed, click the “Add Investments Purchases” button at the top of the schedule. The system will add lines to the schedule in increments of ten.

Column (A): Enter the name and address of the sellers of investments to the labor organization. If reporting aggregated purchases on a registered exchange, enter the name of the financial management firm.

Column (B): Enter a general description of the type of investment, such as U.S. Treasury securities, stocks, bonds, etc.,

Column (C): Enter the date of the purchase of each investment described in Column (B). If reporting aggregated purchases on a registered exchange, identify the date range in which the transactions occurred.

Column (D): Enter the total cost of each type of investment (including any transaction costs) described in Column (B).

Column (E): Enter the value at which the investments were entered on the labor organization's books. If assets were traded in on assets purchased, answer Item 15 (Acquisition or Disposition of Assets) "Yes," and provide in Item 75 (Additional Information) the cost, book value, and trade-in allowance in accordance with the instructions for Item 15.

Column (F): Enter the total amount disbursed for each type of investment purchased during the reporting period.

Click the “Save & Calculate“ button at the top of the schedule and the system will enter the totals for Columns (D) through (F) on the “Total of all lines above” line.

Enter the total cost, book value, and total amount disbursed for all non-itemized transactions relating to this schedule during the reporting period in the appropriate columns on the “Total of all other purchases of investments” line. This is the total from your organization’s books of all transactions relating to this schedule of less than $5,000 and transactions relating to this schedule with a single party that aggregated to less than $5,000.

Click the “Save & Calculate” button at the top of the schedule and the system will enter the totals for Columns (D) through (F) on the “Total of all purchases of investments” line.

Enter the total amount from the sale or redemption of U.S. Treasury securities, marketable securities, or other investments that was promptly reinvested (i.e., "rolled over") in
U.S. Treasury securities, marketable securities, or other investments during the reporting period on the “Less Reinvestments” line. Calculate the total amount reinvested by adding, for each investment, the lower of each investment's original cost or the amount received from the sale or redemption that was actually reinvested. If only a portion of the amount received was reinvested, only the reinvested portion may be included on the “Less Reinvestments” line. Interest and dividends received during the reporting period must be reported in Items 40 (Interest) and 41 (Dividends). The total on the “Less Reinvestments” line must agree with the amount reported as Reinvestments on Schedule 3 (Sale of Investments).

Click the “Save & Calculate” button at the top of the schedule and the system will enter the “Net Purchases” in Column (F) and in Item 63 (Purchase of Investments) of Statement B.

SCHEDULE 6 – PURCHASE OF FIXED ASSETS

Report details of the purchase by the labor organization of fixed assets, including those fixed assets that were expensed (that is, the cost of the asset was charged to current expenses, rather than entered on the books and periodically depreciated), during the reporting period Purchases of fixed assets with a purchase price less than $5,000 or with a party from whom the labor organization made purchases that aggregated to less than $5,000 need not be itemized. You may report purchases of fixed assets (excluding land, buildings, and vehicles) from a single source as aggregates over the reporting period pursuant to the instructions below. For example, if a labor organization purchased office equipment from the same party multiple

times throughout the year, the labor organization may report these purchases as an aggregate amount as long as those individual purchases were less than $5,000.

Example: If a labor organization (Union A) purchases a piece of furniture from a different labor organization (Union B) for a purchase price of $6,000, Union A must itemize the transaction individually.

If Union A then purchases four additional pieces of furniture from Union B, each for a purchase price of $3,000, Union A must report these transactions as aggregated amounts on an individual line.
In this example, Union A must report two entries detailing the transactions with Union B; an itemized transaction detailing the $6,000 purchase, and an aggregated transaction for the four purchases totaling $12,000.

Additionally, if Union A then purchased a different type of fixed asset, such as a vehicle, from Union B for $2,000, Union A is not required to itemize this transaction but must include it in the "Total of all other purchases of fixed assets" line as noted below. If the sales price was above $5,000, Union A must report it on a separate line, as it is a vehicle.

If additional lines are needed, click the "Add Fixed Assets Purchases" button at the top of the schedule. The system will add lines to the schedule in increments of ten.

Column (A): Enter the name and address of the sellers of fixed assets to the labor organization.

Column (B): Enter a general description of the type of fixed asset, such as land, automobile, etc. If land or building were purchased, enter the location of the property, including the street address. If an automobile was purchased, individually identify the automobile by make, model, and year. If reporting aggregated purchases from a single source (individual purchases of less than $5,000 and not required to be itemized), the description of each fixed asset purchased from this source. For example, if a labor organization is reporting the purchases of chairs, tables, and desks from a single source, the labor organization must identify furniture in the description column.

Column (C): Enter the date of the purchase of each fixed asset described in Column (B). If reporting aggregated purchases of fixed assets (other than land, buildings, or vehicles) from a single source, identify the date range in which the transactions occurred.

Column (D): Enter the total cost of each type of fixed asset (including any transaction costs) described in Column (B).

Column (E): Enter the value at which the fixed assets were entered on the labor organization's books. If assets were traded in on assets purchased, answer Item 15 (Acquisition or Disposition of Assets) "Yes," and provide in Item 75 (Additional Information) the cost, book value, and trade-in allowance in accordance with the instructions for Item 15.

Column (F): Enter the total amount disbursed for each type of fixed asset purchased during the reporting period. Do not include any unpaid balance that must be reported in Schedule 11 (Loans Payable) or Item 32 (Mortgages Payable) of Statement A.

Click the "Save & Calculate" button at the top of the schedule and the system will automatically enter the totals for Columns (D) through (F) on the "Total of lines (D)-(F) above" line.

Enter the total cost, book value, and total amount disbursed of all non-itemized transactions relating to this schedule during the reporting period in the appropriate columns on the "Total of all other purchases of fixed assets" line. This is the total from your organization's books of all transactions relating to this schedule of less than $5,000 and transactions related to this schedule with a single party that aggregated to less than $5,000.

Click the "Save & Calculate" button at the top of the schedule and the system will enter the totals for Columns (D) through (F) on the "Total of all purchases of fixed assets" line. The system will automatically enter the total of Column (F), Cash Paid, in Item 64.

SCHEDULE 7 – INVESTMENTS OTHER THAN U.S. TREASURY SECURITIES

Report details of all the labor organization's investments at the end of the reporting period, other than U.S. Treasury securities. Include mortgages purchased on a block basis and investments in any subsidiary organization not reported on a consolidated basis in accordance with method (1) explained in Section X of these instructions. Do not include savings accounts, certificates of deposit, or money market accounts, which must be reported in Item 22 (Cash) of Statement A.

Line A: Enter in Column (B) the total cost of all the labor organization's marketable securities including

transaction costs such as brokerage commissions. Marketable securities are those for which current market values can be obtained from published reports of transactions in listed securities or in securities traded "over the counter," such as corporate stocks and bonds, stock and bond mutual funds, state and municipal bonds, and foreign government securities.

Line B: Enter in Column (B) the total book value of all the labor organization's marketable securities. Book value is the lower of cost or market value.

Line C: List in Column (A) each Marketable Security that has a book value over $5,000 and exceeds 5% of the total book value entered in Line B, Column (B) above and enter its book value in Column (B).

If additional lines are needed to complete Line C, click the "Add Marketable Securities" button in the schedule. The system will add lines to the schedule in increments of ten.

Line D: Enter in Column (B) the total cost, including any transaction costs, of all the labor organization's other investments (that is, those that are not U.S. Treasury securities or marketable securities). Include mortgages purchased on a block basis.

Line E: Enter in Column (B) the total book value of such other investments. Book value is the lower of cost or market value.

Line F: List in Line F, Column (A) each Other Investment that has a book value over $5,000 and exceeds 5% of the total book value entered on in Column (B) above and enter its book value in Column (B).

If additional lines are needed to complete Line F, click the "Add Marketable Securities" button in the schedule. The system adds lines to the schedule in increments of ten.

NOTE: If your organization has a subsidiary organization for which a separate report is being submitted in accordance with Section X of these instructions, the subsidiary organization must be reported in Schedule 7 if it is an investment. Enter in Line F the name of each subsidiary organization in Column (A) and its book value in Column (B).

If additional lines are required, click the "Add Other Investments" button on the top of the schedule. The system adds lines to the schedule in increments of ten.

Line G: Click the "Save & Calculate" button at the top of the schedule and the system will enter the total of Lines B and E on Line G and in Item 26 (Investments), Column (B) of Statement A.

SCHEDULE 8 – FIXED ASSETS

Report details of all fixed assets, such as land, buildings, automobiles and other vehicles, and office furniture and equipment owned by the labor organization at the end of the reporting period. Land and buildings must be itemized, whereas automobiles and other vehicles, and office furniture and equipment must be aggregated. Include fixed assets that were expensed (that is, the cost of the asset was charged to current expenses, rather than entered on the books and periodically depreciated), fully depreciated, or carried on the labor organization's books at scrap value or other nominal value.

Column (A): Enter under "Line A. Land (give location)" the location of any land and under "Line B. Buildings (give location)" the location of any buildings owned by the labor organization.

If additional lines are needed, click the "Add Land" button on Line A or the "Add Building" button on Line B, as applicable. The system will add lines to the schedule in increments of ten.

Column (B): Enter the cost or other basis of the fixed assets listed in Column (A).
Column (C): Enter the accumulated depreciation, if any, of the fixed assets (except land) listed in Column (A) whose cost or other basis is reported in Column (B). If the labor organization "expenses" fixed assets, also include in Column (C) the amount that the labor organization charged to expenses when the assets were purchased.

Column (D): Enter the amount at which the fixed assets listed in Column (A) are carried on the labor organization's books. Include the nominal amount, if any, at which fully depreciated assets are carried on the labor organization's books. The amount reported in Column (D) should be the difference between Columns (B) and (C).

Column (E): Enter the fair market value of land and of all assets listed in Column (A) that were expensed, fully depreciated, or depreciated to scrap value or nominal value. It is not necessary to secure a formal appraisal of the assets; a good faith estimate is sufficient. The value used for insurance purposes or for tax appraisals, for example, will normally be acceptable as representing the fair market value.

Click the "Save & Calculate" button at the top of the schedule and the system will enter the totals of Columns (B) through (E) on Line F, and the total on Line F, Column (D) in Item 27 (Fixed Assets), Column (B) of Statement A.

SCHEDULE 9 – OTHER ASSETS

Report details of all the labor organization's assets at the end of the reporting period other than Item 22 (Cash), Item 23 (Accounts Receivable), Item 24 (Loans Receivable), Item 25 (U.S. Treasury Securities), Item 26 (Investments), and Item 27 (Fixed Assets).

The labor organization's other assets must be described in Column (A) and may be classified by general groupings or bookkeeping categories, such as utility deposits, inventory of supplies for resale, or travel advances that are not required to be reported as loans as explained in the instructions for Schedule 2 (Loans Receivable), if the description is sufficient to identify the type of assets. Enter in Column (B) the value as shown on the labor organization's books of each asset or group of assets described in Column (A).

NOTE: If your organization has a subsidiary organization for which a separate report is being submitted in accordance with Section X of these instructions, the value of the subsidiary organization as shown on your organization's books must be reported in Schedule 9 if it is of a non-investment nature. Enter in Column (A) the name of any such subsidiary organization. Enter in Column (B) the value as shown on your organization's books of the net assets of any such subsidiary organization.

If additional lines are needed, click the "Add Other Assets" button at the top of the schedule. The system will add lines to the schedule in increments of ten.

Click the "Save & Calculate" button at the top of the schedule and the system will enter the Total Other Assets in Column (B) of Schedule 9 and in Item 28 (Other Assets), Column (B) of Statement A.

SCHEDULE 10 – ACCOUNTS PAYABLE AGING SCHEDULE

The labor organization must report 1) individual accounts that are valued at $7,500 or more and that are 90 days or more past due at the end of the reporting period or were liquidated, reduced or written off during the reporting period; and 2) the total aggregated value of all other accounts.

If additional lines are needed, click the "Add Accounts Payable" button at the top of the schedule. The system will add lines to the schedule in increments of ten.

Column (A): Enter the name of each entity or individual with which the labor organization has an account payable of $7,500 or more that is 90 days or more past due at the end of the reporting period or that was liquidated, reduced or written off during the reporting period without the disbursement of cash sufficient to cover the total value of the account payable.

Column (B): Enter the total amount of money owed by the labor organization to each listed entity or individual at the end of the reporting period. Enter the total amount of money owed by the labor organization in all other accounts payable not required to be itemized in Schedule 10 on the "Totals from all other accounts payable" line.

Click the "Save & Calculate" button at the top of the schedule and the system will complete the "Total of all itemized accounts payable" line in Column (B) and enter the total accounts payable in Column (B) and in Item 30, Column (D) of Statement A.

Column (C): Enter the total amount of money owed by the labor organization to the listed entity or individual at the end of the reporting period that is 90 to 180 days past due. Enter the total amount of money owed by the labor organization in all other accounts payable (those of less than $7,500) that are 90 to 180 days past due on the "Totals from all other accounts payable" line.

Click the "Save & Calculate" button at the top of the schedule and the system will complete the "Total of all itemized accounts payable" line in Column (C) and enter the total accounts payable that were 90 to 180 days past due in Column (C).

Column (D): Enter the total amount of money owed by the labor organization to each entity or individual at the end of the reporting period that is more than 180 days past due. Enter the total amount of money owed by the labor organization in all other accounts payable (those of less than $7,500 and not required to be itemized in Schedule 10) that are more than 180 days past due and on the "Total from all other accounts payable" line.

Click the "Save & Calculate" button at the top of the schedule and the system will complete the "Total of all itemized accounts payable" line in Column (D) and enter the total accounts payable that were more than 180 days past due in Column (D).

Column (E): Enter the total amount of money owed by the labor organization to each entity or individual that was written off during the reporting period by the reporting labor organization without the disbursement of cash sufficient to cover the total value of the account payable. Enter the total amount of money owed by the labor organization in all other accounts payable (those of less than $7,500 and not required to be itemized in Schedule 10) that was written off during the reporting period by the reporting labor organization without the disbursement of cash sufficient to cover the total value of the account payable on the "Total from all other accounts payable" line.

Click the "Save & Calculate" button at the top of the schedule and the system will complete the "Total of all itemized accounts payable" line in Column (E) and enter the total liquidated accounts payable in Column (E).

Provide in Item 75 (Additional Information) all details and circumstances in connection with the writing off of the account payable, including the reason and amount.

SCHEDULE 11 – LOANS PAYABLE

Report details of all loans payable on which the labor organization owed money at any time during the reporting period except those secured by mortgages or similar liens on real property (land or buildings) that must be reported in Item 32 (Mortgages Payable) of Statement A.

If additional lines are needed, click the "Add Loans Payable" button at the top of the schedule. The system will add lines to the schedule in increments of ten.

Column (A): Enter the name of each business enterprise to which a loan was payable. Also list the source of all other loans by general categories, such as labor organizations, individuals, etc.

Column (B): For each loan source listed in Column (A), enter the amount, if any, owed by the labor organization at the start of the reporting period.

Click the "Save & Calculate" button at the top of the schedule and the system will enter the total for Column (B) on the "Total of all above lines" line in Schedule 11 and in Item 31(Loans Payable), Column (C) of Statement A.

Column (C): For each loan source listed in Column (A), enter the amount, if any, obtained by the labor organization during the reporting period. If, due to discounting by a bank or for any other reason, the amount received from a loan was less than the face value of the note or the amount repayable, enter the amount actually received and explain in Item 75 (Additional Information).

Click the "Save & Calculate" button at the top of the schedule and the system will enter the total for Column (C) on the "Total of all above lines" line in Schedule 11 and in Item 45 (Loans Obtained) of Statement B.

Columns (D)(1) and (D)(2): For each loan source listed in Column (A), enter the amount, if any, that the labor organization repaid to the lender during the reporting period. Report only repayments of principal; interest paid must be reported in Schedule 22 (General Overhead). Use Column (D)(1) to report repayments made in cash. Use Column (D)(2) to report repayments made in a manner other than by cash, such as repayments made to a creditor by offsetting an amount owed by the creditor to the labor organization.
Click the "Save & Calculate" button at the top of the schedule and the system will enter the total for Columns (D)(1) and (D)(2) on the "Total of all above lines" line in Schedule 11 and the total for Column (D)(1) in Item 66 (Repayment of Loans Obtained) of Statement B. Explain in Item 75 (Additional Information) any non-cash amounts reported in Column (D)(2).

Column (E): For each loan source listed in Column (A), enter the balance, if any, that the labor organization owed the listed lender at the end of the reporting period. If any loans payable were written off during the reporting period, the reason and amount must be reported in Item 75 (Additional Information).

Click the "Save & Calculate" button at the top of the schedule and the system will enter the total for Column (E) on the "Total of all above lines" line in Schedule 11 and in Item 31 (Loans Payable), Column (D) of Statement A.

SCHEDULE 12 – OTHER LIABILITIES

Report details of all the labor organization's liabilities at the end of the reporting period other than Item 30 (Accounts Payable), Item 31 (Loans Payable), and Item 32 (Mortgages Payable) of Statement A.

Any portion of withheld taxes or any other payroll or other deductions, which have not been transmitted at the end of the reporting period, are liabilities of the labor organization and must be reported in Schedule 12. Payroll or other deductions that are retained by the labor organization (such as repayments of loans to

officers or employees) must be fully explained in Item 75 (Additional Information).

The labor organization's other liabilities must be described in Column (A) and may be classified by general groupings or bookkeeping categories if the description is sufficient to identify the type of liability. List separately any payroll taxes withheld but not yet paid, other unpaid payroll taxes of the labor organization, such as FICA taxes, and any funds collected on behalf of affiliates or members and not disbursed by the end of the reporting period. Do not include reserves for special purposes (for example, "Reserve for Building Fund") that are actually an allocation of certain assets for specific purposes rather than a liability.

If additional lines are needed, click the "Add Other Liabilities" button at the top of the schedule. The system will add lines to the schedule in increments of ten.
Enter in Column (B) the amount of each liability described in Column (A). Click the "Save & Calculate" button at the top of the schedule and the system will enter the total in Column (B) of Schedule 12 and in Item 33 (Other Liabilities), Column (D) of Statement A.

SCHEDULE 13 – ALL OFFICERS AND DISBURSEMENTS TO OFFICERS

List all the labor organization's officers and report all salaries and other direct and indirect disbursements to officers during the reporting period.

If additional lines are required, click the "Add Disbursements to Officers" button at the top of the schedule. The system will add lines to the schedule in increments of ten.

NOTE: A "direct disbursement" to an officer is a payment made by the labor organization to the officer in the form of cash, property, goods, services, or other things of value.

An "indirect disbursement" to an officer is a payment made by the labor organization to another party for cash, property, goods, services, or other things of value received by or on behalf of the officer. "On behalf of the officer" refers to a payment received by a party other than the officer or the labor organization for the personal interest or benefit of the officer. Such payments include those made through a credit arrangement under which charges are made to the account of the labor organization and are paid by the labor organization. For example, when a union, through its credit arrangements, is billed directly and pays the hotel bills of an officer who, during his workweek, resides at a hotel in the city where the union headquarters is located away from his legal residence in another city, the payments must be reported as disbursements to the officer.

Column (A): Enter in (A) the last name, first name, and middle initial of each person who held office in the labor organization at any time during the reporting period. Include all the labor organization's officers whether or not any salary or other disbursements were made to them or on their behalf by the labor organization. "Officer" is defined in section 3(n) of the LMRDA (29 U.S.C. 402) as "any constitutional officer, any person authorized to perform the functions of president, vice president, secretary, treasurer, or other executive functions of a labor organization, and any member of its executive board or similar governing body."

Column (B): Enter in (B) the title of the position each officer listed held during the reporting period. If an officer held more than one position during the reporting period, list each additional position and the dates on which the officer held the position in Item 75 (Additional Information).

Column (C): Use the drop-down menu to select the status of each officer: "N" for a new officer who took office during the reporting period; "P" for a past officer who was not in office at the end of the reporting period; or "C" for a continuing officer who was in office before the reporting period and was still in office at the end of the reporting period. If any officer was not elected at a regular election in accordance with the labor organization's constitution and bylaws or other governing documents on file with OLMS, explain the manner in which the officer was chosen in Item 75 (Additional Information).

Column (D): Enter the gross salary of each officer (before tax withholdings and other payroll deductions). Include disbursements for "lost time" or time devoted to union activities.

Column (E): Enter the total allowances made by direct and indirect disbursements to each officer on a daily, weekly, monthly, or other periodic basis. Do not include allowances paid on the basis of mileage or meals which must be reported in Column (F) or (G), as applicable.

Column (F): Enter all direct and indirect disbursements to each officer that were necessary for conducting official business of the labor organization, except salaries or allowances which must be reported in Columns (D) and (E), respectively.

Examples of disbursements to be reported in Column (F) include all expenses that were reimbursed directly to an officer, meal allowances, mileage allowances, expenses for officers' meals and entertainment, and various goods and services furnished to officers but charged to the labor organization. Such disbursements should be included in Column (F) only if they were necessary for conducting official business; otherwise, report them in Column (G). Also include in Column (F) travel advances that are not considered loans as explained in the instructions for Schedule 2 (Loans Receivable).

Do not report the following disbursements in Schedule 13:

- Reimbursements to an officer for the purchase of investments or fixed assets, such as reimbursing an officer for a file cabinet purchased for office use, which must be reported in Schedule 5 (Purchase of Investments) and Schedule 6 (Purchase of Fixed Assets) and explained in Item 75 (Additional Information);

- Disbursements made by the labor organization to someone other than an officer as a result of transactions arranged by an officer in which property, goods, services, or other things of value were received by or on behalf of the labor organization rather than the officer, such as rental of offices and meeting rooms, purchase of office supplies, refreshments and other expenses of membership banquets or meetings, and food and refreshments for the entertainment of groups other than the officers and membership on official business;

- Office supplies, equipment, and facilities furnished to officers and paid by the labor organization for use in conducting official business; and

- Maintenance and operating costs of the labor organization's assets, including buildings, office furniture, and office equipment; however, see "Special Rules for Automobiles" below.

Column (G): Enter all other direct and indirect disbursements to each officer. Include all disbursements for which cash, property, goods, services, or other things of value were received by or on behalf of each officer and were essentially for the personal benefit of the officer and not necessary for conducting official business of the labor organization.

Include in Column (G) all disbursements for transportation by public carrier between the officer's home and place of employment or for other transportation not involving the conduct of official business. Also, include the operating and maintenance costs of all the labor organization's assets (automobiles, etc.) furnished to officers essentially for the officers' personal use rather than for use in conducting official business.

Do not include in Column (G) loans to officers, which must be reported in Schedule 2 (Loans Receivable) or disbursements for benefits to officers, which must be reported in disbursement Schedule 24 (Benefits).

Column (H): Click the “Save & Calculate” button at the top of the schedule and the system will add the amounts in Columns (D) through (G) on each line and enter the individual totals in Column (H).

The system will also enter the totals for all officers listed in Columns (D) through (H) on the “Total Officer Disbursements” line.

Enter the total amount of withheld taxes, payroll deductions, and all other deductions on the “Less Deductions” line.

Click the “Save & Calculate” button at the top of the schedule and the system will subtract the “Less Deductions” line from the “Total Officers Disbursements” line and enter the difference on the “Net Disbursements” line.

The system enters the amount on the “Total Officer Disbursements” line in Item 70 (Officers) of Statement B.

SPECIAL RULES FOR AUTOMOBILES

Include in Column (G) of Schedule 13 that portion of the operating and maintenance costs of any automobile owned or leased by the labor organization to the extent that the use was for the personal benefit of the officer to whom it was assigned. This portion may be computed on the basis of the mileage driven on official business compared with the mileage for personal use. The portion not included in Column (G) must be reported in Column (F).

Alternatively, rather than allocating these operating and maintenance costs between Columns (F) and (G), if 50% or more of the officer's use of the vehicle was for official business, the labor organization may enter in Column (F) all disbursements relative to that vehicle with an explanation in Item 75 (Additional Information) indicating that the vehicle was also used part of the time for personal business. Likewise, if less than 50% of the officer's use of the vehicle was for official business, the labor organization may report all disbursements relative to the vehicle in Column

(G) with an explanation in Item 75 indicating that the vehicle was also used part of the time on official business.

The amount of decrease in the market value of an automobile used over 50% for the personal benefit of an officer must also be reported in Item 75.

SCHEDULE 14 – DISBURSEMENTS TO EMPLOYEES

Report all direct and indirect disbursements to employees of the labor organization during the reporting period. If additional lines are required, click the "Add Disbursements to Employees button" on the top of the schedule. The system adds lines to the schedule in increments of ten.

Include disbursements to individuals other than officers who receive lost time payments even if the labor organization does not otherwise consider them to be employees or does not make any other direct or indirect disbursements to them. The definitions of "direct disbursements" and "indirect disbursements" are the same as the definitions stated above in Schedule 13.

Column (A): Enter the last name, first name, and middle initial of each employee who during the reporting period received $10,000 or more in gross salaries, allowances, and other direct and indirect disbursements from the labor organization (including any subsidiary organizations) or from any affiliates of the labor organization. ("Affiliates" means labor organizations chartered by the same parent body, governed by the same constitution and bylaws, or having the relation of parent and subordinate.) The labor organization's report, however, should not include disbursements made by affiliates but should include only the disbursements made by the labor organization.

Column (B): Enter the position each listed employee held in the labor organization (including any subsidiary organizations).

Column (C): Enter the name of any affiliate that paid any salaries, allowances, or expenses on behalf of a listed employee. If a subsidiary of the labor organization paid any salaries, allowances, benefits, or expenses on behalf of a listed employee, see Section X of these Instructions for information about reporting these disbursements.

Columns (D) through (G): To complete Columns (D) through (G), follow the instructions for Columns (D) through (G) of Schedule 13.

Column (H): Click the "Save & Calculate" button at the top of the schedule and the **system** will add the amounts in Columns (D) through (G) on each line and enter the individual totals in Column (H).

Enter in Columns (D) through (G) on the "Totals Received By All Other Employees Making $10,000 Or Less," the totals of all gross salaries, allowances, and other disbursements for all employees of the labor organization not required to be listed above.

Click the "Save & Calculate" button at the top of the schedule and the system will add the amounts in Columns (D) through (G) on the "Total Received By All Other Employees Making $10,000 Or Less" line and enter the total in Column (H). The system will also enter the total of all amounts listed in Columns (D) through (H) on the "Total Employees Disbursements" line.

Enter the total amount of withheld taxes, payroll deductions, and all other deductions on the "Less Deductions" line.

Click the "Save & Calculate" button on the page and the system will subtract the "Less Deductions" line from the "Total Employee Disbursements" line and enter the difference on the "Net Disbursements" line.

The system enters the amount on the "Total Employee Disbursements" line in Item 71 (Employees) of Statement B.

SCHEDULE 15 – MEMBERSHIP STATUS

Enter in Column (A) the categories of membership tracked by the reporting labor organization. Define each category of membership in Item 75 (Additional Information). The definition should include a description of the members covered by the category and indicate whether the members pay full dues.

In addition to other membership categories, labor organizations must report the number of retiree members in Schedule 15, regardless of whether the labor organization tracks this category in its internal records. This category has been pre-filled in Column (A),

In Column (B) enter the number of members for each of the membership categories listed in Column (A). If the labor organization does not have retiree members, enter a zero in the appropriate Column (B) line.

If additional lines are required, click the "Add Membership Statuses" button at the top of the

schedule. The system will add lines to the schedule in increments of ten.

Members (Total of all lines above) – Click the "Save & Calculate" button at the top of the schedule and the system will enter on this line the total number of all members reported in Column (B). The system will also enter the total number of members in your organization in Item 20 (Number of Members).

Agency Fee Payers Line – Enter the total number of agency fee payers in your organization. Agency fee paying nonmembers are those who make payments in lieu of dues to the reporting labor organization as a condition of employment under a union security provision in a collective bargaining agreement.

Total Members/Fee Payers Line – Click the "Save & Calculate" button at the top of the schedule and the system will enter the total of all members of the labor organization and agency fee payers reported in Column (B) This total in Column (B) is not the total number of members of the labor organization reportable in Item 20.

Check the "Yes" box in Column (C) if the category of membership listed in Column (A) is generally eligible to vote in all union elections held by the labor organization. Describe in Item 75 (Additional Information) any voting restrictions that apply to a category in Column (A).

SCHEDULES 16 THROUGH 23

Schedules 16 through 23 provide detailed information on the financial operations of the labor organization in categories that reflect the services provided to union members. Receipts and disbursements are allocated to Schedules 16 through 23 and are either listed as individual entries or as aggregated entries.

NOTE: Before completing the Detailed Summary Page for Schedules 16 through 23, you must complete the itemization pages as described below.

Allocating Receipts

Each receipt of the labor organization must be allocated to one of the receipt items in Statement B. Some of these items have backup schedules that require more detailed information. Schedules 16 through 23 reflect various receipt types received by labor unions in which all "major" receipts during the reporting period in the various categories must be separately identified. A "major" receipt includes: 1) any individual receipt of$5,000 or more; or 2) total receipts from any single entity or individual that aggregate to $5,000 or more during the reporting period. All other receipts in this schedule are aggregated. This process is discussed further below.

Allocating Disbursements

Each disbursement of the labor organization must be allocated to one of the disbursement items in Statement B. Some of these items have backup schedules that require more detailed information. Schedules 17 through 23 reflect various services provided to union members by the union in which all "major" disbursements during the reporting period in the various categories must be separately identified. A "major" disbursement includes: 1) any individual disbursement of $5,000 or more; or 2) total disbursements to any single entity or individual that aggregate to $5,000 or more during the reporting period. All other disbursements in these schedules are aggregated.

All disbursements, other than those reported elsewhere in Statement B, must be allocated to Schedules 17 through 23, as appropriate.

Example 1: If the labor organization received a settlement of $4,999 in a small claims lawsuit, the receipt would not be individually identified, as long as the settlement was the only receipt from the entity or individual during the reporting period. The receipt would be aggregated with other small receipts in Line 3 of Schedule 16 (Other Receipts) on the Detailed Summary Page as discussed below.

Example 2: If the labor organization made three payments of $1,800 each to an office supplies vendor for office supplies used by employees engaged in contract negotiations during the reporting period, a single disbursement to the vendor of $5,400 would be listed in Line 1 on an itemization page for that vendor for Schedule 17 (Contract Negotiation and Administration) as discussed below.

Example 3: If a union pays a total of $5,500 to a printing company during the reporting year and determines that $5,050 should be allocated to organizing costs, that amount must be identified in an itemization page for the printing company for Schedule 18 (Organizing). If the remaining $450 paid to the same printer over the course of the year was attributable to charitable expenses, that amount will be reported in Line 3 of Schedule 21 (Contributions, Gifts, and Grants) on the Detailed Summary Page but the printer need not be identified as a recipient of any funds expended for Contributions, Gifts, and Grants, since the total paid to the printer during the reporting year for

services related to Contributions, Gifts, and Grants did not exceed $5,000.

Example 4: The labor organization has an ongoing contract with a law firm that provides a wide range of legal services. The labor organization makes a single payment of $10,000 each month to the law firm. In a particular month the law firm spent 50% of its time on contract negotiation litigation and 50% advising the labor organization regarding, and working for the enactment of, a new Federal law. The labor organization must allocate the payment for that month as two distinct disbursements of $5,000 each to Schedule 17 (Contract Negotiation and Administration), and Schedule 20 (Lobbying).

Procedures for Completing Schedules 16 Through 23

Before completing the Detailed Summary Page for Schedules 16 through 23, complete an itemization page for each payer/payee for whom there is (1) an individual receipt/disbursement of$5,000 or more or (2) total receipts/disbursements that aggregate to $5,000 or more during the reporting period.
Enter in Column (A) the full name and business address of the entity or individual from which the receipt was received or to which the disbursement was made. Do not abbreviate the name of the entity or individual. If you do not know and cannot reasonably attain the full address, the city and state are sufficient.

Enter in Column (B) the type of business or job classification of the entity or individual, such as printing company, office supplies vendor, lobbyist, think tank, marketing firm, legal counsel, etc.

If additional lines are needed to complete Columns (C) through (E) of the itemization page, click the "More Receipts For This Payer" for Schedule 16 or the "Add Disbursements for This Payee" for Schedules 17 through 23 button in Column (A) of the itemization page. The system will add lines to the itemization page in increments of ten.

Enter in Column (C) the purpose of each individual receipt/disbursement for that payee/payer of $5,000 or more, which means a brief statement or description of the reason the receipt/disbursement was made. Examples of adequate descriptions include the following: preparing organizing campaign pamphlets, staffing a help desk, opposition research, litigation regarding representation issues, litigation regarding a refusal to bargain charge, grievance arbitration, get-out-the-vote, voter education, advocating or opposing legislation, job retraining, etc.

Enter in Column (D) the date that the receipt/disbursement was made. The format for the date must be mm/dd/yyyy. The date of receipt/disbursement for reporting purposes is the date the labor organization actually received or disbursed the money.

Enter in Column (E) the amount of the receipt/disbursement.

Click the "Save & Calculate" button at the top of the itemization page and the system will enter total of all itemized transactions for this payee/payer on the "Total Itemized Transaction with this Payee/Payer" line.

Enter the total of all non-itemized transactions for the payee/payer (that is, all individual transactions of less than $5,000 each) on the "Total Non-Itemized Transactions with this Payee/Payer" line.

Click the Save & Calculate" button at the top of the itemization page again and the system will enter the total of all transactions for this payee/payer, both itemized and non-itemized, on the "Total of All Transactions with this Payee/Payer for this Schedule" line.

Special Instructions for Reporting Credit Card Disbursements

Disbursements to credit card companies may not be reported as a single disbursement to the credit card company as the vendor. Instead, charges appearing on credit card bills paid during the reporting period must be allocated to the recipient of the payment by the credit card company according to the same process as described above.

The Department recognizes that filers will not always have the same access to information regarding credit card payments as with other transactions. Filers should report all of the information required in the itemization schedules that is available to the union.

For instance, in the case of a credit card transaction for which the receipt(s) and monthly statement(s) do not provide the full legal name of a payee and the union does not have access to any other documents that would contain the information, the union should report the name as it appears on the receipt(s) and statement(s).

Similarly, if the receipt(s) and statement(s) do not include a full street address, the union should report as much information as is available and no less than the city and state.

Once these transactions have been incorporated into the union's recordkeeping system they can be treated like any other transaction for purposes of assigning a description and purpose.

In instances when a credit card transaction is canceled and the charge is refunded in whole or part by entry of a credit on the credit card statement, the charge should be treated as a disbursement, and the credit should be treated as a receipt. In reporting a credit of $5,000 or more as a receipt, Column (C) must indicate that the receipt was in refund of a disbursement and must identify the disbursement by date and amount.

Special Procedures for Reporting Confidential Information

Filers may use the procedure described below to report the following types of information:

- Information that would identify individuals paid by the union to work in a non-union bargaining unit in order to assist the union in organizing employees, provided that such individuals are not employees of the union who receive more than $10,000 in the aggregate in the reporting year from the union. Employees receiving more than $10,000 must be reported on Schedule 14 – Disbursements to Employees;
- Information that would expose the reporting union's prospective organizing strategy. The union must be prepared to demonstrate that disclosure of the information would harm an organizing drive. Absent unusual circumstances, information about past organizing drives should not be treated as confidential;
- Information that would provide a tactical advantage to parties with whom the reporting union or an affiliated union is engaged or will be engaged in contract negotiations. The union must be prepared to demonstrate that disclosure of the information would harm a contract negotiation. Absent unusual circumstances information about past contract negotiations should not be treated as confidential;
- Information pursuant to a settlement that is subject to a confidentiality agreement, or that the union is otherwise prohibited by law from disclosing; and
- Information in those situations where disclosure would endanger the health or safety of an individual.

With respect to these specific types of information, if the reporting union can demonstrate that itemized disclosure of a specific major receipt or disbursement, or aggregated receipt or disbursement would be adverse to the union's legitimate interests, the union may include the receipt or disbursement in Line 3 of Summary Schedules 16 (Other Receipts), 17 (Contract Negotiation and Administration), 18 (Organizing) or 23 (Union Administration). In Item 75 (Additional Information) the union must identify each schedule from which any itemized receipts or disbursements were excluded because of an asserted legitimate interest in confidentiality based on one of the first three reasons listed above. No notation need be made for exclusion of information disclosure of which is prohibited by law or that would endanger the health or safety of an individual. The notation must describe the general types of information that were omitted from the schedule, but the name of the payer/payee, date, and amount of the transaction(s) is not required. This procedure may not be used for Schedules 19 through 22.

A union member, however, has the statutory right "to examine any books, records, and accounts necessary to verify" the union's financial report if the member can establish "just cause" for access to the information. 29 U.S.C. 431(c); 29 U.S.C. CFR 403.8 (2002).

Any exclusion of itemized receipts or disbursements from Schedules 16, 17, 18 or 23 for one of the first three reasons listed above would constitute a *per se* demonstration of "just cause" for purposes of this Act. Consequently, any union member (and the Department), upon request, has the right to review the undisclosed information that otherwise would have appeared in the applicable schedule if the union withholds the information in order to protect confidentiality interests. Exclusion of information disclosure of which is prohibited by law or that would endanger the health or safety of an individual creates no per se demonstration of "just cause."

Procedures for Completing the Detailed Summary Page

The Detailed Summary Page is used to summarize Schedules 16 through 23.
For Summary Schedule 16 (Other Receipts) the system enters on Line 1 the total of all itemized receipts during the reporting period from named payers. This is the sum of the amounts entered on the "Total Itemized Transactions with this Payee/Payer" line on all itemization pages for Schedule 16.

The system enters on Line 2 the total of all non-itemized receipts from named payers. This is the

sum of the amounts entered on the "Total Non-Itemized Transactions with this Payee/Payer" line in all itemization pages for Schedule 16.

Enter on Line 3 the total of all other receipts during the reporting period relating to the schedule. This is the total from your organization's books of all receipts during the reporting period relating to this schedule for payers who did not have a single receipt of $5,000 or more or receipts that aggregated $5,000 or more.

The system enters on Line 4 the total of Lines 1 through 3 and forwards this total to Item 49 of Statement B.

For Summary Schedules 17 – 23, the system enters on Line 1 of each summary schedule the total of all itemized disbursements during the reporting period to named vendors. This is the sum of the amounts entered on the "Total Itemized Transactions with this Payee/Payer" line in all itemization pages for the schedule.

The system enters on Line 2 of each summary schedule the total of all non-itemized disbursements to named vendors. This is the sum of the amounts entered on the "Total Non-Itemized Transactions with this Payee/Payer" line in all itemization pages for the schedule.

Enter on Line 3 the total of all other disbursements during the reporting period relating to the schedule. This is the total from your organization's books of all disbursements during the reporting period relating to this schedule for payees who did not have a single disbursement of $5,000 or more or disbursements that aggregated $5,000 or more.

The system enters on Line 4 the total of Lines 1 through 3 and forwards this total to the appropriate line item of Statement B.

Example: If in Schedule 17 (Contract Negotiation and Administration) a labor organization has $200,000 in itemized disbursements of $5,000 or more to vendors, $35,000 in non-itemized disbursements of less than $5,000 each to those vendors, and $7,000 in disbursements to vendors who did not receive a major disbursement for contract negotiations and administration, then the system will enter $200,000 in Line 1, $35,000 in Line 2, and the filer will enter $7,000 in Line 3 of Schedule 17 on the Detailed Summary Page. The total of Lines 1 through 3 is $242,000, which the system will enter in Line 4 of the summary schedule and Item 51 (Contract Negotiation and Administration) of Statement B.

SCHEDULE 16 – OTHER RECEIPTS

Report the labor organization's receipts from all sources during the reporting period, other than those that must be reported elsewhere in Statement B, such as reimbursements from officers and employees for excess expense payments or travel advances not reported as loans in Schedule 2 (Loans Receivable); receipts from fundraising activities such as raffles, bingo games, and dances; funds received from a parent body, other unions, or the public for strike fund assistance; funds received from surety companies; and receipts from another labor organization that merged into the labor organization.

For all itemized receipts in this category:

Enter in Column (A) of an itemization page the full name and business address of the entity or individual from which the union received $5,000 or more in Other Receipts during the reporting period. Do not abbreviate the name of the entity or individual. If you do not know and cannot reasonably obtain the full address of the entity or individual, the city and state are sufficient.

Enter in Column (B) the type of business or job classification of the entity or individual from which the union received $5,000 or more in Other Receipts during the reporting period.

If additional lines are needed to complete Columns (C) through (E) for this Payer, click the "Add Receipts for This Payer" button in Column (A) of the itemization page. The system will add lines to the itemization page in increments of ten.

Enter in Column (C) the purpose of each individual receipt of $5,000 or more from the payer in sufficient detail to determine why the receipt cannot be allocated to another schedule.

Enter in Column (D) the date that each individual receipt of $5,000 or more was received. The format for the date must be mm/dd/yyyy. The date of receipt for reporting purposes is the date the labor organization actually received the money.

Enter in Column (E) the amount of each individual receipt of $5,000 or more.

Enter the total of all non-itemized receipts from this payer (that is, all individual receipts of less than $5,000 each) on the "Total Non-Itemized Transactions with this Payee/Payer" line.

When you have completed entering all of the information for this payer, click the "Save & Calculate" button at the top of the itemization page

and the system will enter the total in Column (E) on the "Total Itemized Transactions with this Payee/Payer" and the "Total of All Transactions with this Payee/Payer for This Schedule" lines.

An itemization page must be completed for each payer. Only one payer should be reported per page.

To create a new Other Receipts itemization page for a new payer, click the "Add Other Receipts" button at the top of the itemization page and a new itemization page will open.

Follow the instructions above to complete any additional Other Receipts itemization pages.

By clicking the "Show Payer" drop down arrow at the top of a Schedule 16 itemization page, you can select and view all of the Other Receipts itemization pages you have completed.

As you complete each itemization page, click the "Save & Calculate" button at the top of the page and the total itemized transactions will be added to line 1 of Summary Schedule 16 on the Detailed Summary Page, and the total non-itemized transactions will be added to Line 2 of the Summary Schedule.

Enter on Line 3 of Summary Schedule 16 the total amount of all other receipts relating to this schedule from other payers during the reporting period. This is the total from your organization's books of all receipts relating to this schedule from payers who did not provide a single receipt of $5,000 or more or receipts that aggregated $5,000 or more.

The system adds Lines 1 through 3 and enters the total on Line 4 of Summary Schedule 16 and in Item 49 (Other Receipts) of Statement B.

SCHEDULE 17 – CONTRACT NEGOTIATION AND ADMINISTRATION

Report the labor organization's direct and indirect disbursements to all entities and individuals during the reporting period associated with preparation for, and participation in, the negotiation of collective bargaining agreements and the administration and enforcement of the agreements made by the labor organization. Do not include strike benefits that must be reported in Item 60 (Strike Benefits) of Statement B.

For all major disbursements in this category:

Enter in Column (A) of an itemization page the full name and business address of the entity or individual to which the disbursement was made. Do not abbreviate the name of the entity or individual. If you do not know and cannot reasonably obtain the full address of the entity or individual, the city and state are sufficient.

Enter in Column (B) the type of business or job classification of the entity or individual to which the union disbursed $5,000 or more in Contract Negotiation and Administration during the reporting period, such as printing company, office supplies vendor, legal counsel, etc.

If additional lines are required to complete Columns (C) through (E) for this Payee, click the "Add Disbursements for This Payee" button in Column (A) of the itemization page. The system adds lines to the itemization page in increments of ten.

Enter in Column (C) the purpose of each individual disbursement of $5,000 or more, which means a brief statement or description of the reason the disbursement was made.
Examples of adequate descriptions include the following: contract negotiation, grievance arbitration, litigation regarding the interpretation of a collective bargaining agreement, staffing a help desk, litigation regarding a refusal to bargain, etc. Neither the name of the employer nor the specific bargaining unit that is the subject of the contract administration activity need be identified.

Enter in Column (D) the date that each individual disbursement of $5,000 or more was made. The format for the date must be mm/dd/yyyy. The date of disbursement for reporting purposes is the date the labor organization actually disbursed the money.

Enter in Column (E) the amount of each individual disbursement of $5,000 or more.

Enter the total of all non-itemized disbursements to this payee (that is, all individual disbursements of less than $5,000 each) on the "Total Non-Itemized Transactions with this Payee/Payer" line.

When you have completed entering all of the information for this payee, click the "Save & Calculate" button at the top of the itemization page and the system will enter the totals in Column (E) on the "Total Itemized Transactions with this Payee/Payer" line and on the "Total of All Transactions with this Payee/Payer for This Schedule" line.

An itemization page must be completed for each payee who met the itemization threshold during the reporting period. Only one payee should be reported per page.

To create a new Contract Negotiation and Administration itemization page for a new payee, click the "Add Contract Negotiation and Administration" button at the top of the itemization page and a new itemization page will open. Follow the instructions above to complete any additional Contract Negotiation and Administration itemization pages.

By clicking the "Show Payee" drop down arrow at the top of the Schedule 17 page, you can select and view all of the Contract Negotiation and Administration Itemization pages you have completed.

As you complete each itemization page, click the "Save & Calculate" button at the top of the page and the total itemized transactions will be added to line 1 of Summary Schedule 17 on the Detailed Summary Page and the total non-itemized transactions will be added to Line 2 of the Summary Schedule.

Enter the total amount of all other disbursements relating to this schedule made to other payees during the reporting period on Line 3 of Summary Schedule 17. This is the total from your organization's books of all disbursements relating to this schedule made to payees who did not have a single disbursement of $5,000 or more or disbursements that aggregated $5,000 or more.

The system adds Lines 1 through 3 and enters the total on Line 4 of Summary Schedule 17 and in Item 51 (Contract Negotiation and Administration) of Statement B.

SCHEDULE 18 – ORGANIZING

Report the labor organization's direct and indirect disbursements to all entities and individuals during the reporting period associated with efforts to become the exclusive bargaining representative for any unit of employees, or to prevent losing a unit in a decertification election or to another labor organization, or to recruit new members.

For all major disbursements in this category:

Enter in Column (A) of an itemization page the full name and business address of the entity or individual to which the disbursement was made. Do not abbreviate the name of the entity or individual. If you do not know and cannot reasonably obtain the full address of the entity or individual, the city and state are sufficient.

Enter in Column (B) the type of business or job classification of the entity or individual to which the union disbursed $5,000 or more in Organizing during the reporting period, such as printing company, office supplies vendor, legal counsel, etc.

If additional lines are required to complete Columns (C) through (E) for this Payee, click the "Add Disbursements for This Payee" button in Column (A) of the itemization page. The system adds lines to the itemization page in increments of ten.

Enter in Column (C) the purpose of each individual disbursement of $5,000 or more, which means a brief statement or description of the reason the disbursement was made.
Examples of adequate descriptions include the following: preparing organizing campaign pamphlets, opposition research, recruiting new members, etc. Neither the name of the employer nor the specific bargaining unit that is the subject of the organizing activity need be identified.

Enter in Column (D) the date that each individual disbursement of $5,000 or more was made. The format for the date must be mm/dd/yyyy. The date of disbursement for reporting purposes is the date the labor organization actually disbursed the money.

Enter in Column (E) the amount of each individual disbursement of $5,000 or more.

Enter the total of all non-itemized disbursements to this payee for organizing (that is, all individual disbursements of less than $5,000 each) on the "Total Non-Itemized Transactions with this Payee/Payer" line.

When you have completed entering all of the information for this payee, click the "Save & Calculate" button at the top of the itemization page and the system will enter the totals in Column (E) on the "Total Itemized Transactions with this Payee/Payer" line and on the "Total of All Transactions with this Payee/Payer for This Schedule" line.

An itemization page must be completed for each payee who met the itemization threshold during the reporting period. Only one payee should be reported per page.

To create a new Organizing itemization page for a new payee, click the "Add Organizing" button at the top of the itemization page and a new itemization page will open.

Follow the instructions above to complete any additional Organizing itemization pages.

By clicking the "Show Payee" drop down arrow at the top of the Schedule 18 page, you can select and view all of the Organizing Itemization pages you have completed.

As you complete each itemization page, click the "Save & Calculate" button at the top of the page and the total itemized transactions will be added to line 1 of Summary Schedule 18 on the Detailed Summary Page and the total non-itemized transactions will be added to Line 2 of the Summary Schedule.

Enter the total amount of all other disbursements relating to this schedule made to other payees during the reporting period on Line 3 of Summary Schedule 18. This is the total from your organization's books of all disbursements relating to this schedule made to payees who did not have a single disbursement of $5,000 or more or disbursements that aggregated $5,000 or more.

The system adds Lines 1 through 3 and enters the total on Line 4 of Summary Schedule 18 and in Item 52 (Organizing) of Statement B.

SCHEDULE 19 – POLITICAL ACTIVITIES

Report the labor organization's direct and indirect disbursements to all entities and individuals during the reporting period associated with political disbursements or contributions in money.

A political disbursement or contribution is one that is intended to influence the selection, nomination, election, or appointment of anyone to a Federal, state, or local executive, legislative or judicial public office, or office in a political organization, or the election of Presidential or Vice Presidential electors, and support for or opposition to ballot referenda. It does not matter whether the attempt succeeds. Include disbursements for communications with members (or agency fee paying nonmembers) and their families for registration, get-out-the-vote and voter education campaigns, the expenses of establishing, administering and soliciting contributions to union segregated political funds (or PACs), disbursements to political organizations as defined by the IRS in 26 U.S.C. 527, and other political disbursements.

For all major disbursements in this category:
Enter in Column (A) of an itemization page the full name and business address of the entity or individual to which the disbursement was made. Do not abbreviate the name of the entity or individual. If you do not know and cannot reasonably obtain the full address of the entity or individual, the union may report only the city and state.

Enter in Column (B) the type of business or job classification of the entity or individual to which the union disbursed $5,000 or more for Political Activities during the reporting period, such as campaign advisor, marketing firm, fund raiser, printing company, office supplies vendor, legal counsel, etc.

If additional lines are needed to complete Columns (C) through (E) for this Payee, click the "Add Disbursements for This Payee" button in Column (A) of the itemization page. The system will add lines to the itemization page in increments of ten.

Enter in Column (C) the purpose of each individual disbursement of $5,000 or more, which means a brief statement or description of the reason the disbursement was made. Examples of adequate descriptions include the following: a registration drive, get-out-the-vote campaign, voter education campaign, fund raising, etc. The specific campaign should be identified whenever possible. Distinguish between activities in the United States and activities in foreign countries.
Enter in Column (D) the date that each individual disbursement of $5,000 or more was made. The format for the date must be mm/dd/yyyy. The date of disbursement for reporting purposes is the date the labor organization actually disbursed the money.

Enter in Column (E) the amount of each individual disbursement of $5,000 or more.
Enter the total of all non-itemized disbursements to this payee (that is, all individual disbursements of less than $5,000 each) on the "Total Non-Itemized Transactions with this Payee/Payer" line.

When you have completed entering all of the information for this payee, click the "Save & Calculate" button at the top of the itemization page and the system will add the amounts in Column (E), and enter the sum on the "Total Itemized Transactions with this Payee/Payer" line and complete the "Total of All Transactions with this Payee/Payer for This Schedule" line.

An initial itemization page must be completed for each payee who met the itemization threshold during the reporting period. Only one payee should be reported per page.

To create a new "Political Activities" itemization page for a new payee, click the "Add Political Activities" button at the top of the page and a new itemization page opens. Follow the instructions

above to complete any additional Political Activities itemization pages.

By clicking the "Show Payee" drop down arrow at the top of the Schedule 19 page, you can select and view all of the "Political Activities" itemization pages you have completed.
As you complete each itemization page, click the "Save & Calculate" button at the top of the page and the total itemized transactions will be added to line 1 of Summary Schedule 19 on the Detailed Summary Page and the total non-itemized transactions will be added to Line 2 of the Summary Schedule.

Enter the total amount of all other transactions relating to this schedule made to other payees during the reporting period on Line 3 of Summary Schedule 19. This is the total from your organization's books of all transactions relating to this schedule made to payees who did not have a single disbursement of $5,000 or more or transactions that aggregated $5,000 or more.

The system adds Lines 1 through 3 and enters the total on Line 4 of Summary Schedule 19 and in Item 53 (Political Activities) of Statement B.

SCHEDULE 20 – LOBBYING

Report the labor organization's direct and indirect disbursements to all entities and individuals during the reporting period associated or dealing with the executive and legislative branches of the Federal, state, and local governments and with independent agencies and staffs to advance the passage or defeat of existing or potential laws or the promulgation or any other action with respect to rules or regulations (including litigation expenses). It does not matter whether the lobbying attempt succeeds.
For all major disbursements in this category:

Enter in Column (A) of an itemization page the full name and business address of the entity or individual to which the disbursement was made. Do not abbreviate the name of the entity or individual. If you do not know and cannot reasonably obtain the full address of the entity or individual, the union may report only the city and state.

Enter in Column (B) the type of business or job classification of the entity or individual to which the union disbursed $5,000 or more for Lobbying during the reporting period, such as lobbyist, marketing firm, think tank, issue advocacy group, printing company, office supplies vendor, legal counsel, etc.

If additional lines are needed to complete Columns (C) through (E) for this Payee, click the "Add Disbursements for This Payee" button in Column (A) of the itemization page.
The system will add lines to the itemization page in increments of ten.

Enter in Column (C) the purpose of each individual disbursement of $5,000 or more, which means a brief statement or description of the reason the disbursement was made. Examples of adequate descriptions include the following: voter education campaign, fund raising, advocating or opposing legislation (including litigation challenging such legislation) advocating or opposing regulations (including litigation challenging such regulations), etc. The specific legislation, regulation, referendum, etc. should be identified whenever possible. Distinguish between activities in the United States and activities in foreign countries.

Enter in Column (D) the date that each individual disbursement of $5,000 or more was made. The format for the date must be mm/dd/yyyy. The date of disbursement for reporting purposes is the date the labor organization actually disbursed the money.

Enter in Column (E) the amount of each individual disbursement of $5,000 or more.

Enter the total of all non-itemized disbursements to this payee (that is, all individual disbursements of less than $5,000 each) on the "Total Non-Itemized Transactions with this Payee/Payer" line.
When you have completed entering all of the information for this payee, click the "Save & Calculate" button at the top of the itemization page and the system will add the amounts in Column (E), and enter the sum on the "Total Itemized Transactions with this Payee/Payer" line and complete the "Total of All Transactions with this Payee/Payer for This Schedule" line.

An initial itemization page must be completed for each payee who met the itemization threshold during the reporting period. Only one payee should be reported per page.

To create a new "Lobbying" itemization page for a new payee, click the "Add Lobbying Activities" button at the top of the page and a new itemization page opens. Follow the instructions above to complete any additional Lobbying itemization pages.

By clicking the "Show Payee" drop down arrow at the top of the Schedule 20 page, you can select and view all of the "Lobbying" itemization pages you have completed.

As you complete each itemization page, click the "Save & Calculate" button at the top of the page and the total itemized transactions will be added to line 1 of Summary Schedule 20 on the Detailed Summary Page and the total non-itemized transactions will be added to Line 2 of the Summary Schedule.

Enter the total amount of all other transactions relating to this schedule made to other payees during the reporting period on Line 3 of Summary Schedule 20. This is the total from your organization's books of all transactions relating to this schedule made to payees who did not have a single disbursement of $5,000 or more or transactions that aggregated $5,000 or more.

The system adds Lines 1 through 3 and enters the total on Line 4 of Summary Schedule 20 and in Item 54 (Lobbying) of Statement B.

SCHEDULE 21 – CONTRIBUTIONS, GIFTS, AND GRANTS

Report the labor organization's direct and indirect disbursements to all entities and individuals during the reporting period associated with contributions, gifts, and grants, other than those listed on Schedules 17, 18, 19, 20 and 24. Include, for example, charitable contributions, contributions to scholarship funds, etc.

For all major disbursements in this category:

Enter in Column (A) of an itemization page the full name and business address of the entity or individual to which the disbursement was made. Do not abbreviate the name of the entity or individual. If you do not know and cannot reasonably obtain the full address of the entity or individual, the union may report only the city and state.

Enter in Column (B) the type of business or job classification of the entity or individual to which the union disbursed $5,000 or more in Contributions, Gifts, and Grants during the reporting period, such as charity, scholarship fund, state or local affiliate, etc.

If additional lines are needed to complete Columns (C) through (E) for this Payee, click the "More Disbursements for This Payee" button in Column (A) of the itemization page. The system will add lines to the itemization page in increments of ten.

Enter in Column (C) the purpose of each individual disbursement of $5,000 or more, which means a brief statement or description of the reason the disbursement was made. Examples of adequate descriptions include the following: medical research, community development, job retraining, education, disaster and relief assistance, athletic and youth sponsorships, etc.

Enter in Column (D) the date that each individual disbursement of $5,000 or more was made. The format for the date must be mm/dd/yyyy. The date of disbursement for reporting purposes is the date the labor organization actually disbursed the money.

Enter in Column (E) the amount of each individual disbursement of $5,000 or more.

Enter the total of all non-itemized disbursements to this payee (that is, all individual disbursements of less than $5,000 each) on the "Total Non-Itemized Transactions with this Payee/Payer" line.

When you have completed entering all of the information for this payee, click the "Save & Calculate" button at the top of the itemization page and the system will add the amounts in Column (E) and enter the sum on the "Total Itemized Transactions with this Payee/Payer" line, and it will complete the "Total of All Transactions with this Payee/Payer for This Schedule" line. An initial itemization page must be completed for each payee who met the itemization threshold during the reporting period. Only one payee should be reported per page.

To create a new "Contributions, Gifts & Grants" itemization page for a new payee, click the "Add Contributions, Gifts & Grants" button on the top of the page and a new page opens. Follow the instructions above to complete any additional "Contributions, Gifts & Grants" itemization pages.

By clicking the "Show Payee" drop down arrow at the top of the Schedule 21 page, you can select and view all of the "Contributions, Gifts and Grants "itemization pages you have completed.

As you complete each itemization page, click the "Save & Calculate" button at the top of the page and the total itemized transactions will be added to line 1 of Summary Schedule 21 on the Detailed Summary Page and the total non- itemized transactions will be added to Line 2 of the Summary Schedule.

Enter the total amount of all other transactions relating to this schedule made to other payees during the reporting period on Line 3 of Summary Schedule 21. This is the total from your

organization's books of all disbursements relating to this schedule made to payees who did not have a single disbursement of $5,000 or more or disbursements that aggregated to $5,000 or more.

The system totals Lines 1 through 3 and enters that amount on Line 4 of Summary Schedule 21 and in Item 55 (Contributions, Gifts and Grants) of Statement B.

SCHEDULE 22 – GENERAL OVERHEAD

Report the labor organization's direct and indirect disbursements to all entities and individuals during the reporting period associated with general overhead that cannot be allocated to the other disbursement categories in Statement B.

Some disbursements for overhead do not support a specific function, so these disbursements should be reported in this schedule. Include support personnel at the labor organization's headquarters, such as building maintenance personnel and security guards, and other overhead costs.

For all major disbursements in this category:

Enter in Column (A) of an Initial Itemization Page the full name and business address of the entity or individual to which the disbursement was made. Do not abbreviate the name of the entity or individual. If you do not know and cannot reasonably obtain the full address of the entity or individual, the union may report only the city and state.

Enter in Column (B) the type of business or job classification of the entity or individual to which the union disbursed $5,000 or more in General Overhead during the reporting period, such as office supplies vendor, landlord, mortgage lender, cleaning firm, security firm, etc.

If additional lines are needed to complete Columns (C) through (E) for this Payee, click the "Add Disbursements for This Payee" button in Column (A) of the itemization page. The system will add lines to the itemization page in increments of ten.

Enter in Column (C) the purpose of the disbursement of $5,000 or more, in sufficient detail to determine why the disbursement cannot be allocated to another schedule.

Enter in Column (D) the date that each individual disbursement of $5,000 or more was made. The format for the date must be mm/dd/yyyy. The date of disbursement for reporting purposes is the date the labor organization actually disbursed the money.

Enter in Column (E) the amount of each individual disbursement of $5,000 or more.

Enter the total of all non-itemized disbursements to this payee (that is, all individual disbursements of less than $5,000 each) on the "Total Non-Itemized Transactions with this Payee/Payer" line.
When you have completed entering all of the information for this payee, click the "Save & Calculate" button at the top of the itemization page and the system will add the amounts in Column (E) and enter the sum on the "Total Itemized Transactions with this Payee/Payer" line, and it will complete the "Total of All Transactions with this Payee/Payer for This Schedule" line.

An itemization page must be completed for each payee who met the itemization threshold during the reporting period. Only one payee should be reported per page.

To create a new "General Overhead" itemization page for a new payee, click the "Add Overheads" button at the top of the page and a new itemization page opens. Follow the instructions above to complete any additional "General Overhead" itemization pages.

By clicking the "Show Payee" drop down arrow at the top of the Schedule 22 page, you can select and view all of the General Overhead itemization pages you have completed.

As you complete each itemization page, click the "Save & Calculate" button at the top of the page and the total itemized transactions will be added to line 1 of Summary Schedule 22 on the Detailed Summary Page and the total non- itemized transactions will be added to Line 2 of the Summary Schedule.

Enter the total amount of all other transactions relating to this schedule made to other payees during the reporting period on Line 3 of Summary Schedule 31. This is the total from your organization's books of all disbursements relating to this schedule made to payees who did not have a single disbursement of $5,000 or more or disbursements that aggregated $5,000 or more.

The system totals Lines 1 through 3 and enters that amount on Line 4 of Summary Schedule 22 and in Item 56 (General Overhead) of Statement B.

SCHEDULE 23 – UNION ADMINISTRATION

Report the labor organization's direct and indirect disbursements to all entities and individuals during the reporting period associated with union administration. Union administration includes disbursements relating to the nomination and election of union officers, the union's regular membership meetings, intermediate, national and international meetings, union disciplinary proceedings, the administration of trusteeships, and the administration of apprenticeship and member education programs (not including political education which should be reported in Schedule 19 or 20).

For all major disbursements in this category:

Enter in Column (A) of an Itemization Page the full name and business address of the entity or individual to which the disbursement was made. Do not abbreviate the name of the entity or individual. If you do not know and cannot reasonably obtain the full address of the entity or individual, the union may report only the city and state.

Enter in Column (B) the type of business or job classification of the entity or individual to which the union disbursed $5,000 or more for Union Administration during the reporting period, such as printing company, office supplies vendor, legal counsel, etc.

If additional lines are needed to complete Columns (C) through (E) for this Payee, click the "Add Disbursements for This Payee" button in Column (A) of the itemization page. The system will add lines to the itemization page in increments of ten

Enter in Column (C) the purpose of the disbursement of $5,000 or more in sufficient detail to determine why the disbursement cannot be allocated to another schedule. For example, printing of election ballots, rental of meeting facilities for a union convention, printing of transcripts of trusteeship hearing, etc.

Enter in Column (D) the date that each individual disbursement of $5,000 or more was made. The format for the date must be mm/dd/yyyy. The date of disbursement for reporting purposes is the date the labor organization actually disbursed the money.

Enter in Column (E) the amount of each individual disbursement of $5,000 or more.

Enter the total of all non-itemized disbursements to this payee (that is, all individual receipts of less than $5,000 each) on the "Total Non- Itemized Transactions with this Payee/Payer" line.

When you have completed entering all of the information for this payee, click the "Save & Calculate" button at the top of the itemization page and the system will add the amounts in Column (E), and enter the sum on the "Total Itemized Transactions with this Payee/Payer" line, and it will complete the "Total of All Transactions with this Payee/Payer for This Schedule" line.

An itemization page must be completed for each payee who met the itemization threshold during the reporting period. Only one payee should be reported per page.

To create a new "Union Administration" itemization page for a new payee, click the "Add Administration" button at the top of the page and a new itemization page opens. Follow the instructions above to complete any additional "Union Administration" itemization pages.

By clicking the "Show Payee" drop down arrow at the top of the Schedule 23 page, you can select and view all of the Union Administration Itemization pages you have completed.

As you complete each itemization page, click the "Save & Calculate" button at the top of the page and the total itemized transactions will be added to Line 1 of Summary Schedule 23 on the Detailed Summary Page and the total non- itemized transactions will be added to Line 2 of the Summary Schedule.

Enter the total amount of all other transactions relating to this schedule made to other payees during the reporting period on Line 3 of Summary Schedule 23. This is the total from your organization's books of all disbursements relating to this schedule made to payees who did not have a single disbursement of $5,000 or more or disbursements that aggregated $5,000 or more.
The system totals Lines 1 through 3 and enters that amount on Line 4 of Summary Schedule 23 and in Item 57 (Union Administration) of Statement B.

SCHEDULE 24 – BENEFITS

[**NOTE:** Do not use the Itemization Pages for Schedule 24. Instead, use the separate Schedule 24.]

Report the labor organization's direct and indirect disbursements to all entities and individuals during the reporting period associated with direct and indirect benefits for officers, employees, members,

and their beneficiaries. Benefit disbursements to be reported in Schedule 24 include, for example, disbursements for life insurance, health insurance, and pensions. Do not include salary bonuses, severance payments, or payments for accrued vacation, which should be reported in Column (D) of Schedule 13 or 14.
Direct benefit disbursements are those made to officers, employees, members, and their beneficiaries from the labor organization's funds. Indirect benefit disbursements are those made from the labor organization's funds to a separate and independent entity, such as a trust or insurance company, which in turn and under certain conditions will pay benefits to the covered individuals. An example of an indirect benefit disbursement is the premium on group life insurance.

If additional lines are required, click the "Add Benefits" button at the top of the schedule. The system will add lines to the schedule in increments of ten.

Enter in Column (A) the type of benefit, such as pension, welfare, etc.

Enter in Column (B) to whom payment was made; for example, union members, insurance company, etc. Individual union members and their beneficiaries are not required to be listed by name.

Enter in Column (C) the amount disbursed for each type of benefit.

Click the "Save & Calculate" button at the top of the schedule and the system will enter the total for Column (C) on the "Total of all lines above" line and in Item 58 (Benefits) of Statement B.

STATEMENT A ASSETS AND LIABILITIES

ASSETS

The system pre-fills Columns (A) and (C) (Start of Reporting Period) from your organization's report for the previous fiscal year. If the data is inaccurate, however, it can be edited manually. Be sure to explain any changes in Item 75 (Additional Information).

22. CASH — Enter the total of all the labor organization's cash on hand and on deposit at the start and end of the reporting period in Columns (A) and (B), respectively. Include all cash on hand, such as undeposited cash, checks, and money orders; petty cash; and cash in safe deposit boxes. Cash on deposit includes funds in banks, credit unions, and other financial institutions, such as checking accounts, savings accounts, certificates of deposit, and money market accounts. Also, include any interest credited to the labor organization's account during the reporting period.

NOTE: The checking account balances reported should be obtained from the labor organization's books as reconciled with the balances shown on bank statements.

23. ACCOUNTS RECEIVABLE — Ordinarily, accounts receivable are moneys due for goods sold or services rendered evidenced by notes, statements, invoices, or other written evidence of a present obligation. Enter in Column (A) the total of all gross accounts receivable at the start of the reporting period. The system will enter in Column (B) the total of all gross accounts receivable at the end of the reporting period from Column (B) of Schedule 1 (Accounts Receivable Aging Schedule). If accounts receivable are carried on the labor organization's books at net (gross accounts receivable less the allowance for doubtful accounts), the labor organization may report the allowance for doubtful accounts in Item 75 (Additional Information).

24. LOANS RECEIVABLE — Enter in Column (A) the total of all gross loans receivable at the start of the reporting period, which is also reported in Column (B) of Schedule 2 (Loans Receivable). The system will enter the total of all gross loans receivable at the end of the reporting period in Column (B) from Column (E) of Schedule 2.

25. U.S. TREASURY SECURITIES — Enter the total value of all U.S. Treasury securities as shown on the labor organization's books at the start and end of the reporting period in Columns (A) and (B), respectively. If the value reported is different from the original cost, the original cost must be reported in Item 75 (Additional Information). Other U.S. Government obligations, state and municipal bonds, and foreign government securities must be reported in Schedule 7 (Investments Other Than U.S. Treasury Securities) under "Marketable Securities" and in Item 26 (Investments).

26. INVESTMENTS — Enter in Column (A) the total book value at the start of the reporting period of all investments other than U.S. Treasury securities, which are reported in Item 25 (U.S. Treasury Securities). The system will enter in Column (B) the total reported in Column (D) of Schedule 7 (Investments Other Than U.S. Treasury Securities).

27. FIXED ASSETS — Enter in Column (A) the total value as shown on the labor organization's books at the start of the reporting period of all fixed assets, such as land, buildings, automobiles, and office furniture and equipment. The system will enter in Column (B) the total reported in Column (D) of Schedule 8 (Fixed Assets).

28. OTHER ASSETS — Enter in Column (A) the total value as shown on the labor organization's books at the start of the reporting period of all assets not reported in Items 22 through 27. The system will enter in Column (B) the total reported in Column (B) of Schedule 9 (Other Assets).

29. TOTAL ASSETS — Click the "Save & Calculate" button at the top of Statement A and the system will total Items 22 through 28, Columns (A) and (B), and enter the respective totals in Item 29.

LIABILITIES

30. ACCOUNTS PAYABLE — Ordinarily, accounts payable are those obligations incurred on an open account for goods and services rendered. Enter in Column (C) the total of all gross accounts payable at the start of the reporting period. The system will enter the total of all gross accounts payable at the end of the reporting period in Column (D) from Column (B) of Schedule 10 (Accounts Payable Aging Schedule).

31. LOANS PAYABLE — Enter in Column (C) the total of all gross loans payable at the start of the reporting period, which is also reported in Column (B) of Schedule 11 (Loans Payable). The system will enter the total of all gross loans payable at the end of the reporting period in Column (D) from Column (E) of Schedule 11 (Loans Payable).

32. MORTGAGES PAYABLE — Enter the total amount of the labor organization's obligations that were secured by mortgages or similar liens on real property (land or buildings) at the start and end of the reporting period in Columns (C) and (D), respectively.

33. OTHER LIABILITIES — Enter in Column (C) the total amount as shown on the labor organization's books at the start of the reporting period of all liabilities not reported in Items 30 through 32. The system will enter in Column (D) the total reported in Column (B) of Schedule 12 (Other Liabilities).

34. TOTAL LIABILITIES — Click the "Save & Calculate" button at the top of Statement A and the system will add the amounts in Items 30 through 33, Columns (C) and (D), and enter the respective amounts in Item 34. The system will also complete Item 35 (Net Assets) as explained in the next instruction.

35. NET ASSETS — As indicated in the previous instruction, when Item 34 is completed and the "Save & Calculate" button at the top of Statement A is clicked, the system subtracts Item 34 (Total Liabilities), Column (C) from Item 29 (Total Assets), Column (A) and enters the difference in Item 35, Column (C). The system also subtracts Item 34, Column (D) from Item 29, Column (B) and enters the difference in Item 35, Column (D).

STATEMENT B RECEIPTS AND DISBURSEMENTS

Under Statement B, receipts must be recorded when money is actually received by the labor organization and disbursements must be recorded when money is actually paid out by the labor organization.

The purpose of Statement B is to report the flow of cash in and out of the labor organization during the reporting period. Transfers between separate bank accounts or between special funds of the labor organization, such as vacation or strike funds, do not represent the flow of cash in and out of the labor organization. Therefore, these transfers should not be reported as receipts and disbursements of the labor organization. For example, do not report a transfer of cash from the labor organization's savings account to its checking account.

Likewise, the use of funds reported in Item 22 (Cash) of Statement A to purchase certificates of deposit and the redemption of certificates of deposit should not be reported in Statement B.

Since Statement B reports all cash flowing in and out of the labor organization, "netting" is not permitted. "Netting" is the offsetting of receipts against disbursements and reporting only the balance (net) as either a receipt or disbursement. For example, if an officer received $1,000 from the labor organization for convention expenses, used only $800 and returned the remaining $200, the $1,000 disbursement must be reported in Schedule 13 (All Officers and Disbursements to Officers) and the appropriate disbursement Schedule 16 through 23, and the $200 receipt must be reported in Schedule 16 (Other Receipts).

It would be incorrect to report only an $800 net disbursement to the officer.
Receipts and disbursements by an agent on behalf of the labor organization are considered receipts and disbursements of the labor organization and must be reported in the same detail as other receipts and disbursements. For example, if the labor organization owns a building managed by a rental agent, the agent's rental receipts and disbursements for expenses must be reported on the labor organization's Form LM-2. Also, if the labor organization's parent body or an intermediate body functions as an agent receiving and disbursing funds of the labor organization to third parties, these receipts and disbursements must be reported on the labor organization's Form LM-2. For example, if a parent body receives the labor organization's dues and makes disbursements from that money to pay the labor organization's bills (such as payments to an attorney for legal services), those receipts and disbursements must be reported on the labor organization's Form LM-2.

CASH RECEIPTS

36. DUES AND AGENCY FEES – Enter the total dues including regular dues, working dues, etc. received by the labor organization. Include dues received directly by the organization from members, dues received from employers through a checkoff arrangement, and dues transmitted to the organization by a parent body or other affiliate. Report the full dues received, including any portion that will later be transmitted to an intermediate or parent body as per capita tax. Also report in Item 36 payments in lieu of dues received from any nonmember employees as a condition of employment under a union security provision in a collective bargaining agreement.

If an intermediate or parent body receives dues checkoff directly from an employer on behalf of the reporting organization, do not report in Item 36 the portion retained by that organization for per capita tax or other purposes, such as a special assessment. Any amounts retained by the intermediate body or parent body other than per capita tax must be explained in Item 75 (Additional Information). For example, if the intermediate body or parent body retained $500 of the reporting organization's dues checkoff as payment for supplies purchased from that body by the reporting organization, this should be explained in Item 75, but the $500 should not be reported as a receipt or disbursement on either organization's Form LM-2. If, however, the intermediate body or parent body disbursed part of the reporting organization's dues checkoff on that organization's behalf, this amount should be included in Item 36 and in the appropriate disbursement item on the reporting organization's Form LM-2. For example, if the intermediate body or parent body disbursed
$500 of the reporting organization's dues checkoff to an attorney who had provided lobbying services to the reporting organization, this amount should be reported in Item 54 and as a disbursement in Schedule 20 (Lobbying) of the reporting organization's Form LM-2.

Do not report in Item 36 dues that the reporting organization collected on behalf of other organizations for transmittal to them. For example, if the reporting organization received dues from a member of an affiliate who worked in the reporting organization's jurisdiction, the dues collected on the affiliate's behalf must be reported in Item 47.

37. PER CAPITA TAX — Enter the total per capita tax received by your organization if your organization is an intermediate or parent body; otherwise, enter "0" in Item 37. Include the per capita tax portion of dues received directly by your organization from members of affiliates, per capita tax received from subordinates, either directly or through intermediaries, and the per capita tax portion of dues received through a checkoff arrangement whereby local dues are remitted directly to an intermediate or parent body by employers. Do not include dues collected on behalf of subordinate organizations for transmittal to them. For example, if a parent body received dues checkoff directly from an employer and returned the local's portion of the dues, the parent body must report the dues received on behalf of the local in Item 47 (On Behalf of Affiliates for Transmittal to Them).

38. FEES, FINES, ASSESSMENTS, WORK PERMITS — Enter the labor organization's receipts from fees, fines, assessments, and work permits. Receipts by the labor organization on behalf of affiliates for transmittal to them must be reported in Item 47 (On Behalf of Affiliates for Transmittal to Them).

39. SALE OF SUPPLIES — Enter the total amount received by the labor organization from the sale of supplies such as union logo clothing, lapel pins, bumper stickers, etc.

40. INTEREST — Enter the total amount of interest received by the labor organization from savings accounts, bonds, mortgages, loans, and all other sources.

41. DIVIDENDS — Enter the total amount of dividends from stocks and other investments received by the labor organization. Do not include "dividends" from credit unions, savings and loan

associations, etc., which must be reported in Item 40 (Interest).

42. RENTS — Enter the total amount of rents received by the labor organization.

43. SALE OF INVESTMENTS — The system will enter the total "Net Sales" reported in Column (G) of Schedule 3 (Sale of Investments).

44. SALE OF FIXED ASSETS — The system will enter the total "Net Sales" reported in Column (G) of Schedule 4 (Sale of Fixed Assets).

45. LOANS OBTAINED — The system will enter the total reported in Column (C) of Schedule 11 (Loans Payable).

46. REPAYMENTS OF LOANS MADE — The system will enter the total reported in Column (D)(1) of Schedule 2 (Loans Receivable).

47. ON BEHALF OF AFFILIATES FOR TRANSMITTAL TO THEM — Enter the total amount of dues, fees, fines, assessments, and work permit fees received by the labor organization, through a checkoff arrangement or otherwise, on behalf of affiliates for transmittal to them. Do not include the amount withheld by the labor organization for per capita taxes or other purposes, such as loan repayments, which must be reported elsewhere in Statement B. When the receipts reported in Item 47 are transmitted, the disbursement must be reported in related Item 63 (To Affiliates of Funds Collected on Their Behalf).

48. FROM MEMBERS FOR DISBURSEMENT ON THEIR BEHALF — Enter the total receipts from members that are specifically designated by them for disbursement on their behalf; for example, contributions from members for transmittal by the labor organization to charities. When receipts that are reported in Item 48 are transmitted, the disbursement must be reported in related Item 68 (On Behalf of Individual Members).

49. OTHER RECEIPTS — The system will enter the total reported on Summary Schedule 16, Line 4.

50. TOTAL RECEIPTS — Click the "Save & Calculate" button at the top of Statement B and the system will add the amounts in Items 36 through 49 and enter the total in Item 50.

CASH DISBURSEMENTS

51. CONTRACT NEGOTIATION AND ADMINISTRATION – The system will enter the total from Summary Schedule 17, Line 4.

52. ORGANIZING – The system will enter the total from Summary Schedule 18, line 4.

53. POLITICAL ACTIVITIES – The system will enter the total from Summary Schedule 19, Line 4.

54. LOBBYING – The system will enter the total from Summary Schedule 20, Line 4.

55. CONTRIBUTIONS, GIFTS, AND GRANTS – The system will enter the total from Summary Schedule 21, Line 4.

56. GENERAL OVERHEAD – The system will enter the total from Summary Schedule 22, Line 4.

57. UNION ADMINISTRATION – The system will enter the total from Summary Schedule 23, Line 4.

58. BENEFITS – The system will enter the total reported in Column (C.) of Schedule 24 (Benefits).

59. PER CAPITA TAX — Enter your organization's total amount of per capita tax paid as a condition or requirement of affiliation with your parent national or international union, state and local central bodies, a conference, joint or system board, joint council, federation, or other labor organization.

60. STRIKE BENEFITS – Enter the total amount of all disbursements made to, or on behalf of the members (or agency fee paying nonmembers) of the labor organization, and others, associated with strikes (including recognitional strikes), work stoppages and lockouts during the reporting period.

61. FEES, FINES, ASSESSMENTS, ETC. — Enter the total amount of fees, fines, assessments, and similar disbursements made by the labor organization to a parent body or other labor organization.

62. SUPPLIES FOR RESALE — Enter the labor organization's total disbursements for purchases of supplies such as union logo clothing, lapel pins, bumper stickers, etc. for resale.

63. PURCHASE OF INVESTMENTS — The system will enter the total reported in Column (F) of Schedule 5 (Purchase of Investments).

64. PURCHASE OF FIXED ASSETS – The system will enter the total reported in Column (F) of Schedule 6 (Purchase of Fixed Assets).

65. LOANS MADE — The system will enter the total reported in Column (C) of Schedule 2 (Loans Receivable).

66. REPAYMENT OF LOANS OBTAINED — The system will enter the total reported in Column (D)(1) of Schedule 11 (Loans Payable).

67. TO AFFILIATES OF FUNDS COLLECTED ON THEIR BEHALF — Enter the total disbursements of funds collected on behalf of affiliates by the labor organization. This amount usually is the same as the amount reported in related Item 47 (On Behalf of Affiliates for Transmittal to Them). Any such funds not disbursed by the end of the reporting period are liabilities of the labor organization and must be reported in Schedule 12 (Other Liabilities).

68. ON BEHALF OF INDIVIDUAL MEMBERS — Enter the total disbursements of funds collected from members by the labor organization that were specifically designated by them for disbursement on their behalf. This amount usually is the same as the amount reported in related Item 48 (From Members for Disbursement on Their Behalf). Any such funds not disbursed by the end of the reporting period are liabilities of the labor organization and must be reported in Schedule 12 (Other Liabilities).

69. DIRECT TAXES – Enter all taxes assessed against and paid by your organization, including your organization's FICA taxes as an employer. Do not include disbursements for the transmittal of taxes withheld from the salaries of officers and employees which must be reported in Item 73 (Withholding Taxes and Other Payroll Deductions). Also, do not include indirect taxes, such as sales and excise taxes, for purchases reported in other disbursement items.

70. OFFICERS – The system will enter the total officer disbursements reported in Schedule 13 (All Officers and Disbursements to Officers).

71. EMPLOYEES – The system will enter the total employee disbursements reported in Schedule 14 (Disbursements to Employees).

72. SUBTOTAL — Click the "Save & Calculate" button at the top of Statement B and the system will add the amounts in Items 51 through 71 and enter the subtotal in Item 72.

73. WITHHOLDING TAXES AND OTHER PAYROLL DEDUCTIONS – a. Total Withheld - Enter the total amount of withholding taxes and all other payroll deductions during the reporting period.

b. Total Disbursed - Enter the total amount of withholding taxes and all other payroll deductions that were disbursed by your organization during the reporting period. This includes your organization's total disbursements to Federal, state, county, and municipal government agencies for the transmittal of taxes withheld from the salaries of officers and employees, including officers' and employees' portion of FICA taxes and all disbursements for the transmittal of other payroll deductions.

c. Total Withheld But Not Disbursed – Click the "Save & Calculate" button at the top of Statement B and the system will subtract Item 73b from Item 73a and enter the difference in Item 73c. The system will also complete Item 74 (Total Disbursements) as explained in the next instruction.

74. TOTAL DISBURSEMENTS – As indicated in the previous instruction, when Item 73c is completed and the "Save & Calculate" button at the top of Statement B is clicked the system subtracts Item 73c from Item 72 and enters the difference in Item 74.

NOTE: The following worktable may be used to determine that the figures for receipts, disbursements, and cash are correctly reported on the labor organization's Form LM-2:

A. Cash at Start of Reporting Period — Item 22, Column (A)
$ _____

B. Add: Total Receipts — Item 50
$ _____

C. Total of Lines A and B
$ _____

D. Subtract: Total Disbursements — Item 74
$ _____

E. Cash at End of Period $
$ _____

If Line E does not equal the amount reported in Item 22, Column (B), there is an error in the labor organization's report, which should be corrected.

ADDITIONAL INFORMATION AND SIGNATURES

75. ADDITIONAL INFORMATION — Use Item 75 to provide additional information as indicated on Form LM-2 and in these instructions. Enter the number of the item to which the information relates in the Item Number column if the system has not entered the number.

76-77. SIGNATURES — The completed Form LM-2 that is filed with OLMS must be signed by both the president and treasurer, or corresponding principal officers, of the labor organization. If an officer other than the president or treasurer performs the duties of the principal executive or principal financial officer, the other officer may sign the report. If an officer other than the president or treasurer signs the report, enter the correct title in the title field next to the signature and explain in Item 75 (Additional Information) why the president or treasurer did not sign the report.

Before signing the form, enter the telephone number at which the signatories conduct official business and the date. Click the Validate button at the top of the form to ensure that the report passes validation.

NOTE: Upon registering with OLMS, the signatories and preparers must enter the email addresses they use to conduct union business, in order to file the form via the OLMS Electronic Forms System. While the email addresses will not appear on the report, OLMS may use the email address of the signatories and any preparers to contact the union concerning LMRDA Compliance.

To sign the form, click the signature spaces provided. Fill in the requested information in the screen that pops up.

XII. LABOR ORGANIZATIONS THAT HAVE CEASED TO EXIST

If a labor organization has gone out of existence as a reporting labor organization, the last president and treasurer or the officials responsible for winding up the affairs of the labor organization must file a terminal financial report for the period from the beginning of the fiscal year to the date of termination. A terminal financial report must be filed if the labor organization has gone out of business by disbanding, merging into another organization, or being merged and consolidated with one or more labor organizations to form a new labor organization. A terminal financial report is not required if the labor organization changed its affiliation but continues to function as a separate reporting labor organization.

The terminal financial report must be filed on Form LM-2 if the labor organization filed its previous annual report on Form LM-2 and must be submitted within 30 days after the date of termination.

To complete a terminal report on Form LM-2, follow the instructions in Section XI and, in addition:

- Enter the date the labor organization ceased to exist in Item 2 after the word "Through." The format for the date must be mm/dd/yyyy.
- Select Item 3(c) indicating that the labor organization ceased to exist during the reporting period and that this is the labor organization's terminal Form LM-2.
- Provide in Item 75 (Additional Information) a detailed statement of the reason the labor organization ceased to exist. Also report in Item 75 plans for the disposition of the labor organization's cash and other assets, if any (for example, transfer of cash and assets to the parent body). Provide the name and address of the person or organization that will retain the records of the terminated organization. If the labor organization merged with another labor organization, report that organization's name, address, and 6-digit file number.

Contact the nearest OLMS field office if you have questions about filing a terminal report.

If You Need Assistance

The Office of Labor-Management Standards has field offices located in the following cities to assist you if you have any questions concerning LMRDA and CSRA reporting requirements.

Atlanta-Nashville
Boston-Buffalo
Chicago
Cincinnati-Cleveland
Dallas-New Orleans
Denver-St. Louis
Detroit-Milwaukee
Los Angeles
Philadelphia-Pittsburgh
New York
San Francisco-Seattle
Washington

Consult the OLMS website at www.dol.gov/olms for the address and telephone number of the nearest field office. You may also contact OLMS via email at OLMS-Public@dol.gov or call (202) 693-0123.

Copies of labor organization annual financial reports, employer reports, and labor relations consultant reports filed for the year 2000 and after can be viewed and printed at www.unionreports.gov.

Information about OLMS, including key personnel and telephone numbers, compliance assistance

materials, the text of the LMRDA, and Federal Register and Code of Federal Regulations documents, is also available on the OLMS website at www.dol.gov/olms.

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Part IV

Department of Health and Human Services

Centers for Medicare & Medicaid Services

42 CFR Part 512

Medicare Program; Alternative Payment Model Updates and the Increasing Organ Transplant Access (IOTA) Model; Final Rule

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

42 CFR Part 512

[CMS–5544–F]

RIN 0938–AV65

Medicare Program; Alternative Payment Model Updates and the Increasing Organ Transplant Access (IOTA) Model

AGENCY: Centers for Medicare & Medicaid Services (CMS), Department of Health and Human Services (HHS).

ACTION: Final rule.

SUMMARY: This final rule will update and revise the Increasing Organ Transplant Access (IOTA) Model for Performance Year (PY) 2. This final rule also includes a technical correction to the regulatory text.

DATES: These regulations are effective on July 1, 2026.

FOR FURTHER INFORMATION CONTACT:

CMMItransplant@cms.hhs.gov, for questions related to the Increasing Organ Transplant Access Model.

Thomas Duvall, (410) 786–8887, for questions related to the Increasing Organ Transplant Access Model.

Christina McCormick, (410) 786–4012, for questions related to the Increasing Organ Transplant Access Model.

SUPPLEMENTARY INFORMATION:

I. Background and Executive Summary

A. Model Overview and Background

The Increasing Organ Transplant Access (IOTA) Model is a 6-year mandatory alternative payment model tested by the CMS Innovation Center under section 1115A of the Social Security Act (the Act) that began on July 1, 2025, and will end on June 30, 2031. The model appeared in the December 4, 2024 **Federal Register** (89 FR 96280) titled ''Medicare Program; Alternative Payment Model Updates and the Increasing Organ Transplant Access (IOTA) Model'' (hereinafter referred to as the 2024 Final Rule), and this final rule will update IOTA Model provisions in response to improvement opportunities that arose during implementation of the 2024 Final Rule and to better align the model with new administration priorities. The IOTA Model is aimed at kidney transplant hospitals with the goal of increasing the number of kidney transplants, improving quality, and improving patient experience during the transplant process.

B. Executive Summary

1. Purpose

In the December 11, 2025 **Federal Register** (90 FR 57598), we published the proposed rule titled ''Medicare Program; Alternative Payment Model Updates and the Increasing Organ Transplant Access (IOTA)'' (hereafter referred to as the 2025 Proposed Rule). In response to the 2025 Proposed Rule, we received 114 timely pieces of correspondence from a variety of commenters, including providers, health plans, health care companies, professional associations, technology companies, dialysis facilities, and individuals.

This final rule will make changes to the Increasing Organ Transplant Access (IOTA) Model for Performance Year (PY) 2, which will begin on July 1, 2026, and future PYs.

We are finalizing some, but not all, of the provisions discussed in the proposed rule (hereinafter referred to as the 2025 Proposed Rule), and we intend to address certain other provisions discussed in the 2025 Proposed Rule in future rulemaking. This final rule also makes a technical correction to the regulation text for methodology and criteria for identifying and de-attributing attributed patients from an IOTA participant by redesignating § 512.414(b)(3)(A) through (D) as § 512.414(b)(3)(i) through (iv). We also note that some of the public comments were outside of the scope of the 2025 Proposed Rule. These out-of-scope public comments are not addressed in this final rule. We have summarized the public comments that are within the scope of the 2025 Proposed Rule and have included our responses to those public comments. However, we note that in this final rule we are not addressing most comments received with respect to the provisions of the 2025 Proposed Rule that we are not finalizing at this time. Rather, we will address them at a later time, in a subsequent rulemaking document, as appropriate. We are clarifying and emphasizing our intent that if any provision of this final rule is held to be invalid or unenforceable by its terms, or as applied to any person or circumstance, or stayed pending further action, it shall be severable from other parts of this final rule, and from rules and regulations currently in effect, and not affect the remainder thereof or the application of the provision to other persons not similarly situated or to other, dissimilar circumstances. Through this final rule, we adopt provisions that are intended to and will operate independently of each other, even if each serves the same general purpose or policy goal. Where a provision is necessarily dependent on another, the context generally makes that clear.

2. Summary of the Major Provisions

The following is a summary of the major provisions in this final rule. A general summary of the changes in this final rule is presented in section II.B of the preamble of this final rule.

a. IOTA Participants

In the 2024 Final Rule, CMS finalized that a kidney transplant hospital is eligible to be selected as an IOTA participant if it meets both of the following criteria: (1) The kidney transplant hospital annually performed 11 or more kidney transplants for patients aged 18 years or older, regardless of payer, each of the baseline years; and (2) the kidney transplant hospital annually performed more than 50 percent of its kidney transplants on patients 18 years of age or older each of the baseline years. However, per sections 1835(d) and 1862(a)(3) of the Act as codified in 42 CFR 411.6, Medicare does not pay for services furnished by a Federal provider of services or other Federal agency, nor does Medicare pay for services that are paid for directly or indirectly by a federal government entity, with only limited exceptions. Therefore, we are finalizing our proposed modification to the eligible kidney transplant hospital criteria to exclude Department of Veteran's Affairs (VA) medical facilities and Military medical treatment facilities (MTFs) from the IOTA Model for PYs 2 through 6, as described in section II.B.1.b. of this final rule.

In the 2024 Final Rule, CMS established a low volume threshold requiring kidney transplant hospitals to have performed 11 or more kidney transplants for patients aged 18 years or older annually in each of the 3 baseline years in order to be eligible for selection into the IOTA Model, designed to protect beneficiary confidentiality and align with minimum CMS data display standards while ensuring statistical significance. However, in response to some IOTA participants expressing concern about their ability to participate in the model and our experience in operating the model, we believe it is necessary to reevaluate the low volume threshold requiring a kidney transplant hospital to have performed at least 11 kidney transplants annually in each of the 3 baseline years in order to be

eligible for selection into the IOTA Model. As such, as described in section II.B.1.b. of this final rule, we are finalizing our proposal to raise the low volume threshold from a minimum of 11 kidney transplants performed annually during each of the baseline years to a minimum of 15 kidney transplants performed annually during each of the baseline years.

b. Performance Assessment

In the 2024 Final Rule, we finalized a policy to assess IOTA participant performance each PY in the quality domain on post-transplant outcomes using the composite graft survival rate. While the model performance period has begun, we indicated that for certain policies, such as the inclusion of a risk-adjustment methodology when calculating the composite graft survival rate to account for the complexities of donors and recipients, and their associated risks, we would go through rulemaking in the future to promulgate new or updated policies that will be finalized after the model start date. In the 2025 Proposed Rule, CMS proposed to include a risk-adjustment methodology in the composite graft survival rate calculation. Specifically, we proposed that CMS would risk-adjust the composite graft survival rate to account for a minimum set of transplant recipient and donor characteristics. As described in section II.B.2.b.(2).(a). of this final rule, we are finalizing updates to the composite graft survival rate metric that will include the following modifications:

- Adding a modified risk-adjustment framework based on the Scientific Registry of Transplant Recipients' (SRTR's) risk adjustment methodology for the 1-year graft survival metric.
- Excluding multi-organ transplants from the composite graft survival rate exclusion and inclusion criteria, in recognition of their more complicated results for kidney transplant recipients.
- Updating the allocation of points awarded for performance on the composite graft survival rate.

A detailed description of each finalized policy change and the corresponding scoring criteria can be found in section II.B.2.b. of this final rule.

c. Payment

As finalized in the 2024 Final Rule, each IOTA participant's final performance score will determine whether: (1) CMS will pay an upside risk payment to the IOTA participant; (2) the IOTA participant will fall into a neutral zone where no performance-based incentive payment will be paid to or owed by the IOTA participant; or (3) the IOTA participant will owe a downside risk payment to CMS. For a final performance score greater than 60, CMS will apply the formula for the upside risk payment, which will be equal to the IOTA participant's final performance score minus 60, then divided by 40, then multiplied by $15,000, then multiplied by the number of kidney transplants furnished by the IOTA participant to attributed patients with Medicare fee-for-service (FFS) as their primary or secondary payer during the PY.

In the 2024 Final Rule (89 FR 96383), CMS proposed and finalized two-sided performance-based payments for ''Medicare kidney transplants,'' defined at § 512.402 as kidney transplants furnished to attributed patients whose primary or secondary insurance is Medicare FFS, as identified in Medicare FFS claims with MS–DRGs 008, 019, 650, 651 and 652.[1] In the 2025 Proposed Rule, we considered including beneficiaries with Medicare Advantage (MA) as well in the definition of Medicare kidney transplants in order to include MA beneficiaries in the calculations for the upside risk payment and downside risk payment. Based on the comments received, and as described in section II.B.3.b. of this final rule, we are finalizing the inclusion of MA beneficiaries in the calculation of the upside risk payment and downside risk payment. We had considered lowering the maximum upside payment for a kidney transplant performed from $15,000 to $10,000 alongside this provision but are not finalizing this provision due to comments from stakeholders.

Currently, IOTA Model regulations stipulate that IOTA participants must remit the downside risk payment to CMS in a single payment at least 60 days after the date on which the demand letter is issued. As described in section II.B.3.c.(2). of this final rule, CMS is finalizing a modification to the policy previously finalized in the 2024 Final Rule such that IOTA participants must remit the downside risk payment to CMS in a single payment within 60 days after the date on which the demand letter is issued. As finalized in section II.B.3.c.(2). of this final rule, if full payment is not received by CMS within 60 days after demand is made, the remaining amount owed will be considered a delinquent debt.

Finally, in the 2024 Final Rule, CMS established an Extreme and Uncontrollable Circumstance (EUC) payment policy recognizing that events may occur outside the purview and control of the IOTA participant that may affect their performance in the model. Under the current provision in the IOTA Model, CMS applies determinations made by the Quality Payment Program (QPP) with respect to whether an EUC has occurred, and the areas impacted during the PY. The current regulations provide that, in the event of an extreme and uncontrollable circumstance, as determined by the QPP, CMS may reduce the downside risk payment, if applicable, prior to recoupment. CMS determines the amount of the reduction by multiplying the downside risk payment by both the percentage of total months during the PY affected by the EUC and the percentage of attributed patients who reside in an area affected by the EUC. CMS also acknowledges the limited nature of the current EUC provision to account for broader impacts that an EUC might have on an IOTA participant's ability to perform in the model if allocation systems were disrupted due to an emergency or if there were disaster conditions that could disproportionately affect post-transplant outcomes, which only potentially reduces downside payments without accounting for changes in model inputs or reporting periods that may affect an IOTA participant's performance score.

In the 2025 Proposed Rule (90 FR 57612) CMS proposed to update the EUC policy so that at its sole discretion, CMS may apply flexibilities if the IOTA participant is located in an emergency area during an emergency period, as those terms are defined in section 1135(g) of the Act, for which the Secretary has issued a waiver under section 1135 of the Act and if the IOTA participant is located in a county, parish, or tribal government designated in a major disaster declaration under the Stafford Act. Additionally, we proposed that CMS has the sole discretion to determine the time period during which payment and reporting flexibilities are provided to the IOTA participant. Finally, we proposed that CMS may, at its sole discretion, adjust the direction and the magnitude of the upside or downside risk payments, if applicable, prior to recoupment or payment for the IOTA participant if the IOTA participant is participating in the IOTA Model when CMS has declared such an emergency period. Due to commenter feedback, we are finalizing this proposal with modification. We are not finalizing our proposal to apply EUC flexibilities during an emergency period as defined

[1] See Table 12 in the 2024 Final Rule (89 FR 96381) for a full description of MS–DRGs 008, 019, 650, 651 and 652.

in section 1135(g) of the Act, but to instead continue to use EUC as defined by the Quality Payment Program. We are finalizing our proposals to extend payment and reporting flexibilities to IOTA participants impacted by EUC and to adjust the upside risk payment or downside risk payment amount for the IOTA participant if the IOTA participant is participating in the IOTA Model when such an emergency period has been declared.

d. Other Requirements

In the 2024 Final Rule, CMS finalized several other model requirements for IOTA participants, including transparency requirements, public reporting requirements, and a health equity plan requirement which is optional for the IOTA Model performance period. In the 2024 Final Rule, CMS signaled that there were several policies that would be updated through future rulemaking. In addition, there were several policy considerations raised subsequent to the publication of the 2024 Proposed Rule, including from IOTA participants, which CMS would have liked to incorporate into the IOTA Model, but was unable to add to the 2024 Final Rule. Therefore, the 2025 Proposed rule proposed updates to other requirements in the IOTA Model.

(1) Transparency

In the 2024 Final Rule CMS finalized our policy that IOTA participants must publicly post their patient selection waitlist criteria on a website by the end of PY 1. CMS also stated its intent to use future rulemaking to determine the cadence of updating this website and patient selection criteria. In the 2025 Proposed Rule (90 FR 57613), CMS proposed updates to these requirements. As such, this final rule updates requirement that include the following modifications:

- For all subsequent PYs after PY1, the IOTA participant must review its publicly posted patient selection waitlist criteria and ensure that the information on its website is up to date by the end of each relevant PY.
- IOTA participants performing living donor transplants must publicly post their living donor selection criteria for evaluating potential living donors for kidney transplant waitlist patients by the end of PY 2. IOTA participants must ensure this information is up to date by the end of each subsequent PY.

Each of the finalized provisions is discussed in detail in section II.B.4.a.(1). of this final rule.

CMS also finalized its policy in the 2024 Final Rule to identify each IOTA participant for each PY and to post performance across the achievement domain, efficiency domain, and quality domain for each IOTA participant on the IOTA Model website annually, as they become available. As discussed in section II.B.4.a.(2). of this final rule, we finalized a requirement to publish IOTA participant waitlist selection criteria and the living donor selection criteria, as described in section II.B.4.a.(1). of this final rule, on the IOTA Model website by the end of the second quarter of each subsequent PY.

In the 2024 Final Rule, CMS finalized a requirement that IOTA participants must review organ offer acceptance criteria with their IOTA waitlist patients who are Medicare beneficiaries at least once every 6 months that the Medicare beneficiary is on their waitlist. Since the publication of the 2024 Final Rule, IOTA participants have requested that CMS provide clarification on what acceptance criteria information should be reviewed. Therefore, as described in section II.B.4.(a).(4). of this final rule, we aim to clarify that review of acceptance criteria pertains to individual patient transplant organ offer acceptance criteria and not organ offer filters or kidney transplant hospital level acceptance criteria. For purposes of the model, we are defining ''transplant organ offer acceptance criteria'' as individualized patient acceptance parameters that kidney waitlist patients, as defined at *§ 512.402,* may elect regarding the categories of organ offers they are prepared to accept for transplantation.

Lastly, in the 2025 Proposed Rule (90 FR 57618 through 57621), CMS proposed the adoption of the following provisions for IOTA participants to notify its IOTA waitlist patients who are Medicare beneficiaries when their waitlist status has changed (that is, from active to inactive) only if it is not redundant with other HHS guidance: The IOTA participant would be required to: (1) inform IOTA waitlist patients who are Medicare beneficiaries any time their status on its waitlist is changed that will impact their ability to receive an organ offer; (2) include the reason, and information about how IOTA waitlist patients who are Medicare beneficiaries could become active again; and, (3) notify the dialysis facility (as defined at 42 CFR 494.10) and managing clinician (as defined at 42 CFR 512.310) or nephrologist if applicable. IOTA participants would be required to notify these IOTA waitlist patients who are Medicare beneficiaries of status changes within 10 days when they become ineligible for organ offers (if not redundant with existing HHS guidance). CMS is finalizing this provision without modification, as discussed in detail in section II.B.4.a.(5). of this final rule.

(2) Health Equity Plans

In the 2024 Final Rule, CMS finalized that an IOTA participant may voluntarily submit a health equity plan (HEP) to CMS. CMS finalized voluntary health equity plan submissions aiming to address reducing health disparities for attributed patients. However, CMS is removing the voluntary HEP provisions in compliance with Executive Order 14151 Ending Radical and Wasteful Government DEI Programs and Preferencing (90 FR 8339) issued January 20, 2025 and because, although voluntary, they still require participant time and resources and CMS believes those resources are better directed to the model's core objectives and mandatory requirements.

e. Beneficiary Protections

CMS finalized in the 2024 Final Rule that IOTA participants must provide notice to each attributed patient of its participation in the IOTA Model. In the 2025 Proposed Rule (90 FR 57621 through 57622), CMS proposed the following updates:

- Limit these notification requirements to Medicare beneficiaries only.
- Allow IOTA participants to distribute this notification in a paper notification at the first in-office or outpatient visit, or to distribute the notification in an electronic format in cases where the attributed patient has affirmatively opted out of receiving paper communications and has chosen to receive communication through electronic methods.

As described in section II.B.5. of this final rule, we have finalized these proposals with the modification that IOTA participants may distribute the notification in an electronic format in cases where the attributed patient has affirmatively opted out of receiving paper communications or has chosen to receive communication through electronic methods.

f. Monitoring

In the 2024 Final Rule, we finalized a comprehensive list of monitoring activities to ensure compliance and promote the safety of attributed patients and the integrity of the IOTA Model. However, we inadvertently omitted monitoring of the review of acceptance criteria provision as described in § 512.442. Therefore, in this final rule we are finalizing with modification that CMS may monitor the following transparency provisions as described in section II.B.6 of this final rule:

• Informing eligible IOTA waitlist patients who are Medicare beneficiaries, as defined in section II.B.4.a.(3). of this final rule, of the number of times an organ is declined on the Medicare beneficiary's behalf in accordance with finalized § 512.442(b);

• Reviewing selection criteria with IOTA waitlist patients who are Medicare beneficiaries at least once every 6 months that the Medicare beneficiary is on their waitlist as specified in § 512.442(c); and

• Notifying IOTA waitlist patients who are Medicare beneficiaries when their waitlist status has changed from active to inactive in accordance with finalized § 512.442(d).

g. Termination

In the 2024 Final Rule, we finalized a comprehensive list of reasons for which CMS may immediately or with advance notice terminate an IOTA participant from the IOTA Model. As mentioned in section II.B.7. of this final rule, the 2024 Final Rule inadvertently omitted the Department of Health and Human Services (HHS) and the Organ Procurement and Transplantation Network (OPTN) as sources of vital information regarding potential events by IOTA participants identified as presenting a risk to patient safety, public health, and related concerns that may lead CMS to terminate IOTA participants. Therefore, in this final rule we are finalizing our policy, with minor technical corrections as described in section II.B.7 of this final rule, that CMS may terminate an IOTA participant from the IOTA Model if HHS or the OPTN has determined that an IOTA participant has violated the OPTN's policies, OPTN's Management and Membership policies, or HHS regulations (42 CFR part 121) upon a review conducted in accordance with 42 CFR 121.10.

3. Summary of Costs and Benefits

The IOTA Model aims to incentivize transplant hospitals to overcome system-level barriers to kidney transplantation. The chronic shortfall in kidney transplants results in poorer outcomes for patients and increases the burden on Medicare in terms of payments for dialysis and dialysis-based enrollment in the program. In section V. of this final rule, we set forth a detailed analysis of the impacts that the proposed changes will have on the IOTA participants and beneficiaries. We estimate that as a result of the finalized changes to the IOTA Model, net Federal savings will increase by $60 million.

II. Changes to the Increasing Organ Transplant Access (IOTA) Model

A. Background

1. Purpose

The Increasing Organ Transplant Access (IOTA) Model is a 6-year mandatory alternative payment model tested by the CMS Innovation Center that began on July 1, 2025, and will end on June 30, 2031. The IOTA Model is testing whether performance-based incentives paid to or owed by participating kidney transplant hospitals can increase access to kidney transplants for kidney transplant waitlist patients, while preserving or enhancing quality of care and reducing Medicare expenditures. CMS selected 103 kidney transplant hospitals to participate in the IOTA Model for the first performance year and will be measuring and assessing the participating kidney transplant hospitals' performance during each performance year (PY) across three performance domains: achievement, efficiency, and quality.

The IOTA Model was established through notice and comment rulemaking, finalized in the Medicare Program; Alternative Payment Model Updates and the Increasing Organ Transplant Access (IOTA) Model Final Rule (2024 Final Rule), CMS–5535–F, published December 4, 2024. In the 2024 Final Rule, CMS signaled that there were several policies that could be addressed through future rulemaking, including: the addition of a risk-adjustment methodology in the calculation of the composite graft survival rate, the addition of transplants furnished to Medicare Advantage beneficiaries to the definition of Medicare kidney transplants, and the addition of a monthly transparency requirement for IOTA participants to inform IOTA waitlist patients who are Medicare beneficiaries about declined organ offers and the reasons for declination. In addition, there were a number of policy considerations raised subsequent to the publication of the Medicare Program; Alternative Payment Model Updates and the Increasing Organ Transplant Access (IOTA) Model Proposed Rule (2024 Proposed Rule), including from IOTA participants, which CMS would like to incorporate into the IOTA Model, but were unable to add to the 2024 Final Rule. Therefore, the Medicare Program; Alternative Payment Model Updates and the Increasing Organ Transplant Access (IOTA) Model (hereinafter referred to as the 2025 Proposed Rule), published December 11, 2025, proposed updates to the IOTA Model. The policies finalized in this final rule reflect our commitment to ensuring that the IOTA Model's incentive structure enhances the care delivery capabilities and efficiency of kidney transplant hospitals selected for participation, with the goal of improving quality of care while reducing program spending.

2. Statutory Authority and Background

Section 1115A of the Act authorizes the Center for Medicare and Medicaid Innovation (the ''Innovation Center'') to test innovative payment and service delivery models expected to reduce Medicare, Medicaid, and CHIP expenditures, while preserving or enhancing the quality of care furnished to such programs' beneficiaries. We have designed and tested both voluntary Innovation Center models—governed by participation agreements, cooperative agreements, and model-specific addenda to existing contracts with CMS—and mandatory Innovation Center models that are governed by regulations. Each voluntary and mandatory model features its own specific payment methodology, quality metrics, and certain other applicable policies, but each model also features numerous provisions of a similar or identical nature, including provisions regarding cooperation in model evaluation; monitoring and compliance; and beneficiary protections.

Under the authority of section 1115A of the Act, through notice-and-comment rulemaking, the Innovation Center established the IOTA Model in the 2024 Final Rule that appeared in December 4, 2024, **Federal Register** (89 FR 96280). The intent of the IOTA Model is to reduce Medicare expenditures and improve performance in kidney transplantation by creating performance-based incentive payments for participating kidney transplant hospitals tied to access and quality of care for ESRD patients on the hospitals' waitlists.

Participation in the IOTA Model is mandatory for approximately 50 percent of all eligible kidney transplant hospitals in the United States, which were selected by a stratified random sampling of donation service areas (''DSAs''). Mandatory participation in the IOTA Model was determined to be necessary to minimize the potential for selection bias and to ensure a representative sample size nationally, thereby guaranteeing that there would be adequate data to evaluate the model test. Eligible kidney transplant hospitals for PY 1 included those that: (1) performed at least 11 kidney transplants for patients 18 years of age or older

annually regardless of payer type during the 3-year period ending 12 months before the model's start date; and (2) furnished more than 50 percent of the hospital's annual kidney transplants to patients 18 years of age or older during that same period. As this is a mandatory model, the selected kidney transplant hospitals are required to participate.

CMS measures and assesses IOTA participant performance during each PY across three performance domains: achievement, efficiency, and quality. The achievement domain assesses each IOTA participant on the number of kidney transplants performed during a PY, relative to a participant-specific transplant target. The efficiency domain assesses the performance of IOTA participants on the organ offer acceptance rate ratio relative to national ranking. The quality domain is focused on improving the quality of care and measures IOTA participants performance on the composite graft survival rate relative to national ranking to assess post-transplant outcomes. Each IOTA participant's performance score across these three domains determines its final performance score and corresponding amount for the performance-based incentive payment that CMS will pay to or the payment that will be owed by the IOTA participant. The upside risk payment will be a lump sum payment paid by CMS after the end of a PY to an IOTA participant with a final performance score of 60 or greater. Conversely, beginning in PY 2, the downside risk payment will be a lump sum payment paid to CMS by any IOTA participant with a final performance score of 40 or lower. There is no downside risk payment for PY 1 of the IOTA Model.

B. Provisions of the Proposed Regulation

1. IOTA Participants

a. Background

In the 2024 Final Rule (89 FR 96304), we defined ''IOTA participant'' as a kidney transplant hospital, as defined at § 512.402, that is required to participate in the IOTA Model pursuant to § 512.412. In addition, we noted that the definition of ''model participant'' contained in 42 CFR 512.110, would include an IOTA participant. We also proposed and finalized at § 512.402 the definition of ''transplant hospital,'' ''kidney transplant hospital,'' and ''kidney transplant.'' We stated that kidney transplant hospitals are the focus of the IOTA Model because they are the entities that furnish kidney transplants to ESRD patients on the waiting list and ultimately decide to accept donor recipients as transplant candidates (89 FR 96303). Kidney transplant hospitals play a key role in managing transplant waitlists and patient, family, and caregiver readiness. They are also responsible for the coordination and planning of kidney transplantation with the organ procurement organizations (OPO) and donor facilities, staffing and preparation for kidney transplantation, and oversight of post-transplant patient care, and they are largely responsible for managing the living donation process. The IOTA Model is intended to promote improvement activities across selected kidney transplant hospitals that reduce access barriers, thereby increasing the number of transplants, quality of care, and cost-effective treatment. The IOTA Model aims to improve quality of care for ESRD patients on the waiting list pre-transplant, during transplant, and during post-transplant care.

b. Mandatory Participation

In the 2024 Final Rule (89 FR 96308), we finalized that participation in the IOTA Model would be mandatory. We proposed and finalized that all kidney transplant hospitals that meet the eligibility requirements at § 512.412(a), and that are selected through the participation selection process at § 512.412(b) and (c) would be required to participate in the IOTA Model. Lastly, we also finalized our provisions for participant eligibility criteria for kidney transplant hospitals at § 512.412(a) for all eligible kidney transplant hospitals selected for participation in the model.

As stated in the 2024 Final Rule (89 FR 96308), we proposed kidney transplant hospital participant eligibility criteria that would increase the likelihood that: (1) individual kidney transplant hospitals selected as IOTA participants represent a diverse array of capabilities across the performance domains; and (2) the results of the model test would be statistically valid, reliable, and generalizable to kidney transplant hospitals nationwide should the model test be successful and considered for expansion under section 1115A(c) of the Act.

We proposed and finalized our participant eligibility criteria for kidney transplant hospitals at § 512.412(a) in the 2024 Final Rule (89 FR 96311). Specifically, that eligible kidney transplant hospitals are those that: (1) performed 11 or more transplants for patients aged 18 years or older annually, regardless of payer type, each of the baseline years; and (2) furnished more than 50 percent of its kidney transplants annually to patients over the age of 18 during each of the baseline years. We also finalized the definition of ''non-pediatric facility'' and ''baseline years'' at § 512.402.

In the 2024 Final Rule, we finalized at § 512.412(a)(1) a low volume threshold requiring a kidney transplant hospital to have performed 11 or more kidney transplants for patients aged 18 years or older annually in each of the 3 baseline years in order to be eligible for selection into the IOTA Model.

In our initial proposal in the 2024 Proposed Rule, we stated that we alternatively considered using a higher threshold, such as 30 adult kidney transplants or 50 adult kidney transplants during each of the 3 baseline years (89 FR 43541). However, we found that many kidney transplant hospitals consistently perform between 11 and 50 transplants per year. We received several comments expressing concern with the proposed low-volume kidney transplant threshold for IOTA participants. As described in the 2024 Final Rule at 89 FR 96309, a commenter noted that there may be some unforeseen or unintended consequences of advantaging programs classified as ''low volume,'' where the volume is close to the dividing line, and vice versa. Additional commenters shared concerns that the low volume threshold of 11 kidney transplants performed will disadvantage kidney transplant hospitals that furnish a smaller number of kidney transplants, as these transplant programs do not meet the requirements for Center of Excellence (COE) programs and have limited contracts with payers, and the low volume threshold does not ensure statistical significance. Several commenters recommended that CMS should increase the low volume threshold, setting the number of kidney transplants at a value such as 25, 50, or 100, to ensure statistical significance and avoid burden on kidney transplant hospitals that furnish a smaller number of kidney transplants. Finally, a commenter suggested CMS should only use the number of Medicare kidney transplants to determine eligibility, rather than 11 kidney transplants across all payers. Additionally, as described at 89 FR 96308 a commenter expressed concerns about the impact of the IOTA Model on small kidney transplant hospitals if participation was made mandatory. The commenter suggested that a low volume threshold of 100 kidney transplants, regardless of payer type, would be more appropriate. This, the commenter believed, would ensure small kidney transplant hospitals were excluded and protect access to kidney transplants in less populated areas.

In the 2024 Final Rule, we stated that the low volume threshold was designed to protect the confidentiality of Medicare and Medicaid beneficiaries and that this low volume threshold aligns with the minimum standards for CMS data display, preventing the release of information that could identify individual beneficiaries while ensuring statistical significance (89 FR 96309). Additionally, we stated that we excluded these low-volume kidney transplant hospitals that may lack the capacity to comply with the model's policies.

Since publication of the 2024 Final Rule, some IOTA participants close to the current low volume threshold have expressed concern about their ability to participate in the model and we stated we believed it is necessary to reevaluate the low volume threshold requiring a kidney transplant hospital to have performed 11 or more kidney transplants for patients aged 18 years or older, regardless of payer, annually in each of the 3 baseline years in order to be eligible for selection into the IOTA Model (90 FR 57603). We also received multiple comments from the 2024 Proposed Rule urging us to increase the low volume threshold. As such, in the 2025 Proposed Rule, we proposed at § 512.412(a)(1) to raise this low volume threshold from a minimum of 11 kidney transplants performed annually during each of the baseline years to a minimum of 15 kidney transplants performed annually during each of the baseline years. We also proposed this provision in response to our experience in operating the model. IOTA participants who are above the current minimum low volume threshold of 11 kidney transplants performed annually, but below the updated proposed low volume threshold of a minimum of 15 kidney transplants performed annually are still quite small and have indicated structural difficulties in achieving the goals of the model and complying with the requirements of the model. This updated low volume threshold is designed to balance accommodating the needs of smaller kidney transplant hospitals to ensure that their transplant programs can remain viable and continue to serve their communities, while also trying to ensure a sufficient volume of kidney transplant hospitals to be able to test the model.

We alternatively considered higher low volume thresholds, such as 20 kidney transplants or 25 kidney transplants performed for patients aged 18 years or older annually, regardless of payer, during each of the baseline years, but think that a low volume threshold of 15 kidney transplants or more performed to patients aged 18 years or older annually best balances excluding the smallest kidney transplant hospitals, while still being able to ensure that the model has sufficient power to be able to test the model (90 FR 57603). We stated in the 2025 Proposed Rule that the updated low volume threshold would only result in the removal of one IOTA participant as of the model start date, while higher low volume thresholds would result in additional IOTA participants being removed, which could diminish the ability to evaluate the model.

We sought comment on our proposal to adjust the low volume threshold at § 512.412(a)(1) to require that to be eligible for model participation, a kidney transplant hospital must have performed a minimum of 15 kidney transplants to patients aged 18 years or older annually, regardless of payer, each of the baseline years, rather than a minimum of 11 kidney transplants. We also sought public comment on the alternatives considered.

Additionally, we stated in the 2025 Proposed Rule that since the publication of the 2024 Final Rule, CMS completed IOTA participant selection and notified IOTA participants of their selection to participate in the IOTA Model (90 FR 57603). Upon completion of selecting IOTA participants for inclusion in the model, we realized that an unintended consequence of the current participant eligibility criteria at § 512.412(a) is that Department of Veterans Affairs (VA) medical facilities or military medical hospitals, also known as military medical treatment facilities (MTFs) could be selected to participate even though Medicare does not provide reimbursement for VA medical facilities or MTFs. A total of 103 kidney transplant hospitals were selected to participate in the model, including four VA medical facilities and one MTF.

As discussed in the 2025 Proposed Rule, per 42 CFR 411.6(a), Medicare does not pay for services rendered by Federal providers of services or other Federal agencies (90 FR 57603). Additionally, Medicare does not provide payment for services that receive direct or indirect funding from a governmental entity (see 42 CFR 411.8). As such, we proposed to update the participant eligibility criteria at § 512.412(a). Specifically, we proposed at § 512.412(a)(3) to exclude kidney transplant hospitals that are a MTF or VA medical facility from being eligible to participate in the IOTA Model. We proposed at § 512.402 to define a ''VA medical facility'' as defined at 38 CFR 17.1505 to mean a VA hospital, a VA community-based outpatient clinic, or a VA health care center, any of which must have at least one full-time primary care physician, but not a Vet Center or Readjustment Counseling Service Center (90 FR 57603). Additionally, we proposed at § 512.402 to define a ''military medical treatment facility (MTF)'' as it is currently defined at 10 U.S.C. 1073c(j)(3) to mean: (1) any fixed facility of the Department of Defense that is outside of a deployed environment and used primarily for health care; and (2) any other location used for purposes of providing healthcare services as designated by the Secretary of Defense.

Given that Medicare does not provide coverage for services furnished by a federal provider, federal agency, or any other government entity, whether the services are paid for directly or indirectly by a government source, we stated that we believed that VA medical facilities and MTFs should not be eligible to participate in the IOTA Model (90 FR 57603). Additionally, we stated that we did not believe that our proposal to exclude kidney transplant hospitals that are also a VA medical hospital or MTF from being eligible to participate in the IOTA Model would negatively affect the remaining IOTA participants, impact the IOTA Model, or affect CMS's ability to evaluate the model. Moreover, we stated that the model's evaluation would benefit from an analysis that only focuses on Medicare-participating kidney transplant hospitals. Since the fundamental purpose of the IOTA Model is to test interventions specifically within the Medicare system to improve quality of care and reduce Medicare expenditures, we stated that including non-Medicare participating facilities like VA medical facilities and MTFs would introduce confounding variables that could obscure the model's true effectiveness. Additionally, we stated that VA medical facilities and MTFs operate under entirely different payment structures, regulatory frameworks, and patient populations compared to Medicare-participating hospitals, making direct performance comparisons inappropriate and potentially misleading.

By excluding these facilities, we stated that the model evaluation can focus on kidney transplant hospitals that all operate under similar Medicare reimbursement conditions, face comparable regulatory requirements, and serve similar patient populations, thereby providing more accurate data on whether the model's performance-based payment incentives actually drive improvements in transplant outcomes and cost efficiency within the Medicare

system (90 FR 57604). We stated that this approach would also eliminate the analytical complexity of trying to account for the vastly different operational contexts between Medicare-participating kidney transplant hospitals and federal facilities, ultimately yielding more actionable insights for potential broader implementation of the IOTA Model across the Medicare program.

We sought comment on our proposal at proposed § 512.412(a)(3) to exclude kidney transplant hospitals that are a MTF or VA medical facility as eligible to participate in the model. We also sought comments on our proposed definitions of MTF and VA medical facility at proposed § 512.402.

Lastly, to account for our proposed kidney transplant hospital participant eligibility criteria modifications at proposed § 512.412(a)(1) and (3), we proposed updating the language at § 512.412(a) (90 FR 57604). Specifically, we proposed replacing ''meets both'' with ''meets all'' to specify that a kidney transplant hospital is eligible to be selected as an IOTA participant, in accordance with the methodology described in proposed § 512.412(b)(3), if the kidney transplant hospital meets all of the eligibility criteria at § 512.412(a).

We sought comment on our proposal at proposed § 512.412(a) to update existing language to account for our proposals at proposed § 512.412(a)(1) and (3).

The following is a summary of the comments we received on the provisions proposed and the alternatives considered set out in this section and our responses.

Comment: Several commenters expressed support for the proposal to raise the low volume threshold to a minimum of 15 kidney transplants performed annually during each of the baseline years for patients aged 18 years or older, regardless of payer, instead of the current low volume threshold of 11. Additionally, several commenters agreed with CMS that the proposed update would balance the need to have statistical validity with consideration for the IOTA participants. Another commenter stated that the proposed change would strengthen model integrity and that it is supported across professional societies.

Response: We thank the commenters for their support. We agree that raising the low volume threshold from a minimum of 11 kidney transplants performed annually during each of the baseline years to a minimum of 15 kidney transplants performed annually during each of the baseline years will strengthen model integrity. We stated in the 2025 Proposed Rule that the proposed change would better take into consideration the needs of smaller kidney transplant hospitals and would ensure that their transplant programs can remain viable and continue to serve their communities (90 FR 57603). For these reasons, we are finalizing our proposal without modification.

Comment: Several commenters expressed support for the proposal at § 512.412(a)(1) to raise the low-volume threshold to a minimum of 15 kidney transplants performed annually during each of the baseline years for patients aged 18 years or older, regardless of payer, instead of the current threshold of 11. However, commenters requested additional information regarding the proposed change. In particular, a commenter recommended that CMS provide a clearer explanation of the rationale for increasing the threshold and disclose the number and characteristics of kidney transplant hospitals that would be affected. The commenter also suggested that CMS monitor the impact of implementing the revised threshold.

Response: We thank the commenters for their support, feedback, and suggestions. We stated in the 2025 Proposed Rule that our rationale for raising the low volume threshold was a result of IOTA participant feedback concerning the structural difficulties in meeting model goals, commenters responding to the 2024 Proposed Rule urging CMS to increase the low volume threshold, and our experience in operating the model (90 FR 57603). Additionally, we note that we intend to publicly post an updated list of IOTA participants on the IOTA Model website.

Comment: A couple of commenters asked CMS to provide additional information or analysis proving that the proposal to adjust the low volume threshold from 11 to 15 kidney transplants would improve statistical validity or model performance. Another commenter asked CMS to provide additional data concerning how the change would impact health care access in less populous regions.

Response: We thank the commenters for their comments. As described in the 2024 Final Rule, the model's design ensures sufficient participation of kidney transplant hospitals, which is necessary to obtain a diverse, representative sample for a statistically robust test of the model (89 FR 96307). We do so in accordance with section 1115A(b)(4) of the Act. As stated in the 2024 Proposed Rule, we continue to believe the proposed, updated low volume threshold aligns with the minimum standards for CMS data display, preventing the release of information that could identify individual beneficiaries while ensuring statistical significance (89 FR 96309). Additionally, as described in the 2025 Proposed Rule and this final rule, the proposed updated low volume threshold would only result in the removal of one IOTA participant as of the model start date (90 FR 57603). We intend to monitor the model for any unintended consequences.

Comment: A couple of commenters expressed concern that increasing the low-volume threshold to 15 kidney transplants performed annually during each of the baseline years for patients aged 18 years or older, regardless of payer, could discourage innovation or create access barriers for low-volume kidney transplant hospitals, particularly those serving rural and underserved populations. These commenters recommended alternative approaches, including adopting a tiered eligibility framework based on transplant volume, as well as incorporating risk-adjustment, performance benchmarks, phased participation, or enhanced technical assistance to support broader participation and benefit for lower-volume transplant hospitals.

Response: We thank the commenters who expressed concerns around the impact of raising the low volume threshold to 15 kidney transplants. However, we disagree with the commenters. We recognize that our proposal to raise the low volume threshold to 15 kidney transplants performed annually during each of the baseline years would exclude smaller kidney transplant hospitals. However, as stated previously in the 2025 Proposed Rule and discussed in the preamble of this final rule, our proposal to raise the low volume threshold would only result in the removal of one IOTA participant as of the model start date (90 FR 57603). However, as stated in comment responses noted previously in this section, we are finalizing our proposal to adjust the low volume threshold at § 512.412(a)(1) to require that to be eligible for model participation, a kidney transplant hospital must have performed a minimum of 15 kidney transplants to patients aged 18 years or older annually, regardless of payer, each of the baseline years. We note that the model includes features such as risk-adjustment and performance measurement approaches designed to account for differences in patient complexity and care environments. In addition, we intend to monitor the effects of the low volume threshold on participation and access to

care, including impacts on low volume kidney transplant hospitals and the populations they serve. While we are not adopting the alternative approaches suggested by commenters at this time, we will continue to evaluate the need for potential refinements, including additional supports or adjustments, through future notice and comment rulemaking as appropriate.

Comment: A couple of commenters recommended that CMS further increase the low volume threshold, suggesting levels such as 30, 50, or 100 kidney transplants, to avoid burdening kidney transplant hospitals that furnish a smaller number of kidney transplants. A commenter stated that a higher low volume threshold would help ensure that participating kidney transplant hospitals are able to offset the infrastructure costs associated with model participation. Another commenter recommended pairing a higher low volume threshold with an exclusion for kidney transplant hospitals serving rural and underserved populations.

Response: We thank the commenters who suggested using an even higher low volume threshold beyond 15 adult kidney transplants; however, we disagree with the commenters. As described in the 2025 Proposed Rule, adopting a higher threshold would result in additional IOTA participants being removed from the model, which could diminish CMS's ability to evaluate the model (90 FR 57603). IOTA participants may have to make upfront investments to accommodate the model's requirements, but we believe that the proposed low volume threshold of 15 adult kidney transplants performed for each kidney transplant hospital in each of the baseline years will mitigate demands placed on smaller kidney transplant hospitals. In response to the commenter who suggested that CMS raise the low volume threshold higher and exclude kidney transplant hospitals serving rural and underserved populations, as described in the 2024 Proposed Rule, we stated that we did not believe mandatory participation in the IOTA Model would increase disparities for underserved populations such as dual-eligibles or low-income subsidy beneficiaries, nor for rural transplant hospitals (89 FR 96306). Additionally, as stated in the 2024 Proposed Rule, we continue to believe that IOTA participants are representative of eligible kidney transplant hospitals from across the nation in terms of geography and the volume of adult kidney transplants (89 FR 43542).

Comment: Several commenters expressed support for the proposed exclusion of kidney transplant hospitals that are a MTF or VA medical facility given that the change would ensure that removing these kidney transplant hospitals would make it easier to compare performance for the purposes of evaluation. Several commenters noted that the model's payment and quality incentives may have different effects on VA medical facilities and MTFs.

Response: We thank the commenters for their support and thoughts regarding the advantages of the proposed change. We agree with the commenters. Accordingly, we are finalizing the proposal at § 512.412(a)(3) to exclude kidney transplant hospitals that are a MTF or VA medical facility as eligible to participate in the model.

Comment: A commenter stated that they did not support the proposed exclusion of these facilities, but did not provide further suggestions or justification.

Response: We thank the commenter for their feedback.

Comment: A commenter supported CMS's proposed definitions for MTF and VA medical facility, but did not provide a rationale for their support.

Response: We thank the commenter for their support of the proposed definitions.

Comment: Several commenters stated that they supported the proposed modification replacing ''meets both'' with ''meets all'', but did not provide further suggestions or justification.

Response: We thank the commenters for their support of the proposed update to existing language to account for our proposed kidney transplant hospital participant eligibility criteria. We are finalizing the proposal at § 512.412(a) to update existing language to account for our proposed kidney transplant hospital participant eligibility criteria at proposed § 512.412(a)(1) and (3).

After consideration of the public comments we received, for the reasons set forth in this rule, we are finalizing our proposed provisions for participant eligibility criteria for kidney transplant hospitals at § 512.412(a) without modification. Additionally, we are finalizing as proposed the definitions of Military medical treatment facility (MTF) and VA medical facility without modification.

2. Performance Assessment

a. Method and Scoring Overview

In the 2024 Final Rule (89 FR 96326), we finalized provisions to assess IOTA participants in the achievement domain, efficiency domain and quality domain and performance scoring approach at § 512.422(a). We also finalized at § 512.402 the definition of ''final performance score'' as the aggregate sum of scores earned by the IOTA participant across all three domains for a designated PY.

b. Quality Domain

(1) Background

In the 2024 Final Rule (89 FR 96358), we finalized at § 512.402 the definition of ''quality domain'' as the performance assessment category in which CMS assesses the IOTA participant's performance using a performance measure focused on improving the quality of transplant care as described in § 512.428. We also finalized general provisions for the quality domain at § 512.424(a).

We stated at *89 FR 96358,* that our goal for the quality domain within the IOTA Model is to achieve acceptable post-transplant outcomes while incentivizing increased kidney transplant volume.[2] We continue to believe that transplant hospital accountability for patient-centricity and clinical outcomes continues post-transplantation. While transplant outcomes have historically received the most attention, often at the exclusion of other factors, we sought to encourage a better balance in the system to offer the benefits of transplant to more patients.

(2) Post Transplant Outcomes

In the 2024 Final Rule (89 FR 96361), we finalized at § 512.428(b)(1) a provision to assess IOTA participant performance each PY on post-transplant outcomes using the composite graft survival rate. We also proposed and finalized at § 512.402 the definition of composite graft survival rate (89 FR 96361).

(a) Calculation of Metric

In the 2024 Final Rule (89 FR 96364), we proposed and finalized provisions for calculating the composite graft survival rate at § 512.428(b)(1).

In our initial proposal in the 2024 Proposed Rule (89 FR 43563), we stated that we had considered incorporating a risk-adjustment methodology into our proposed composite graft survival equation, such as the one used by Scientific Registry of Transplant Recipients (SRTR) for 1-year post-

[2] We note that we did not include a definition or criteria for what constitutes ''acceptable'' post-transplant outcomes and we sought comment on how to define an acceptable level (for example, 1 standard deviation of the national risk-adjusted rate or some other way), as stated in section II.B.2.b.(2). of this final rule.

transplant outcomes conditional on 90-day survival or constructing our own. We also stated at 89 FR 43563 that we were interested in comments on whether risk-adjustments were necessary, and which ones, such as transplant recipient and donor characteristics, would be significant and clinically appropriate in the context of our proposed approach. We received over 15 comments expressing concern that the lack of risk-adjustment in the composite graft survival rate metric could have adverse consequences and would increase administrative burden. As described at 89 FR 96362, many commenters expressed concern that the unadjusted composite graft survival rate does not account for the clinical risk factors of the transplant recipient or the donor; therefore, it may inadvertently lead to disparities in transplant access by incentivizing IOTA participants to select healthier patients for transplantation. Several commenters believe that the proposed measure misaligned with the model's goal of increasing kidney transplants in a more complex population without risk-adjusting for allograft and recipient factors. Without proper risk-adjustment, these commenters suggested the proposed measure could cause IOTA participants to be more risk averse with the types of organs they accept or disincentivize IOTA participants from transplanting candidates who have a higher likelihood of graft failure, such as older candidates or those with more comorbid conditions. Some commenters suggested specific transplant recipient and donor characteristics that CMS should risk-adjust for when calculating the proposed composite graft survival rate.

In the 2024 Final Rule (89 FR 96363), we stated that in light of commenters suggestions, we considered finalizing a risk-adjustment methodology that adjusted for donor age, recipient age, and recipient diabetes. However, we decided to finalize the provisions as proposed as we did not believe that adjusting for these three variables alone was appropriate. Organ availability affects kidney transplantation, leading transplant teams to expand the criteria for accepting organ donors.[3] In these circumstances, we believe that analysis of the impact of the donor's characteristics on graft survival becomes mandatory before incorporating a risk-adjustment methodology. Additionally, given that the IOTA Model is 6 years, and the measure is rolling, meaning that it measures the rolling total number of functioning grafts relative to the total number of adult kidney transplants performed for all 6 years, as described in the 2024 Final Rule at 89 FR 96324, we wanted to continue discussions to ensure that this measure eventually includes a robust and appropriate risk-adjustment methodology. Furthermore, we continue to believe that the lack of risk-adjustment for PY 1 would be minimal in terms of impacting IOTA participants scores and note that IOTA participants do not owe a downside risk payment in PY 1, as described in § 512.430(b)(3)(i). We also note that in the 2024 Final Rule at 89 FR 96364, we stated that while we were finalizing our provision for calculating the composite graft survival rate as proposed, we would be stratifying the data from the composite graft survival rate measure to inform a risk-adjustment methodology for this measure and might consider future notice and comment rulemaking on this topic.

As stated in the 2025 Proposed Rule at 90 FR 57605, since publication of the 2024 Final Rule, many IOTA participants have urged CMS to include a risk-adjustment methodology in the composite graft survival rate calculation. As such, in the 2025 Proposed Rule, we proposed at § 512.428(b)(2) to include a risk-adjustment methodology in the composite graft survival rate calculation. Specifically, we proposed at § 512.428(b)(2)(i)(A) and (B) that CMS would, in accordance with § 512.428(b)(1) through (3), risk-adjust the composite graft survival rate to account for multiple transplant recipient and donor characteristics, that includes at minimum the following:

- Transplant recipient characteristics:
  - ++ Age.
  - ++ Sex.
  - ++ Kidney function (eGFR/creatinine).
  - ++ Diabetes status.
  - ++ Hypertension with or without cardiovascular disease.
  - ++ Human leukocyte antigen (HLA) mismatch.
  - ++ Plasma renin activity (PRA) levels.[4]
- Donor characteristics:
  - ++ Age.
  - ++ Sex.
  - ++ Kidney function (eGFR/creatinine).
  - ++ Diabetes status.
  - ++ Hypertension history with or without cardiovascular disease.
  - ++ Cardiovascular disease.
  - ++ Human leukocyte antigen (HLA) mismatch.
  - ++ Plasma renin activity (PRA) levels.[5]
  - ++Cause of death.
  - ++Donation after cardiac death.

In the 2025 Proposed Rule, we stated our belief that the proposed transplant recipient and donor characteristics represent well-established, non-modifiable predictors that significantly influence graft survival independent of care quality (*90 FR 57605*). For example, advanced transplant recipient age increases mortality and cardiovascular complications, while sex-based differences in immune response and medication metabolism create distinct risk profiles requiring fair assessment.[6] [7] Diabetes, hypertension, and cardiovascular disease represent major outcome determinants present at transplantation that are largely beyond transplant hospitals' short-term control.[8] [9] [10] Donor age correlates with reduced nephron mass and shorter graft lifespan, while cause of death and donation type significantly affect both immediate function and long-term survival, creating substantial organ quality variation across centers.[11]

[3] Olawade, D.B., Marinze, S., Qureshi, N., Weerasinghe, K., & Teke, J. (2024). Transforming organ donation and transplantation: Strategies for increasing donor participation and system efficiency. *European Journal of Internal Medicine. https://doi.org/10.1016/j.ejim.2024.11.010.*

[4] Subsequent to the publication of the 2025 Proposed Rule, we have found that the wrong term was inadvertently used; we clarify that actually the term that should have been used was Panel Reactive Antibody (PRA) levels.

[5] Subsequent to the publication of the 2025 Proposed Rule, we have found that the wrong term was inadvertently used; we clarify that actually the term that should have been used was Panel Reactive Antibody (PRA) levels.

[6] Schwager, Y., Littbarski, S.A., Nolte, A., Kaltenborn, A., Emmanouilidis, N., Kleine-Döpke, D., Klempnauer, J., & Schrem, H. (2019). Prediction of Three-Year Mortality After Deceased Donor Kidney Transplantation in Adults with Pre-Transplant Donor and Recipient Variables. *Annals of Transplantation, 24,* 273–290. *https://doi.org/10.12659/aot.913217.*

[7] So, S., Au, E.H., Lim, W.H., Lee, V.W., & Wong, G. (2020). Factors influencing Long-Term patient and allograft outcomes in elderly kidney transplant recipients. *Kidney International Reports, 6*(3), 727–736. *https://doi.org/10.1016/j.ekir.2020.11.035.*

[8] Schwager, Y., Littbarski, S.A., Nolte, A., Kaltenborn, A., Emmanouilidis, N., Kleine-Döpke, D., Klempnauer, J., & Schrem, H. (2019). Prediction of Three-Year Mortality After Deceased Donor Kidney Transplantation in Adults with Pre-Transplant Donor and Recipient Variables. *Annals of Transplantation, 24,* 273–290. *https://doi.org/10.12659/aot.913217.*

[9] So, S., Au, E.H., Lim, W.H., Lee, V.W., & Wong, G. (2020). Factors influencing Long-Term patient and allograft outcomes in elderly kidney transplant recipients. *Kidney International Reports, 6*(3), 727–736. *https://doi.org/10.1016/j.ekir.2020.11.035.*

[10] Nishio, A.G., Patel, A., Mehta, S., Yadav, A., Doshi, M., Urbanski, M.A., Concepcion, B.P., Singh, N., Sanders, M.L., Basu, A., Harding, J.L., Rossi, A., Adebiyi, O.O., Samaniego-Picota, M., Woodside, K.J., & Parsons, R.F. (2024). Expanding the access to kidney transplantation: Strategies for kidney transplant programs. *Clinical Transplantation, 38*(5). *https://doi.org/10.1111/ctr.15315.*

[11] Watson, C.J.E., Johnson, R.J., Birch, R., Collett, D., & Bradley, J.A. (2012). A Simplified Donor Risk

Higher HLA mismatch increases rejection likelihood independent of clinical management quality, while elevated PRA levels indicate pre-existing sensitization creating immunological barriers that require intensive immunosuppression—both characteristics determined by factors largely beyond a kidney transplant hospital's control.[12] [13] Given the scarcity of donor organs and the IOTA Model's imperative to maximize transplant opportunities, risk-adjusted allocation strategies support accepting suboptimal immunological compatibility when clinically appropriate.[14]

In the 2025 Proposed Rule, we proposed at § 512.428(b)(2)(ii)(A) that CMS would analyze the transplant recipient and donor characteristics as specified at proposed § 512.428(b)(2)(i)(A) and (B) (*90 FR 57605*). We also proposed at § 512.428(b)(2)(ii)(B) that CMS would then apply a risk score to each individual IOTA transplant patient, as defined at § 512.402, based on the analysis of the transplant recipient and donor characteristics at proposed § 512.428(b)(2)(ii)(A). Lastly, we proposed at § 512.428(b)(2)(ii)(C)(*1*) and (*2*) that CMS would use the calculated composite graft survival rate risk scores identified at proposed § 512.428(b)(2)(ii)(B) to—

- Normalize the composite graft survival rate outcome to control for differences in kidney transplant patient risk; and
- Adjust the composite graft survival rate, based on the normalized composite graft survival rate outcome.

In the 2025 Proposed Rule, we stated our belief that this systematic approach to risk-adjusting kidney transplantation ensures standardized care delivery while accommodating individual kidney transplant patient needs and optimizing long-term outcomes through evidence-based protocols, and continuous quality improvement initiatives (*90 FR 57606*). Risk-adjustment accounts for factors that are associated with the outcome, vary across providers, and are unrelated to quality of care, so that measure scores reflect true differences in quality of care.[15] Accounting for case-mix differences is important because it recognizes that some IOTA participants care for older or sicker kidney transplant patients who have lower graft survival rates. Through the proposed risk-adjustment modeling, we believed an appropriate outcome rate is set for IOTA participants who care for kidney transplant patients with certain risk factors, decreasing the incentive to select younger, healthier patients for transplantation.

We sought comments on our proposed composite graft survival rate risk-adjustment methodology at proposed § 512.428(b)(2). We also sought comment on what transplant recipient and donor characteristics, infectious disease status or other medically complex factors, transplant recipient comorbidity burden, and immunological risk factors would be significant and clinically appropriate to include in the proposed risk-adjustment methodology for the composite graft survival rate metric.

As stated in the 2025 Proposed Rule (*90 FR 57606*), we considered all recommendations made by public commenters in the 2024 Final Rule. For example, a commenter believed that CMS should risk-adjust for at least a small number of factors that would allow for a simple model that is understandable by including the biggest drivers for variation in outcomes and thereby disincentivize the creation of additional hurdles for more complex transplant recipients (89 FR 96361). The same commenter believed that a risk-adjustment model that includes age, ESRD vintage, and diabetes mellitus (y/n) would leverage currently available data and remain easily measurable and understood. We strongly considered this recommendation and chose to propose a similar approach with different factors to account for more scenarios and to reduce the chance of disincentivizing transplantation.

Multiple commenters in the 2024 Final Rule and some IOTA participants advocated for the adoption of the SRTR risk-adjustment methodology, which is presently utilized by both the OPTN and CMS in existing programs (*90 FR 57606*). The SRTR risk-adjustment framework incorporates comprehensive adjustments for both transplant recipient and donor characteristics, undergoes annual updates to maintain currency, and is subject to validation and testing protocols. During each transplant program-specific report (PSR) cycle, the SRTR conducts a comprehensive refit of the graft survival prediction model, systematically evaluating numerous potential predictor variables to optimize the model's predictive accuracy and clinical relevance. The SRTR calculates the kidney donor risk index (KDRI) in accordance with the methodology established by Rao et al.[16] As such, we also considered, but did not propose, using SRTR's 1-year post-transplant outcomes risk-adjustment methodology for adult (18+) kidney graft survival with deceased and living donors, which includes a defined list of transplant recipient and donor characteristics included in the calculation that are updated periodically.[17] There is empirical support for sophisticated risk-adjustment methodologies like SRTR's, while acknowledging the need for ongoing refinement as unmeasured risk factors are identified and measurement precision improves.[18] [19] However, we believed this would require increased sophistication and attention from IOTA participants to interpret the additional information required and also require additional communications and education resources at transplant hospitals, potentially at Organ Procurement Organizations (OPO), and national levels.[20]

Index for Predicting Outcome After Deceased Donor Kidney Transplantation. *Transplantation, 93*(3), 314–318. *https://doi.org/10.1097/tp.0b013e31823f14d4.*

[12] Ibid.

[13] Schwager, Y., Littbarski, S.A., Nolte, A., Kaltenborn, A., Emmanouilidis, N., Kleine-Döpke, D., Klempnauer, J., & Schrem, H. (2019). Prediction of Three-Year Mortality After Deceased Donor Kidney Transplantation in Adults with Pre-Transplant Donor and Recipient Variables. *Annals of Transplantation, 24,* 273–290. *https://doi.org/10.12659/aot.913217.*

[14] Riley S, Zhang Q, Tse WY, Connor A, Wei Y. Using information available at the time of donor offer to predict kidney transplant survival Outcomes: A Systematic Review of Prediction Models. *Transplant International.* 2022;35. *https://doi:10.3389/ti.2022.10397.*

[15] So, S., Au, E.H., Lim, W.H., Lee, V.W., & Wong, G. (2020). Factors influencing Long-Term patient and allograft outcomes in elderly kidney transplant recipients. *Kidney International Reports,* 6(3), 727–736. *https://doi.org/10.1016/j.ekir.2020.11.035.*

[16] Rao, P.S., Schaubel, D.E., Guidinger, M.K., Andreoni, K.A., Wolfe, R.A., Merion, R.M., Port, F.K., & Sung, R. S. (2009). A Comprehensive Risk Quantification Score for Deceased Donor Kidneys: The Kidney Donor Risk Index. *Transplantation, 88*(2), 231–236. *https://doi.org/10.1097/TP.0b013e3181ac620b.*

[17] Technical methods for the Program-Specific reports. (n.d.–b). *https://www.srtr.org/transplant-professionals/program-specific-report/technical-methods-for-the-program-specific-reports/.*

[18] Axelrod, D.A., Schwantes, I.R., Harris, A.H., Hohmann, S.F., Snyder, J.J., Balakrishnan, R., Lentine, K.L., Kasiske, B.L., & Schnitzler, M.A. (2022). The need for integrated clinical and administrative data models for risk-adjustment in assessment of the cost transplant care. *Clinical Transplantation, 36* (12), e14817. *https://doi.org/10.1111/ctr.14817.*

[19] Israni, A.K., Hirose, R., Segev, D.L., Hart, A., Schaffhausen, C.R., Axelrod, D.A., Kasiske, B.L., & Snyder, J.J. (2022). Toward continuous improvement of Scientific Registry of Transplant Recipients performance reporting: Advances following 2012 consensus conference and future consensus building for 2022 consensus conference. *Clinical Transplantation, 36* (8), e14716. *https://doi.org/10.1111/ctr.14716.*

[20] Technical methods for the Program-Specific reports. (n.d.–b). *https://www.srtr.org/about-the-data/technical-methods-for-the-program-specific-reports/.*

Additionally, SRTR implements more frequent model rebuilds in addition to refitting the models every 6 months (*90 FR 57606*). The purpose of rebuilding each cycle is to ensure that new transplant recipient and donor characteristics are incorporated into the risk-adjustment methodology. Therefore, for the purposes of risk-adjusting the composite graft survival rate, we considered, but did not propose, using only SRTR's post-transplant outcomes adult kidney model strata and most recently available set of coefficients. Alternatively, we also considered but did not propose utilizing a more limited set of characteristics than those employed by SRTR for simplification purposes.

A primary criticism of the SRTR risk-adjustment framework concerns the potential for encouraging risk aversion (*90 FR 57607*).[21] [22] [23] [24] [25] [26] Kidney transplant hospitals may prioritize statistical performance over kidney transplant waitlist patient access to care, potentially limiting transplant opportunities for kidney transplant waitlist patients who would benefit despite higher risk profiles.[27] There have been persistent questions about ''whether the OPTN data are adequate for risk-adjustments used in SRTR program-specific reporting.'' [28] While the current methodology provides adequate risk-adjustment for available data, the collection of additional risk factors such as local comorbidity indexes, community risk factors, cardiovascular risk factors, and anatomical abnormalities or vascular injury in donor kidneys could further enhance the accuracy and fairness of IOTA Model evaluations. [29] Given that the objective of the IOTA Model is to increase kidney transplant volume, we did not propose using SRTR's risk-adjustment methodology or using only SRTR's post-transplant outcomes adult kidney model strata and most recently available set of coefficients due to concerns that it creates stronger incentives for risk aversion compared to alternative approaches. Additionally, given that the composite graft survival rate is a rolling measure, we also had operational concerns in the use of SRTRs risk-adjustment methodology in future PYs.

We also considered but did not propose a risk-adjustment methodology that utilizes a Cox regression model,[30] which accounts for time-to-event data and can handle censored observations, making it a strong potential option for risk-adjustment in transplant outcome studies (*90 FR 57607*). In this methodology, censored observations [31] would include transplant recipients still alive at the end of the follow-up period, transplant recipients lost to follow-up before experiencing death or graft failure, and transplant recipients who withdrew from the study before the event occurred including two donor and five recipient variables.[32] Cox regression models have been cited for strong performance with extreme categories, discriminative power, and interpretable results.[33] [34] [35] This methodology also exhibits several inherent limitations, including restrictive assumptions concerning proportional hazards and linear effects of variables, inadequate handling of outliers within continuous variables and variable interactions, and constraints regarding the limited number of variables that can be incorporated into the modeling framework.[36] [37] While we recognized the importance of incorporating a time-to-event model in the risk-adjustment methodology to account for the length of graft survival, we chose not to propose a Cox regression model because it shows only moderate prediction accuracy overall and needs more validation.

We considered, but did not propose, a direct standardization risk-adjustment approach (*90 FR 57607*). This method applies standard population risk profiles [38] to all IOTA participants.

[21] Schenk, A. D., Logan, A. J., Sneddon, J. M., Faulkner, D., Han, J. L., Brock, G. N., & Washburn, W. K. (2022). Textbook Outcome as a Quality Metric in Living and Deceased Donor Kidney Transplantation. *Journal of the American College of Surgeons, 235*(4), 624–642. *https://doi.org/10.1097/xcs.0000000000000030* 1.

[22] Kasiske, B. L., Salkowski, N., Wey, A., Israni, A. K., & Snyder, J. J. (2018). Scientific Registry of Transplant Recipients program-specific reports: where we have been and where we are going. *Current Opinion in Organ Transplantation, 24*(1), 58–63. *https://doi.org/10.1097/mot.0000000000000597*.

[23] Jay, C., & Schold, J. D. (2017). Measuring Transplant Center Performance: the Goals Are Not Controversial but the Methods and Consequences Can Be. *Current Transplantation Reports, 4*(1), 52–58. *https://doi.org/10.1007/s40472-017-0138-9*.

[24] Snyder, J. J., Salkowski, N., Wey, A., Israni, A. K., Schold, J. D., Segev, D. L., & Kasiske, B. L. (2016). Effects of High-Risk Kidneys on Scientific Registry of Transplant Recipients Program Quality Reports. *American Journal of Transplantation, 16*(9), 2646–2653. *https://doi.org/10.1111/ajt.13783*.

[25] Bowring, M. G., Massie, A. B., Craig-Schapiro, R., Segev, D. L., & Nicholas, L. H. (2018). Kidney offer acceptance at programs undergoing a Systems Improvement Agreement. *American Journal of Transplantation, 18*(9), 2182–2188. *https://doi.org/10.1111/ajt.14907*.

[26] Abecassis, M. M., Burke, R., Klintmalm, G. B., Matas, A. J., Merion, R. M., Millman, D., Olthoff, K., & Roberts, J. P. (2009). American Society of Transplant Surgeons Transplant Center Outcomes Requirements-A Threat to Innovation. *American Journal of Transplantation, 9*(6), 1279–1286. *https://doi.org/10.1111/j.1600-6143.2009.02606.x*.

[27] Kasiske, B. L., Salkowski, N., Wey, A., Israni, A. K., & Snyder, J. J. (2018). Scientific Registry of Transplant Recipients program-specific reports: where we have been and where we are going. *Current Opinion in Organ Transplantation, 24*(1), 58–63. *https://doi.org/10.1097/mot.0000000000000597*.

[28] Schenk, A. D., Logan, A. J., Sneddon, J. M., Faulkner, D., Han, J. L., Brock, G. N., & Washburn, W. K. (2022). Textbook Outcome as a Quality Metric in Living and Deceased Donor Kidney Transplantation. *Journal of the American College of Surgeons, 235*(4), 624–642. *https://doi.org/10.1097/xcs.0000000000000301*.

[29] Snyder, J. J., Salkowski, N., Wey, A., Israni, A. K., Schold, J. D., Segev, D. L., & Kasiske, B. L. (2016). Effects of High-Risk Kidneys on Scientific Registry of Transplant Recipients Program Quality Reports. *American Journal of Transplantation, 16*(9), 2646–2653. *https://doi.org/10.1111/ajt.13783*.

[30] Cox regression, formally designated as Cox proportional hazards regression, constitutes a statistical methodology employed to examine the relationship between the time to event occurrence and one or more predictor variables. This analytical approach represents a robust statistical tool for investigating survival data, particularly when addressing time-to-event outcomes where the event of interest may encompass mortality, disease onset, or other clinically relevant occurrences.

[31] In the context of risk-adjustment, a censored observation refers to incomplete information about the true timing or occurrence of an outcome of interest, where only certain boundaries are known rather than the exact value. This phenomenon is particularly prevalent in healthcare risk-adjustment models when tracking patient outcomes such as readmissions, complications, or mortality events. Properly accounting for censored observations through survival analysis methods is crucial in risk-adjustment because ignoring censoring can lead to biased risk estimates, inaccurate patient stratification, and flawed predictive models that may unfairly penalize or reward healthcare providers based on incomplete outcome data.

[32] Senanayake, S., Kularatna, S., Healy, H., Graves, N., Baboolal, K., Sypek, M. P., & Barnett, A. (2021). Development and validation of a risk index to predict kidney graft survival: the kidney transplant risk index. *BMC Medical Research Methodology, 21*(1). *https://doi.org/10.1186/s12874-021-01319-5*.

[33] Ibid.

[34] Abd ElHafeez, S., D'Arrigo, G., Leonardis, D., Fusaro, M., Tripepi, G., & Roumeliotis, S. (2021). Methods to Analyze Time-to-Event Data: The Cox Regression Analysis. *Oxidative Medicine and Cellular Longevity, 2021*(1), 1–6. *https://doi.org/10.1155/2021/1302811*.

[35] Wey, A., Hart, A., Salkowski, N., Skeans, M., Kasiske, B. L., Israni, A. K., & Snyder, J. J. (2020). Posttransplant outcome assessments at listing: Long-term outcomes are more important than short-term outcomes. *American Journal of Transplantation, 20*(10), 2813–2821. *https://doi.org/10.1111/ajt.15911*

[36] Senanayake, S., Kularatna, S., Healy, H., Graves, N., Baboolal, K., Sypek, M. P., & Barnett, A. (2021). Development and validation of a risk index to predict kidney graft survival: the kidney transplant risk index. *BMC Medical Research Methodology, 21*(1). *https://doi.org/10.1186/s12874-021-01319-5*

[37] Scheffner, I., Gietzelt, M., Abeling, T., Marschollek, M., & Gwinner, W. (2020). Patient Survival After Kidney Transplantation: Important Role of Graft-sustaining Factors as Determined by Predictive Modeling Using Random Survival Forest Analysis. *Transplantation, 104*(5), 1095–1107. *https://doi.org/10.1097/tp.0000000000002922*.

[38] Standard population risk profiles represent a methodological framework that establishes a reference population to enable fair and meaningful comparisons between healthcare centers when patient populations exhibit different risk characteristics. The methodology employs all

Advantages to this method include simple interpretation and precedence in Care Compare.[39] Disadvantages are that it requires large sample sizes and is less precise for smaller kidney transplant hospitals. We chose not to propose this method because it could disadvantage smaller IOTA participants.

We considered, but did not propose, an indirect standardization (observed-to-expected ratios) risk-adjustment approach, which compares observed outcomes to expected outcomes based on a risk model (*90 FR 57607*). Advantages to this method are that it preserves competitive scoring while ensuring fairness, works well with small sample sizes, provides precise estimates, and has precedence with the ESRD Quality Incentive Program (QIP) Standardized Mortality Ratio (SMR).[40] [41] We chose not to propose this approach because of the complexity of designing a robust risk model.

We considered, but did not propose, a hierarchical logistic regression approach with indirect standardization (*90 FR 57607*). This approach models graft survival probability at the individual transplant recipient level and accounts for kidney transplant hospital-level clustering effects.[42] [43] It produces observed-to-expected ratios for fair comparison and is compatible with cumulative measure calculation. The hierarchical logistic regression statistical model structure we considered using is illustrated in Equation 1:

Equation 1: Considered Hierarchical Logistic Regression Equation

$$logit(P_{ij}) = \beta_0 + \beta_1(Age_ij) + \beta_2(Diabetes_ij) + \beta_3(DialysisVintage_ij) + \beta_4(KDPI_ij) + \beta_5(DCD_ij) + \beta_6(PRA_ij) + u_j$$

Where:

$$-P_{ij} = probability\ of\ graft\ survival\ for\ kidney\ transplant\ patient\ i\ in\ IOTA\ participant\ j$$

$$-u_j \sim N(0, \sigma_u^2) represents\ random\ IOTA\ participant - level\ effects$$

$$-\beta^0 = intercept$$

$$-\beta^1 - \beta^6 = fixed\ effect\ coefficients\ for\ risk\ adjustment\ variables$$

This equation risk-adjusts for age, diabetes status, dialysis vintage, Kidney Donor Profile Index (KDPI), Donation after Cardiac Death (DCD), which describes donors who are declared dead based on the cessation of circulatory and respiratory functions, and Panel Reactive Antibody (PRA). While we acknowledged that this approach demonstrates substantial technical merit, we believed that the level of complexity inherent in a hierarchical logistic regression statistical model structure would introduce operational risks and administrative burden. Transplant hospital-level variation may not be significant enough to warrant the added complexity,[44] as such, we did not believe this was appropriate to propose for the IOTA Model.

We further considered, but did not propose, using machine learning-based risk-adjustment methodology, which uses ensemble methods (random forests, gradient boosting) for risk prediction (*90 FR 57607*). Machine learning-based risk-adjustment methodology captures complex interactions and has high predictive accuracy, but we chose not to propose it due to concerns that stakeholders may resist the ''black box'' machine learning-based risk-adjustment methodology and the limited

patients from all providers as the reference population, creating a uniform baseline against which all centers can be evaluated equitably. The process involves estimating the relationship between patient characteristics (represented as a vector of covariates X reflecting potential risk factors) and clinical outcomes for each healthcare center. This established relationship is then applied to all patients within the reference population to calculate expected outcomes as if every patient in the reference population had received treatment at each specific center under evaluation. Mathematically, this direct standardization approach can be expressed as d_c = (1/N) × Σ p_c(X_i), where d_c represents the standardized outcome for center c, N denotes the total number of patients in the reference population, and p_c(X_i) represents the estimated probability for patient i's characteristics at center c.

[39] Schokkaert, E., & Van De Voorde, C. (2008). Direct versus indirect standardization in risk-adjustment. *Journal of Health Economics,* 28(2), 361–374. *https://doi.org/10.1016/j.jhealeco.2008.10.012.*

[40] Ibid.

[41] Scheffner, I., Gietzelt, M., Abeling, T., Marschollek, M., & Gwinner, W. (2020). Patient Survival After Kidney Transplantation: Important Role of Graft-sustaining Factors as Determined by Predictive Modeling Using Random Survival Forest Analysis. *Transplantation, 104*(5), 1095–1107. *https://doi.org/10.1097/tp.0000000000002922.*

[42] Hoffman, J. I. (2015). Survival analysis. In *Elsevier eBooks* (pp. 621–643). *https://doi.org/10.1016/b978-0-12-802387-7.00035-4*

[43] Hoffman, J. I. (2015a). Logistic regression. In *Elsevier eBooks* (pp. 601–611). *https://doi.org/10.1016/b978-0-12-802387-7.00033-0.*

[44] Leyland, A. H., & Groenewegen, P. P. (2020b). Multilevel Modelling for Public Health and Health Services Research. In *Springer eBooks.* Springer Nature. *https://doi.org/10.1007/978-3-030-34801-4.*

precedence in quality measurement or at CMS.[45]

We sought comment on the alternatives considered. Although we did not propose to include a risk-adjustment methodology that also accounts for time-to-event data, we sought comment on whether a risk-adjustment methodology that considers transplant recipient and donor characteristics in addition to time-to-event data would be appropriate for calculating the composite graft survival rate in the quality domain and the best approach to use. We also sought comments on whether the proposed risk-adjustment methodology should also include a time-to-event model when calculating the composite graft survival rate in the quality domain.

In the 2024 Final Rule (89 FR 96364), we finalized inclusion and exclusion criteria for the numerator and denominator when calculating the composite graft survival rate at § 512.428(b)(1)(iii) and (iv)(A). As stated in the 2025 Proposed Rule, since publication, many IOTA participants have asked CMS to clarify whether multi-organ transplants are included in both the numerator and denominator when calculating the composite graft survival rate (*90 FR 57608*). Specifically, questions surrounded the current regulation at § 512.428(b)(1)(iii)(E), which states that CMS will exclude offers to multi-organ candidates (except for kidney/pancreas candidates that are also listed for kidney alone) from the numerator. We clarified that this exclusion pertains to the offer phase of the transplant process. The actual transplant outcomes, when including a kidney, remain within the measurement scope. This interpretation ensures standardized application of the exclusion criterion while maintaining the measure's intended focus on kidney transplant outcomes, regardless of concurrent multi-organ status. We also noted that the denominator calculation, as finalized in the 2024 Final Rule, does not contain exclusions for multi-organ transplants, which allows for comprehensive tracking of all kidney transplant outcomes. Since CMS clarified that multi-organ transplants are included in the calculation of the composite graft survival rate, many IOTA participants have urged CMS to exclude them from the metric due to the additional complexity of multi-organ transplantation.

In the 2025 Proposed Rule, we proposed to update the regulation at § 512.428(b)(1)(iii)(E) to exclude multi-organ transplants (except for kidney/pancreas transplants) from the numerator (90 FR 57598). As a result, we also proposed to update the provision at § 512.428(b)(1)(iv)(A) to read as follows: When calculating the composite graft survival rate, CMS only includes single-organ kidney transplants and kidney/pancreas transplants for transplant recipients who are 18 years of age and older at the time of the kidney transplant or kidney/pancreas transplant in the number of kidney transplants performed by the IOTA participant during each PY in the denominator. For purposes of the model, we proposed at § 512.402 to define ''single-organ kidney transplant'' as a procedure in which a kidney alone is surgically transplanted from a living or deceased donor. We sought comment on our proposed definition of single-organ kidney transplant at proposed § 512.402.

As stated in the 2025 Proposed Rule, we proposed to exclude multi-organ transplants—procedures in which a kidney is surgically transplanted from deceased donor to a transplant recipient along with one or more organs transplanted simultaneously—except for kidney/pancreas transplants from the composite graft survival rate metric in recognition of the increased complexity of clinical outcomes associated with these procedures (*90 FR 57608*).[46] In acknowledgment that multi-organ transplantation represents a distinct clinical scenario with potentially different risk profiles, complication rates, and outcomes compared to single-organ kidney transplantation, we believe it would be methodologically sound to analyze multi-organ transplant recipients separately from single-organ kidney transplant and kidney/pancreas transplant recipients. We proposed to include kidney/pancreas transplants because, although these procedures are associated with greater surgical complexity and higher perioperative risk, clinical evidence demonstrates improved recipient survival compared with kidney transplantation alone among patients with Type 1 Diabetes Mellitus.[47] Kidney/pancreas transplantation offers a potential cure for both diabetes and kidney failure in this population.[48] Additionally, the inclusion of kidney/pancreas transplants within the composite graft survival rate metric aligns with established SRTR methodology, which includes kidney/pancreas transplants while excluding other multi-organ transplant procedures from their graft survival criteria.[49] We further note that including kidney/pancreas transplants in the composite graft survival rate metric is consistent with the efficiency domain as described at § 512.426(b)(1)(iii)(E) where multi-organ kidney transplant offers (except for kidney/pancreas candidates that are also listed for kidney alone) are excluded from the organ offer acceptance rate ratio measure calculation.

We sought comment on our proposals at proposed § 512.428(b)(1)(iii)(E) and (b)(1)(iv)(A) to exclude multi-organ transplants except for kidney/pancreas transplants from the numerator and denominator when calculating the composite graft survival rate in the quality domain.

We considered retaining the inclusion of multi-organ transplantation in the calculation of the composite graft survival rate and solely revising the text of the regulation for clarification purposes (*90 FR 57609*). From 2000 to 2020 deceased donor kidney transplant volume doubled, while multi-organ transplants involving kidneys increased 6-fold during the same period. Including multi-organ transplants in metrics could allow for more robust monitoring of multi-organ transplant outcomes and provide a more comprehensive assessment of transplant hospital capabilities and outcomes across all transplant types, ensuring a fair comparison of overall program performance. However, we chose not to propose including multi-organ transplants because it would require rigorous analysis considering organ scarcity, dynamic decision-making, and heterogeneous practice patterns to develop risk-adjustment methodologies to account for multi-organ transplant allocation policies.

We considered excluding all multi-organ transplants, including kidney/pancreas transplants, from the composite graft survival rate due to the increased surgical complexity and

[45] Weissman, G.E., & Maddox, K.E.J. (2023). Guiding risk-adjustment models toward machine learning methods. *JAMA, 330*(9), 807. *https://doi.org/10.1001/jama.2023.12920.*

[46] Schold, J.D., & Mohan, S. (2021). A deeper dive into the impact of multiple-organ transplant policy on kidney transplant candidate prognoses. *American Journal of Transplantation, 21*(6), 2004–2006. *https://doi.org/10.1111/ajt.16508.*

[47] Ibid.

[48] Nagendra, L., Fernandez, C.J., & Pappachan, J.M. (2023). Simultaneous pancreas-kidney transplantation for end-stage renal failure in type 1 diabetes mellitus: Current perspectives. *World Journal of Transplantation, 13*(5), 208–220. *https://doi.org/10.5500/wjt.v13.i5.208.*

[49] *Technical methods for the Program-Specific reports.* (n.d.–b). *https://www.srtr.org/about-the-data/technical-methods-for-the-program-specific-reports/.*

perioperative complications (*90 FR 57609*). However, we chose not to propose excluding all multi-organ transplants because we believe that the improved clinical outcomes for kidney/pancreas transplants compared to kidney transplantation alone for Type 1 Diabetes Mellitus patients outweighed the added surgical complexity and potential perioperative complications.

We sought comment on the alternatives considered. We also sought comment on whether CMS should include multi-organ transplants in the numerator and denominator and which multi-organ transplants should CMS include or exclude.

The following is a summary of the public comments received on all of the calculation of metric proposals and alternatives considered set out in this section and our responses:

Comment: Many commenters expressed support for including risk-adjustment in the composite graft survival measure. Commenters stated that risk-adjustment promotes fairness and accuracy in performance measurement, prevents IOTA participants serving medically complex patient populations from being penalized, and aligns incentives with the goal of expanding transplant access. Commenters also noted that risk-adjustment facilitates meaningful comparisons across IOTA participants and may reduce risk averse behavior. Several commenters emphasized that risk-adjustment is critical to achieving the goals of the IOTA Model.

Some of these commenters noted that without risk-adjustment, IOTA participants may face unintended pressure to avoid higher risk donors or recipients in order to protect performance scores, which could be counterproductive to the model's objectives of increasing kidney transplant volume and reducing waitlist mortality.

Response: We appreciate the feedback from commenters, and we agree about the importance of including a risk-adjustment methodology in the calculation of the composite graft survival rate metric in the quality domain. As stated in the 2025 Proposed Rule (*90 FR 57606*), we believe that including a risk-adjustment methodology for the composite graft survival rate to account for inherent donor and transplant recipient conditions that significantly influence graft survival, independent of care quality, supports meaningful and equitable performance measurement.

Comment: Many commenters urged CMS to adopt the existing SRTR risk-adjustment methodology rather than developing a separate approach for the IOTA Model, citing concerns that the proposed risk-adjustment methodology lacked sufficient clinical input and validation, may be complex to implement, could incentivize risk-averse behavior, and may not meaningfully affect a cumulative measure over time while potentially failing to keep pace with evolving clinical practice.

In the context of alternative considerations, several commenters stated that SRTR has the expertise and access to national data necessary to support development of a composite graft survival model that incorporates clinically validated variables and can be updated regularly to reflect evolving practices and emerging factors. In addition, a commenter noted that using SRTR data could reduce administrative burden because transplant programs and organ procurement organizations already submit these data through existing reporting systems. The commenter further cited prior analysis estimating the cost of additional data collection and emphasized the importance of considering such burden when evaluating alternative approaches.

Commenters also stated that the SRTR risk-adjustment methodology is validated, evidence-based, and widely used in the transplant community. Commenters noted that it aligns with existing standards, includes established processes for data review and correction, reduces duplicative reporting burden, and is updated on a regular basis with input from clinical experts.

Response: Given the numerous concerns from stakeholders regarding the proposed risk-adjustment methodology for calculating the composite graft survival rate, we recognized an updated risk-adjustment methodology may be necessary to strengthen the model. As indicated in the 2025 Proposed Rule (*90 FR 57606*) and discussed in the preamble of this final rule, we considered using SRTR's adult kidney graft survival first-year post-transplant models for both deceased donor and living donor kidney transplants,[50] as well as a simplified approach utilizing a more limited set of characteristics than those employed by SRTR. Ultimately, for the reasons set forth in the 2025 Proposed Rule, we decided against either approach because, despite its sophistication and empirical support, it introduces substantial operational complexity and stronger incentives for risk aversion that could undermine the IOTA Model's goal of increasing kidney transplant volume. Additionally, we believed that these approaches could require extensive interpretive effort and additional resources from transplant hospitals, OPOs, and national partners. Instead, in the 2025 Proposed Rule, we constructed, and proposed, a risk-adjustment methodology to ensure that the composite graft survival rate accurately reflects true differences in quality of care by controlling for well established, nonmodifiable kidney transplant recipient and donor risk factors that meaningfully influence graft survival, thereby promoting equitable comparisons across IOTA participants and reducing incentives to avoid higher risk patients. We direct readers to section II.B.2.b(2)(a) of this final rule for a full discussion on the risk-adjustment methodology proposed in the 2025 Proposed Rule. However, we recognize that there may be a more appropriate balance between the more complex methodologies we considered and the simpler methodology we proposed, which aims to reduce complexity while supporting a more attainable and practical approach for IOTA participants.

We conducted additional analysis that examined one of the risk-adjustment methodologies that we considered for calculating composite graft survival rate as described in section II.B.2.b(2)(a) of the 2025 Proposed Rule. Specifically, based on public comment, we reexamined whether we could incorporate SRTR's risk-adjustment methodology into the composite graft survival rate. We compared this methodology to what we proposed, as described in this section of this final rule, to determine whether an alternative risk-adjustment methodology for calculating the composite graft survival rate would be potentially more attainable.

Based on additional analysis and the commenters' concerns about the proposed risk-adjustment methodology, we are finalizing an updated risk-adjustment methodology in the calculation of the composite graft survival rate as follows:

Beginning in PY 2, for each PY, CMS will risk-adjust the observed graft survival rate to account for differences across IOTA participants in donor and candidate characteristics expected to influence graft survival. First, CMS will calculate the observed composite graft survival rate using the following equation (see Equation 2), where the observed composite graft survival rate is

[50] Technical methods for the Program-Specific reports. (n.d.-b). *https://www.srtr.org/about-the-data/technical-methods-for-the-program-specific-reports/*

the IOTA participant's actual composite graft survival rate, as finalized in Equation 1 to Paragraph (b)(1) at *§ 512.428,* with a Bayesian adjustment applied for statistical reliability.

Equation 2: Observed Composite Graft Survival Rate

$$Composite\ Graft\ Suvival\ Rate_{Observed\ Adjusted} = \frac{\#\ of\ Functioning\ Grafts\ +\ 2}{Total\ Completed\ Transplants\ +\ 2}$$

To enhance the statistical reliability of the composite graft survival rate, particularly for IOTA participants with a small volume of kidney transplants, a +2 Bayesian adjustment will be applied to the observed composite graft survival rate. This is a form of statistical smoothing that addresses instability that occurs when calculating rates from small transplant volume numbers. For instance, at a kidney transplant hospital with very few kidney transplants, a single poor outcome can cause its observed survival rate to be an extreme and potentially misleading value (for example, 0 percent). This volatility can obscure the IOTA participant's true underlying performance. The +2 Bayesian adjustment helps correct this.

The adjustment works by adding two ''pseudo-events'' to each IOTA participant's actual data before calculating their composite graft survival rate. This technique prevents an IOTA participant's score from swinging dramatically based on just one or two outcomes. By implementing this Bayesian adjustment, the risk-adjustment model ensures that performance scores are more reliable across all IOTA participants, preventing smaller volume kidney transplant hospitals from being unfairly penalized due to random chance.

Next, CMS would calculate the risk score for each IOTA participant using the following equation (see Equation 3), which is a ratio that quantifies each IOTA participant's risk of graft failure relative to the national graft failure rate. It compares each IOTA participant's expected graft failure rate to the national graft failure rate.

Equation 3: Risk Score Equation

$$Risk\ Score = \frac{Expected\ Graft\ Failure\ Rate_{IOTA\ Participant}}{Graft\ Failure\ Rate_{National}}$$

A risk score greater than 1.0 indicates the IOTA participant's kidney transplant patients are estimated, on average, to have a higher risk of graft failure compared to the national graft failure rate. A risk score less than 1.0 means their kidney transplants are estimated, on average, to have a lower risk of graft failure. Multiplying the observed composite graft survival rate by the risk score (see Equation 6) adjusts the performance on this metric upward for IOTA participants taking on more risk and downward for IOTA participants with kidney transplants, on average, with less risk of graft failure, allowing for a more equitable comparison of performance.

To calculate the expected graft failure rate needed for the risk score, CMS would use SRTR's adult kidney graft survival first-year, post-transplant risk-adjustment models for both deceased donor and living donor kidney transplants [51] which employs a Cox proportional hazards regression model to perform a time-to-event (TTE) analysis (see Equation 4).

Equation 4: Expected Graft Failure Rate.

$$Prob(failure) = 1 - S_0(t)exp^{(\beta X)}$$

In the equation for calculating the expected graft failure rate, $S_0(t)$ equals the baseline survival function and βX equals the linear predictor computed from SRTR's adult kidney graft survival first-year post-transplant risk-adjustment models variables and model coefficients. We note that this statistical approach is consistent with the core of the SRTR framework but by risk-adjusting the observed composite graft survival rate it has been adapted for the cumulative structure of the composite graft survival rate metric, as illustrated in Table 1.

[51] *https://www.srtr.org/transplant-professionals/program-specific-report/posttransplant-outcomes-risk-adjustment/*

TABLE 1: ADAPTATION OF SRTR'S RISK-ADJUSTMENT METHODOLOGY FOR THE IOTA MODEL

Feature	Standard SRTR Risk-Adjustment Model	IOTA Model's Adapted Risk-Adjustment Model
Primary Goal	Designed to generate distinct risk-adjusted graft survival rates over a specified, fixed period of time.	Adapts the SRTR framework to risk-adjust a cumulative observed composite graft survival rate on an ongoing basis for IOTA participants.
Time Horizon	Estimates the risk of graft failure at fixed, retrospective time points (for example, 1-year or 3-years post-transplant).	Estimates the risk of graft failure using SRTR's methodology for 1-year post-transplant
Core Methodology	Employs a TTE analysis using a Cox proportional hazards regression model.	Consistent with the core SRTR framework, it also uses a TTE analysis to calculate the expected graft failure rate needed for the risk score.
Variables Used	Uses a comprehensive and validated set of variables and coefficients for both deceased and living donors.	Maintains consistency by using SRTR's adult kidney graft survival first-year post-transplant models and most recently available set of variables and coefficients.
Final Output	Produces a standalone risk-adjusted graft survival rate for a specific cohort over a defined period (for example, 1-year graft survival rate).	Produces a risk score that is multiplied by the observed composite graft survival rate, thereby adjusting a cumulative metric rather than creating a new, period-specific one.

This risk-adjustment methodology would use the most recently available comprehensive and validated set of risk factors and coefficients from SRTR's adult kidney graft survival first-year post-transplant risk-adjustment models for both deceased donor and living donor kidney transplants.[52] These include dozens of donor, transplant recipient, and transplant characteristics, such as donor and transplant recipient age, transplant recipient diabetes status, Calculated Panel Reactive Antibody (CPRA), Donation after Circulatory Death (DCD) status, cold ischemic time, and Kidney Donor Profile Index (KDPI) components. By using SRTR's established factors, the model aligns with commenters' requests for a robust, clinically validated system, and avoids issues identified in the initial proposal, such as the use of less reliable variables like estimated Glomerular Filtration Rate (eGFR) for dialysis patients. We note that we intend to analyze and monitor the variables and coefficients, and if analysis warrants updated coefficients, we may propose a new or updated policy through future comment and notice rulemaking as appropriate.

CMS would calculate the national graft failure rate for the relevant PY by dividing the number of graft failures, as defined by SRTR, among kidney transplants furnished to patients 18 years of age or older and performed during the given PY by the number of kidney transplants furnished to patients 18 years of age or older and performed during the given PY (see Equation 5). SRTR counts a graft as failed when follow-up information indicates that one of the following occurred before the reporting time point: (1) graft failure (except for heart and liver, when re-transplant dates are used instead); (2) re-transplant (for all transplants except heart-lung and lung); or (3) death.[53] CMS would identify graft failures in accordance with *§ 512.428(b)(1)(iv)(B).* All kidney transplant hospitals, except for pediatric kidney transplant hospitals as defined at § 512.402, would be included in the numerator and denominator. By limiting both the numerator and denominator to kidney transplants performed during the relevant PY, this calculation is temporally aligned with each IOTA participant's expected graft failure rate calculation, ensuring a consistent and comparable time horizon across both rates. Once calculated, the resulting amount is the national graft failure rate for kidney transplants performed for the relevant PY. The risk score would be normalized to provide a national mean of 1.0.

Equation 5: National Graft Failure Rate.

$$National\ Average\ Graft\ Failure\ Rate\ = \frac{Number\ of\ Graft\ Failures}{Number\ of\ Completed\ Kidney\ Transplants}$$

[52] *https://www.srtr.org/transplant-professionals/program-specific-report/posttransplant-outcomes-risk-adjustment/.*

[53] *Technical Methods for the Program-Specific Reports.* (n.d.). *Www.srtr.org.* Retrieved December 3, 2022, from *https://www.srtr.org/transplant-professionals/program-specific-report/technical-methods-for-the-program-specific-reports/;* OPTN. (2022). *OPTN Enhanced Transplant Program Performance Metrics. https://optn.transplant.hrsa.gov/media/r5lmmgcl/mpsc_performancemetrics_3242022b.pdf.*

Lastly, the risk-adjusted composite graft survival rate for an IOTA participant would be calculated by multiplying its observed composite graft survival rate by a calculated risk score (see Equation 6). This approach maintains the risk-adjusted composite graft survival rate metric as an intuitive survival rate, directly adjusted for expected graft failure risk.

Equation 6: Composite Graft Survival Rate Risk-Adjusted

$$Composite\ Graft\ Suvival\ Rate_{Rsk\ Adj} = Composite\ Graft\ Survival\ Rate_{Observed\ Adjusted}\ x\ Risk\ Score$$

We clarify that, in the risk-adjustment methodology that we are finalizing and as described above, CMS would not round any numerical values derived from any of the calculations.

The following simplified example demonstrates how the risk-adjustment methodology works for two IOTA participants in PY2, IOTA participant A and IOTA participant B:

- Calculate observed composite graft survival rate. Table 2 contains the example number of kidney transplants, and the observed and adjusted graft survival rates.

TABLE 2: EXAMPLE OF OBSERVED AND ADJUSTED GRAFT SURVIVAL CALCULATIONS

Step	Calculation	IOTA Participant A	IOTA Participant B
1 – Identify total number of functioning grafts	N/A	82	88
2 – Identify total number of completed kidney transplants	N/A	100	100
3 – Calculate observed composite graft survival rate	Equation 1 to Paragraph (b)(1) at § 512.428	0.820	0.880
4 – Calculate observed composite graft survival rate with Bayesian adjustment	Equation 1 to Paragraph (b)(2)(ii)(A) at § 512.428, as illustrated in Equation 2	0.823	0.882

- Calculate Risk Score: Using SRTR's adult kidney graft survival first-year post-transplant risk-adjustment models for both deceased donor and living donor kidney transplants,[54] we compute the expected 1-year graft survival rates for IOTA participant A and IOTA participant B as well as the national 1-year graft survival rate, and the risk score for each IOTA participant, as illustrated in Table 3.

TABLE 3: EXAMPLE OF CALCULATION OF RISK SCORES

Step	Calculation	IOTA Participant A	IOTA Participant B
4 – Calculate expected graft failure rate	Equation 1 to Paragraph (b)(2)(ii)(B)(1)(i) at § 512.428, as illustrated in Equation 3.	0.145	0.158
5 – Calculate national graft failure rate	Equation 1 to Paragraph (b)(2)(ii)(B)(2)(i) at § 512.428, as illustrated in Equation 4.	0.150	0.150
6 – Calculate Risk Score	Equation 1 to Paragraph (b)(2)(ii)(B)(3) at § 512.428, as illustrated in Equation 5.	0.967	1.053

- Composite Graft Survival Rate Risk-Adjusted Calculation: As illustrated in Table 4, the composite graft survival risk rate risk-adjusted score would be calculated by using the risk score, calculated in step 2, to risk-adjust the Bayesian-adjusted observed composite graft survival rate (see Table 2, step 4) that was calculated in step 1 to arrive at the risk-adjusted composite graft survival rate, as illustrated in Table 4, step 7. In this example, the final risk-adjusted composite graft survival rate: 0.824 (observed composite graft survival rate) × 0.967 (risk score) = 0.797 for IOTA participant A, and 0.882 (observed composite graft survival rate) × 1.053 (risk score) = 0.929 for IOTA participant B.

[54] *https://www.srtr.org/transplant-professionals/program-specific-report/posttransplant-outcomes-risk-adjustment/*

TABLE 4: EXAMPLE RISK-ADJUSTED COMPOSITE GRAFT SURVIVAL RATE

Step	Calculation	IOTA Participant A	IOTA Participant B
7 – Calculate risk-adjusted composite graft survival rate	Equation 1 to Paragraph (b)(2)(ii)(C) at § 512.428, as illustrated in Equation 6	0.797	0.929

Initially, IOTA participant B (88 percent composite graft survival rate) appeared to perform better than IOTA participant A (82 percent composite graft survival rate). However, after risk-adjustment, the difference is amplified. IOTA participant A's performance is adjusted downward because its kidney transplants had lower-than-average risk (risk score < 1.0), meaning a higher survival rate was expected given its patient mix. IOTA participant B's strong performance is adjusted upward because it was achieved with higher-risk kidney transplants. The final risk-adjusted composite graft survival rate provides a more equitable basis for comparing performance.

We note that while this approach adapts elements from the SRTR framework rather than fully replicating its hierarchical model, it establishes a necessary baseline consistent with the IOTA Model's measure structure, as illustrated in Table 1. We intend to monitor IOTA participant performance under this methodology and, if necessary, propose a new or updated policy in future comment and notice rulemaking.

Comment: A commenter recommended that CMS forgo the inclusion of a risk-adjustment methodology in the calculation of the composite graft survival rate altogether, advocating for the exclusion of any risk-adjustment for donor and recipient characteristics. The commenter stated that, due to the cumulative year-over-year nature of the metric, the inclusion of risk-adjustment may have limited impact on results, particularly in later PYs.

Response: We thank the commenter for their feedback and for their perspective on the role of risk-adjustment in the composite graft survival rate metric. However, we respectfully disagree with the commenter's recommendation to forgo risk adjustment for donor and recipient characteristics.

We continue to believe that risk adjustment is an essential component of fair and meaningful performance measurement. Graft survival outcomes are influenced by a range of clinical factors related to both donors and recipients that are independent of care quality. Without appropriate risk adjustment, IOTA participants that serve more medically complex patient populations or accept higher-risk organs may be disproportionately penalized, which could create unintended incentives to avoid such cases.

We acknowledge the commenter's point that the cumulative, year-over-year structure of the measure may moderate the impact of risk-adjustment over time. However, we believe that incorporating risk-adjustment remains important across all PYs to ensure that comparisons reflect differences in care rather than underlying patient or donor characteristics.

For these reasons, we are finalizing the inclusion of a risk adjustment methodology for the composite graft survival rate, as described in comment responses noted previously in this section, to support equitable comparisons and align incentives with the model's goals of improving access and outcomes in kidney transplantation.

Comment: Numerous commenters expressed opposition to the risk-adjustment methodology as proposed in the 2025 Proposed Rule, raising concerns similar to those described elsewhere in this section. Several commenters stated that the proposed methodology includes variables that are not routinely collected, clinically validated, or commonly used in transplant practice, may lack appropriate weighting for risk factors, and omits important validated variables. For example, a commenter stated that developing risk-adjustment methodologies is inherently complex and dynamic and expressed concern that the regulatory process may not be well suited for this purpose. This commenter also suggested that a simplified risk-adjustment approach could be susceptible to manipulation, potentially influencing patient and donor selection practices. Another commenter expressed concern that, because only a subset of eligible kidney transplant hospitals participate in the IOTA Model, a model specific to IOTA participants may not reflect national risk patterns.

In the context of alternative considerations, several commenters stated that the proposed methodology may not adequately capture the full range of donor and recipient risk and may lack key variables necessary for accurate modeling. These commenters also noted the existence of established and validated frameworks, such as those developed by OPTN and SRTR, and questioned the need for a separate risk-adjustment approach within the IOTA Model.

Response: We thank the commenters for their comprehensive and detailed feedback on the risk-adjustment methodology proposed for inclusion in the composite graft survival rate calculation in the 2025 Proposed Rule (90 FR 57605). We carefully considered the technical, clinical, and operational concerns raised, including those related to variable selection, model validity, implementation complexity, and alignment with existing transplant frameworks.

As described in comment responses noted previously in this section, we are not finalizing the risk-adjustment methodology as proposed. Instead, we are finalizing an updated risk-adjustment methodology for the composite graft survival rate that is based on an adapted SRTR framework and tailored to align with the composite structure of the IOTA measure. This approach reflects our effort to balance the need for methodological rigor with operational feasibility and clinical relevance.

We believe that this adapted SRTR-based risk-adjustment methodology leverages an established and widely used framework that has been developed with extensive clinical expert input and is subject to ongoing validation, recalibration, and refinement. By building on this foundation, we are able to incorporate clinically validated donor and recipient characteristics that are known to influence graft survival independent of care quality, while avoiding the need to develop a wholly new and untested methodology.

Additionally, we believe that aligning with an established framework supports greater consistency with existing

transplant evaluation systems and reduces potential confusion or burden for IOTA participants, who may already be familiar with SRTR-based approaches. At the same time, adapting the methodology to the composite structure of the IOTA measure allows us to address the unique design considerations of the model, including its rolling measurement approach and performance year structure.

Overall, we believe this updated risk-adjustment methodology improves the accuracy, fairness, and interpretability of the composite graft survival rate measure by ensuring that performance differences more appropriately reflect variation in quality of care rather than underlying patient or donor risk profiles.

Comment: Some commenters expressed concerns about risk-adjustment implementation, including concerns about risk aversion, complexity, and update frequency. In the context of the alternatives considered, a commenter specifically recommended that CMS prioritize stability in the risk-adjustment approach during the model performance period, suggesting the use of a limited set of clearly defined risk-adjusters with fixed effects across the model performance period, such as donor type, patient age, dialysis duration, and diabetes status, to allow IOTA participants to make informed operational and clinical decisions. This commenter further noted that frequent methodological changes during a model performance period may create uncertainty and reduce the ability of IOTA participants to respond effectively to model incentives.

Response: We thank the commenters for their feedback regarding the implementation of the risk-adjustment methodology in the composite graft survival calculation, including concerns related to potential risk-averse behavior, methodological complexity, and the frequency of updates. We also appreciate the recommendation to prioritize stability during the model test period through the use of a limited set of fixed risk-adjustment factors to support informed operational and clinical decision-making.

As mentioned in comment responses noted previously in this section, we are finalizing a modified methodology, in response to public comments, we are finalizing a modified risk-adjustment methodology for the composite graft survival rate calculation that is designed to balance clinical validity, methodological rigor, and operational feasibility. Specifically, the finalized approach leverages an adapted SRTR-based risk-adjustment framework that incorporates a comprehensive and clinically validated set of donor and recipient characteristics and aligns with the cumulative structure of the IOTA measure.

We acknowledge concerns that risk-adjustment may incentivize risk-averse behavior. However, we believe that incorporating a robust risk-adjustment methodology is essential to ensure fair comparisons across IOTA participants and to mitigate disincentives for accepting higher-risk organs or treating more complex patients. By adjusting for expected differences in graft failure risk, the methodology supports equitable performance assessment and aligns with the model's goal of expanding transplant access.

We also recognize concerns regarding complexity. While we considered a more limited set of fixed risk-adjustment factors, we believe that such an approach would not sufficiently capture the full range of donor and recipient risk and could reduce the accuracy and fairness of the measure. By leveraging the established SRTR framework, which is widely used and familiar to transplant programs, we believe the finalized methodology appropriately balances complexity with usability while relying on clinically validated variables.

With respect to stability and update frequency, we agree that predictability is important for IOTA participants. To address this, the methodology we are finalizing uses the most recently available validated SRTR variables and coefficients and does not introduce frequent or ad hoc methodological changes. We note that we intend to analyze and monitor the coefficients, and if analysis warrants updated coefficients, we would propose a new or updated policy through future comment and notice rulemaking, thereby providing transparency and stability during the model performance period.

Finally, we note that we have incorporated features to improve reliability and reduce unintended variability, including a Bayesian adjustment to stabilize performance for lower kidney transplant volume IOTA participants. We believe that this approach helps ensure that performance scores are not disproportionately influenced by small sample sizes and supports more consistent and actionable results for IOTA participants. Additionally, we will analyze and monitor the performance of IOTA participants to assess the impact of this policy. If our analysis indicates the possible need for a new or revised policy, we will consider addressing it through future notice and comment rulemaking. We also intend to analyze and monitor SRTR's variables and coefficients, and if analysis warrants updated variables or coefficients, we would propose a new or updated policy through future comment and notice rulemaking, thereby providing transparency and stability during the model performance period.

For these reasons, we believe the risk-adjustment methodology that we are finalizing appropriately addresses commenters' concerns while maintaining a robust, equitable, and stable framework that enables IOTA participants to respond effectively to model incentives and supports the model's goals of improving kidney transplant access and outcomes.

Comment: Many commenters opposed the proposed risk-adjustment methodology, raising significant concerns about its design and urging CMS to reconsider or adopt an alternative approach. These commenters stated that the methodology lacked sufficient clinical input and had not been adequately validated for use in the transplant population. Some of these commenters raised concerns about how frequently variables and coefficients would be updated and whether the methodology would remain aligned with evolving clinical practice.

Separately, some commenters expressed concerns regarding the implementation of risk-adjustment. Several noted that any risk-adjustment methodology, including SRTR's, could incentivize IOTA participants to be more cautious in accepting higher-risk organs or patients. A few commenters also highlighted the complexity of the SRTR methodology and the potential need for additional education and resources to support its interpretation. A commenter questioned whether risk-adjustment would meaningfully affect a cumulative measure over time, particularly in later performance years.

Response: We thank the commenters for their feedback regarding the proposed risk-adjustment methodology, including concerns related to clinical input and validation, implementation complexity, potential for risk-averse behavior, the cumulative nature of the measure, and update frequency. We note that we are not finalizing the proposed risk-adjustment methodology and are instead finalizing an updated risk-adjustment methodology based on an adapted SRTR framework, as described in previous comment responses in this section. We direct readers to comment responses noted previously for further discussion.

Comment: Numerous commenters identified what they believe were technical errors in the proposal, including the misidentification of ''PRA'' as ''plasma renin activity'' rather than ''Panel Reactive Antibody,'' a measure of the percentage of cells from a panel of donors with which a transplant candidate's serum reacts, indicating the degree of sensitization to potential donor antigens, and the incorrect inclusion of donor PRA when PRA only applies to recipients. Several commenters also provided detailed explanations of what PRA actually measures and its clinical significance in transplant matching. A few commenters further noted that the current standard in transplant medicine has largely moved to CPRA, which provides a more precise measure of sensitization, and recommended that CMS update its terminology accordingly. Commenters also stated that PRA is clinically relevant only for transplant recipients, not organ donors. Many commenters also provided detailed clinical explanations, noting that donor organs neither transmit nor synthesize donor-specific antibodies in response to antigen exposure, such that measuring a panel of reactive antibodies in an organ donor is not clinically indicated. Some commenters further stated that the inclusion of donor PRA in the proposed methodology reflects a fundamental misunderstanding of transplant immunology.

Response: We appreciate the detailed clinical explanations provided by commenters and agree with this feedback. Subsequent to the publication of the 2025 Proposed Rule, we acknowledge that we inadvertently used; we clarify that the term that should have been used was Panel Reactive Antibody (PRA) levels. We note that we are not finalizing the proposed risk-adjustment methodology, as described in this section of this final rule, and are instead finalizing an updated risk-adjustment methodology based on an adapted SRTR framework, as described in previous comment responses in this section. We direct readers to comment responses noted previously for further discussion.

Comment: Several commenters noted that the proposed risk-adjustment methodology for inclusion in the composite graft survival rate calculation included donor and transplant recipient variables that are not routinely collected, are difficult to define consistently, or are inappropriate for the intended purpose. Specifically, commenters stated that using eGFR and creatinine for dialysis patients is problematic because these values reflect dialysis clearance rather than native kidney function, and creatinine values can fluctuate post-dialysis. They also identified variables such as ''diabetes status'' and ''hypertension with or without cardiovascular disease'' as not being consistently documented, subject to varied interpretation, and not currently reported to the OPTN, which would necessitate additional data collection. Finally, commenters identified what they believed were important clinical variables omitted from the proposed methodology and recommended additional variables for inclusion.

In the context of the alternative considerations, several commenters provided additional specific recommendations, including retransplant status, APOL1 genotype, donor viral studies, prior national organ turndowns (rescue allocation pathways), body mass index (BMI), warm ischemic time, normothermic regional perfusion (NRP) use, and socioeconomic factors.

Response: We thank the commenters for their feedback and acknowledge the concerns raised regarding the proposed risk-adjustment methodology. As described in comment responses noted previously in this section, we are not finalizing the proposed risk-adjustment methodology. Instead, we are finalizing an updated risk-adjustment methodology for the composite graft survival rate calculation that is based on an adapted SRTR framework and aligned with the cumulative structure of the metric. By leveraging SRTR's established variables and coefficients, we believe the finalized approach aligns with commenters' requests for a robust, clinically validated methodology and addresses issues identified in the proposal, including the use of less reliable or inconsistently defined variables such as ''eGFR'' for dialysis patients. We direct readers to comment responses noted previously in this section for further discussion of these changes and our rationale.

Comment: Some commenters identified clinical variables they considered to be significant omissions from the proposed risk-adjustment methodology, citing peripheral vascular disease, serum albumin, dialysis duration, time on waitlist, cold ischemic time, functional status, Kidney Donor Profile Index (KDPI) or its individual components, donor type (including living, deceased, and donation after circulatory death), and ischemic cardiac disease. Many commenters noted that these variables are incorporated into established models for well-documented clinical reasons and have been validated as meaningful predictors of transplant outcomes. Several commenters further recommended the inclusion of additional variables, such as retransplant status, APOL1 genotype, donor viral studies, prior national organ turndowns (that is, rescue allocation pathways), BMI, warm ischemic time, normothermic regional perfusion (NRP) use, and socioeconomic factors including insurance status, education level, and employment. A commenter recommended the incorporation of individual KDPI components rather than aggregate scores to enhance methodological transparency. Another commenter suggested the inclusion of the kidney transplant recipient's geographic accessibility to the kidney transplant hospital in order to account for access and transportation challenges encountered in the post-transplant period, particularly among patients residing in rural areas.

Response: We thank the commenters for their feedback regarding clinical variables they identified as omitted from the proposed risk-adjustment methodology. We acknowledge the importance of incorporating clinically relevant and validated predictors of transplant outcomes. As described in comment responses noted previously in this section, we are not finalizing the proposed risk-adjustment methodology and are instead finalizing an updated risk-adjustment methodology based on an adapted SRTR framework. This approach incorporates a comprehensive set of clinically validated donor and recipient characteristics and reflects established consensus within the transplant community regarding appropriate risk-adjustment factors. We believe that leveraging the SRTR-based risk-adjustment methodology addresses many of the concerns raised by commenters regarding omitted variables while supporting a robust and clinically grounded approach to performance measurement. We direct readers to comment responses noted previously in this section for further discussion of these changes and our rationale.

Comment: Commenters noted problems with using (eGFR) and creatinine for risk-adjustment. Commenters stated that eGFR is not useful for patients on dialysis, as most transplant candidates are dialyzed and the value reflects dialysis clearance rather than native kidney function. Several commenters noted that creatinine fluctuates post-dialysis and does not accurately reflect kidney function for risk-adjustment purposes. Some commenters also noted that eGFR can be artificially elevated if the transplant candidate was on dialysis, rendering these values misleading for

risk assessment. A commenter specifically noted that a transplant candidate may be in acute renal failure and on dialysis, with measured serum creatinine and therefore eGFR appearing within normal range, but purely as an artifact of dialysis machine function rather than actual kidney function. Another commenter suggested that CMS incorporate BMI into its kidney function measurement, as creatinine levels carry different clinical meanings for individuals with varying BMIs.

Response: We thank the commenters for their feedback regarding the elements included in the risk-adjustment methodology. We note that we are not finalizing the proposed risk-adjust methodology, as described in this section of this final rule, and are instead finalizing an updated risk-adjustment methodology based on an adapted SRTR framework, as described in previous comment responses in this section, which includes eGFR and BMI. We direct readers to comment responses noted previously for further discussion.

Comment: Many commenters requested greater transparency regarding the proposed risk-adjustment methodology, including the publication of specific equations, model coefficients, variable definitions, and weighting approaches. Commenters stated that without this information, IOTA participants may not be able to fully understand how performance is evaluated or take meaningful steps to improve outcomes. Several commenters further recommended that CMS provide a detailed methodological description and allow for public comment prior to implementation. These commenters suggested that CMS develop and evaluate multiple alternative risk-adjustment models, empirically identify variables for inclusion, validate each approach, and make comparative results publicly available. In addition, a commenter noted that without transparency into the risk-adjustment methodology, including variable selection, weighting, and update frequency, IOTA participants may have limited ability to monitor performance or respond effectively to model incentives.

Response: We appreciate this concern and recognize the need for transparency. To address the comments we received regarding providing transparency in describing how the risk-adjustment methodology in the calculation of the composite graft survival rate is calculated and applied so they can understand and track their kidney transplant hospitals' performance, we intend to provide sub-regulatory guidance on the technical specifications for calculating the inclusion of the risk-adjustment methodology in the composite graft survival rate calculation. We thank the commenters for their feedback regarding the proposed risk-adjustment methodology.

Comment: Several commenters expressed concern about the lack of data review and correction process. Commenters noted that SRTR allows transplant hospitals to review and correct data before public reporting, and that incomplete or inaccurate data, particularly data originating from OPOs, could compromise the accuracy of risk-adjustment under the proposed approach. Several commenters specifically requested that IOTA participants be permitted to review, complete, or correct donor and recipient data used for the risk-adjustment model, noting that OPOs frequently submit incomplete data that negatively impacts the accuracy of an IOTA participant's risk-adjustment. Commenters also requested clarification on how donor and recipient data will be obtained and validated and expressed concern about the absence of a formal hospital review and correction process.

Response: We thank the commenters for their feedback. We note that we are not finalizing the proposed risk-adjustment methodology, as described in this section of this final rule, and are instead finalizing an updated risk-adjustment methodology based on an adapted SRTR framework, as described in previous comment responses in this section. We note that in accordance with *§ 512.422(b),* we will utilize data that is available when we calculate final performance scores for a given PY in accordance with *§ 512.430(d).* We direct readers to comment responses noted previously for further discussion.

Comment: Several commenters expressed concern that using a different risk-adjustment methodology for IOTA than SRTR could create conflicting performance standards. Commenters explained that IOTA participants could perform well in the IOTA Model but poorly under SRTR metrics, potentially threatening their COE status, a designation used by commercial payers to determine network participation, preferred reimbursement arrangements, and referral eligibility. Since commercial transplant volume often exceeds Medicare FFS volume for many IOTA participants, commenters stated that the financial risk of losing COE status could exceed any IOTA Model payments. Commenters noted that this could cause IOTA participants to prioritize protecting their SRTR standings over the IOTA Model goals, potentially reducing overall kidney transplant volume contrary to the IOTA Model's goals. Commenters provided specific examples of how this misalignment could affect IOTA participants, noting that loss or degradation of SRTR performance can have material downstream consequences, including loss of COE designation, termination or non-renewal of commercial contracts, reduced referrals from employer-sponsored and managed care plans, and significant decreases in commercial transplant volume. Commenters also noted that the existence of two differing risk-adjusted methodologies would undermine the goal of increased kidney transplants, as IOTA participants would continue to prioritize SRTR outcome measures to protect most of their patient contracts.

Response: We thank the commenters for their feedback regarding the proposed risk-adjustment methodology, including concerns related to using a different risk-adjustment methodology for the IOTA Model than the SRTR; however, we respectfully disagree. We recognize the importance of COE designations, which are quality tiers used by commercial health insurers to steer patients to top-performing kidney transplant hospitals. We also recognize that MA plans operate similarly, frequently using COE or preferred facility networks to determine network participation for MA beneficiaries.

We understand the commenters' concern that if the IOTA Model and SRTR used completely different risk-adjustment formulas, IOTA participants could face conflicting incentives that might negatively impact their SRTR metrics, thereby risking their COE status and access to commercial and MA patients. However, we do not believe participating in the IOTA Model will jeopardize an IOTA participant's COE status or MA network inclusion. Insurers and MA plans evaluate a comprehensive array of metrics—generally post-transplant outcomes and some minimum number of kidney transplants, rather than a single SRTR data point—when determining network participation.

Furthermore, as described in comment responses noted previously in this section, we are not finalizing the proposed risk-adjustment methodology and are instead finalizing an updated risk-adjustment methodology based on an adapted SRTR framework. Because the IOTA risk-adjustment methodology is adapted directly from the SRTR framework, the metrics are highly aligned, largely eliminating the risk of conflicting performance standards. We direct readers to comment responses noted previously in this section for

further discussion of these changes and our rationale, and to the 2024 Final Rule for further discussion on COE designations.

Comment: Some commenters sought clarification regarding the frequency with which the proposed risk-adjustment methodology would be updated and reweighted. Commenters noted that SRTR updates its models on a semi-annual basis and requested information on how these updates would be incorporated into the IOTA Model's annual performance assessments. A commenter specifically asked whether CMS intends to update risk-adjustment variables and beta coefficients on a rolling basis and requested additional explanation of the methodology used for such updates. Another commenter recommended that CMS collaborate with SRTR to evaluate time-to-event approaches using national data and clinical expertise to support statistical validity and patient-centered reporting.

Response: We appreciate these comments. We note that we are not finalizing the proposed methodology and are instead finalizing an updated risk-adjustment methodology based on an adapted SRTR framework using SRTR's adult kidney graft survival first-year post-transplant models for both deceased donor and living donor kidney transplants and most recently available set of variables and coefficients. As such, we believe the risk-adjustment methodology that we are finalizing, as described in comment responses noted previously in this section, appropriately addresses the request for clarity SRTR's methodology updates variables and coefficients on a rolling basis. We direct readers to comment responses noted previously in this section for further discussion of these changes and our rationale.

Comment: Some commenters raised concerns about what they characterized as the misalignment between CMS's approach to measuring and incentivizing transplant hospital performance under the IOTA Model and its approach to regulating OPO performance under the Conditions for Coverage (CFC) Final Rule. Commenters described the CFC framework as evaluating OPOs against unadjusted, relative performance thresholds, without adjustments for performance improvement, donor complexity, or case mix. Commenters argued that this divergence is particularly striking given CMS's explicit recognition in the 2025 Proposed Rule that donor and recipient characteristics materially affect transplant outcomes and therefore warrant risk-adjustment for transplant hospital performance measures. Commenters stated that CMS's continued position that similar donor-related factors do not warrant risk-adjustment for OPO performance metrics is difficult to reconcile with the agency's stated rationale for risk-adjustment under the IOTA Model and undermines system-wide coherence in the regulation of the donation and transplantation system.

Response: We appreciate the commenter's feedback; however, we do not believe that it is appropriate to directly compare the performance metrics of OPOs and kidney transplant hospitals. Both OPOs and kidney transplant hospitals have unique roles in the transplant ecosystem, requiring different focuses, skills sets and responsibilities. We acknowledge the different responsibilities of these two parties along the continuum of care for organ transplantation. Overall, performance metrics are meant to understand current state, to set goals to create improvement, to ensure unintended consequences of changes are identified, and to allow for analysis and evaluation to pivot and modify metrics when appropriate. With overarching goals to improve kidney transplant volume while maintaining quality organs and patient care, we do not believe that CMS has misaligned goals in its different approaches to OPOs and kidney transplant hospitals.

Comment: Some commenters raised concerns about the potential impact of the proposed risk-adjustment methodology on smaller and rural kidney transplant hospitals. Commenters noted that, with only half of all eligible kidney transplant hospitals enrolled in IOTA, a model unique to IOTA participants may not represent true national risk and requested clarification on whether IOTA participant performance would be benchmarked against IOTA participants only or against all kidney transplant hospitals nationally. A commenter noted that for small or rural IOTA participants, the impact of performance scoring is particularly significant, as the commenter believed there are insufficient quality organ offers to sustain current volume without the growth goals imposed by CMS, and that increasing kidney transplant volume is not feasible when suitable organs are not available.

Response: We appreciate the comments. We recognize that it can be more difficult for rural patients to receive a kidney transplant. However, we believe that the raising of the low volume threshold to 15 kidney transplants performed annually during each of the baseline years, as described and finalized in section II.B.1.b of this final rule, should remove the lowest-volume kidney transplant hospitals that would be at most risk from any impact from the IOTA Model. Additionally, to directly address concerns regarding the reliability of performance scoring for smaller volume IOTA participants, our risk-adjustment methodology incorporates a +2 Bayesian adjustment. This statistical safeguard is specifically intended to avoid instability in calculating rates from small kidney transplant volumes, ensuring that a limited number of adverse outcomes do not cause disproportionate swings in an IOTA participant's performance score. Finally, we note that performance in the achievement domain is measured based on each IOTA participant's individual historic kidney transplant volume, meaning that an IOTA participant will not need to greatly exceed its own already demonstrated capacity.

Comment: A commenter urged CMS to clarify that the term ''living donor'' within the proposed definition of single-organ kidney transplant is not limited to human donors and is sufficiently broad to encompass xenotransplant organs (animal-to-human transplants) once such products receive FDA approval and become commercially available. The commenter noted that should the definition be interpreted as limited exclusively to human donors, xenotransplant procedures may not be counted toward transplant volume in the IOTA achievement domain. Given that participation in the IOTA Model is mandatory for approximately half of all eligible kidney transplant hospitals, the commenter suggested that the exclusion of these products would effectively disincentivize IOTA participants from adopting innovative solutions to address the organ shortage. The commenter further expressed the view that if xenotransplant procedures are not included in performance calculations tied to financial incentives, IOTA participants may be financially discouraged from utilizing these life-saving products when available, thereby undermining the model's primary objective of increasing access to care. As such, the commenter recommended that CMS explicitly clarify that the definition of single-organ kidney transplant is not limited to human organs and could include xenotransplant organ products upon FDA approval and commercial availability.

Response: We thank the commenter for their feedback and for requesting clarification regarding whether the term ''living donor'' within the definition of

single-organ kidney transplant should encompass xenotransplantation (animal-to-human transplants) upon FDA approval and commercial availability. We acknowledge the commenter's interest in ensuring that emerging technologies are appropriately considered within the IOTA Model.

At this time, xenotransplant organs are not FDA approved or available for kidney transplantation. We believe that establishing policy for technologies that are not yet approved would introduce unnecessary complexity and uncertainty into the model. We also note that FDA approval alone would not necessarily indicate that xenotransplant procedures should be treated identically to human organ transplants for purposes of performance measurement and payment. The IOTA Model's quality measures, including graft survival, are based on extensive historical data from human organ transplants. Xenotransplantation may involve different clinical characteristics, including variations in survival rates, rejection patterns, immunosuppression requirements, and long-term outcomes, which could complicate fair and meaningful performance comparisons across IOTA participants if included under the same metrics.

For these reasons, we do not believe the definition of single-organ kidney transplant should be revised to explicitly address xenotransplant products at this time, and we will finalize this definition without modification. However, we will continue to monitor advancements in this area and may consider future policy updates, as appropriate, through future notice and comment rulemaking, should xenotransplantation receive FDA approval and become clinically established and relevant to the IOTA Model.

Comment: Some commenters expressed support for CMS's proposal to exclude multi-organ transplants except for kidney/pancreas transplants from the numerator and denominator when calculating the composite graft survival rate in the quality domain. Commenters acknowledged that multi-organ transplant procedures entail substantially different care processes, heightened clinical complexity, and outcome expectations that differ significantly from those associated with kidney-only transplants. Some of these commenters further noted that the limited population of multi-organ transplant recipients presents considerable challenges for adequate risk-adjustment, and that such complex cases carry an elevated risk of outlier outcomes that could unduly impact IOTA participants' performance scores.

Response: We thank the commenters for their support of our proposal to exclude multi-organ transplants, with the exception of kidney/pancreas transplants, from the numerator and denominator when calculating the composite graft survival rate in the quality domain. We agree that multi-organ transplant recipients represent a clinically distinct population with unique care requirements and outcome trajectories that differ from those of kidney-only transplant recipients.

We additionally recognize that the inherent clinical complexity of multi-organ transplantation, combined with the relatively limited number of such procedures performed, presents considerable challenges for developing robust risk-adjustment methodologies that would permit fair and accurate performance comparisons across IOTA participants. However, we believe excluding multi-organ transplants except for kidney/pancreas transplants from the numerator and denominator when calculating the composite graft survival rate enhances the validity of the measure by ensuring that performance assessments more accurately reflect outcomes pertaining to kidney transplantation, without the confounding influence of additional organ involvement or the unique physiological considerations associated with multi-organ procedures. We further believe this policy supports the IOTA Model's objectives of promoting increased transplant access while maintaining appropriate quality standards. For these reasons, we are finalizing our provision to exclude multi-organ transplants except for kidney/pancreas transplants from the numerator and denominator when calculating the composite graft survival rate without modification.

Comment: A commenter noted that multi-organ transplants are more commonly performed at higher-volume kidney transplant hospitals and expressed concern that the continued inclusion of kidney/pancreas transplants could place IOTA participants with active kidney/pancreas transplant programs at a disadvantage relative to those who perform few or no kidney/pancreas transplants.

Response: We thank the commenter for raising this concern. We recognize that multi-organ transplant procedures, including kidney/pancreas transplants, are often concentrated at larger, specialized transplant hospitals. As mentioned in comment responses noted previously in this section, we are finalizing this provision without modification. We note that, for kidney/pancreas transplants included in the composite graft survival rate, the measure evaluates kidney graft survival only. We believe this methodology addresses the concern that IOTA participants performing higher volumes of kidney/pancreas transplants could be disadvantaged relative to those performing fewer such procedures, as performance is assessed based on kidney transplant outcomes rather than the volume or complexity of pancreas-related care. Additionally, consistent with § 512.428(b)(1)(iii)(E), the exclusion of other multi-organ transplants from the composite graft survival rate calculation further ensures that IOTA participants performing more complex procedures are not disproportionately affected in their overall performance scores. For these reasons, we believe the finalized approach supports fair and equitable comparisons across IOTA participants while maintaining focus on kidney transplant outcomes.

Comment: Some commenters noted that multi-organ transplants involve substantially different care processes and outcome expectations compared to single-organ kidney transplants. These differences include more complex perioperative management, different long-term challenges, and outcomes that are not comparable to those of otherwise similar single-organ kidney transplant recipients.

Response: We agree that multi-organ transplant recipients face substantially different care processes and outcome expectations compared to single-organ kidney transplant recipients. Perioperative management requires coordination across multiple surgical teams and medical specialties, and long-term care involves managing the function and potential complications of multiple transplanted organs simultaneously. We further agree that outcomes for multi-organ transplant recipients are not comparable to those of otherwise matched single-organ kidney transplant recipients, reflecting fundamental clinical distinctions inherent in multi-organ transplantation rather than differences in case mix alone, and therefore cannot be adequately addressed through risk-adjustment. We believe these differences directly support the policies we are finalizing at § 512.428(b)(1)(iii)(E) and 512.428(b)(1)(iv)(A). Specifically, § 512.428(b)(1)(iii)(E) excludes multi-organ transplants other than kidney/pancreas from the composite graft survival rate, ensuring that outcomes

driven by non-kidney organ function do not confound the assessment of IOTA participant performance. For kidney/pancreas transplants included pursuant to § 512.428(b)(1)(iv)(A), measuring only kidney graft survival appropriately focuses the quality metric on kidney-specific care while acknowledging the additional complexity of simultaneous kidney/pancreas transplantation.

Comment: Some commenters recommended that all multi-organ transplants, including kidney/pancreas transplants, should be excluded from the graft survival measure. These commenters cited significantly fewer offers for these patients, more restrictive donor acceptance criteria, and more complex post-transplant care requirements as justification for complete exclusion. Some commenters expressed concern that the continued inclusion of kidney/pancreas transplants in the metric has the potential to confound outcomes, place transplant hospitals with busy kidney/pancreas transplant programs at a disadvantage to their peers performing few or no kidney/pancreas transplants, and discourage IOTA participants from transplanting these patients. Additionally, a commenter noted that multi-organ transplants are likely to be performed predominantly at larger volume transplant hospitals and expressed concern that the continued inclusion of kidney/pancreas transplants could place IOTA participants with busy kidney/pancreas transplant programs at a disadvantage compared to their peers performing few or no kidney/pancreas transplants.

Response: We thank the commenters for raising their concern. We have carefully considered the recommendation to completely exclude kidney/pancreas transplants from the composite graft survival rate calculation. While we recognize the valid concerns raised about the clinical complexity and differential outcomes associated with these procedures, we believe that complete exclusion is not appropriate for several reasons. First, kidney/pancreas transplants represent a substantial volume of procedures at many transplant hospitals, and their complete exclusion could significantly reduce the sample size available for performance assessment at these transplant hospitals. Second, kidney/pancreas transplantation is an important treatment option for patients with both end-stage renal disease and diabetes, and complete exclusion from quality metrics could inadvertently discourage IOTA participants from offering this valuable service.

We also thank the commenter for raising the concern that the continued inclusion of kidney/pancreas transplants could place IOTA participants with busy kidney/pancreas transplant programs at a disadvantage compared to their peers performing few or no kidney/pancreas transplants, which we carefully considered in evaluating alternatives. We recognize that kidney/pancreas transplants are often concentrated at larger, specialized transplant hospitals. We considered whether kidney/pancreas transplants should be excluded entirely from the composite graft survival rate, which would have fully eliminated the potential peer comparison disadvantage identified by the commenter. However, we determined that complete exclusion would reduce available sample sizes at high-volume transplant hospitals and could inadvertently discourage IOTA participants from offering this important treatment option. We therefore conclude that the most appropriate alternative is to include kidney/pancreas transplants while measuring only kidney graft survival. We believe this approach ensures that differences in kidney/pancreas transplant volume across IOTA participants do not create disparities in IOTA Model performance scores, as IOTA participants will not be penalized for pancreas-specific complications or failures that do not affect kidney graft function, thereby preserving a fair basis for peer comparison while maintaining consistency with the IOTA Model's focus on kidney transplant performance.

For these reasons, we are finalizing the policy to include kidney/pancreas transplants in the composite graft survival rate calculation, with only the kidney graft survival counted toward the quality metric. We believe this approach addresses the specific concerns raised by commenters while maintaining appropriate performance assessment for IOTA participants.

Comment: Some commenters acknowledged that developing appropriate risk-adjustment methodologies for multi-organ transplants would require rigorous analysis considering organ scarcity, dynamic decision making, and heterogeneous practice patterns. The complexity of creating fair and accurate risk-adjustment for these procedures was cited as a key reason supporting their exclusion from the composite graft survival rate calculation. A commenter specifically noted that while the total number of recipients of multi-organ transplants has grown in recent years, the total number remains small relative to the total number of kidney transplants performed.

Response: We thank the commenters and agree that developing robust risk-adjustment methodologies for multi-organ transplants would require extensive analysis and would present significant methodological challenges. We believe heterogeneity in multi-organ transplant procedures, the relatively small number of cases performed annually, the wide variation in practice patterns across transplant hospitals, and the complex interplay between multiple organ systems in determining patient outcomes all contribute to the difficulty of creating risk-adjustment models that would allow for fair comparison of IOTA participant performance.

Given these challenges and the potential for risk-adjustment models to inadequately account for the full complexity of multi-organ transplantation, we are finalizing the policy to exclude multi-organ transplants (other than kidney/pancreas) from the composite graft survival rate calculation. For kidney/pancreas transplants, only the kidney graft survival will be counted toward the quality metric. We believe this decision allows us to focus quality assessment on kidney transplant performance using risk-adjustment methodologies that are better suited to the kidney transplant population and that can more accurately account for the relevant patient and donor characteristics affecting kidney graft survival. We intend to continue to monitor outcomes for all transplant types through existing oversight mechanisms and may consider future refinements to the IOTA Model based on additional data and stakeholder input as appropriate.

Comment: Some commenters noted that multi-organ transplants involve substantially different care processes and outcome expectations compared to single-organ kidney transplants. These differences include more complex perioperative management, different long-term challenges, and outcomes that are not comparable to those of otherwise matched kidney-alone recipients.

Response: We agree that multi-organ transplant recipients face substantially different care processes and outcome expectations compared to single-organ kidney transplant recipients, including more complex perioperative management, different long-term challenges, and outcomes that are not comparable to those of otherwise matched single-organ kidney transplant recipients. We believe this last point carries important methodological implications: because outcome differences persist even after accounting for patient and donor characteristics, they cannot be adequately addressed

through risk-adjustment alone. These clinical distinctions informed our evaluation of three primary alternatives: (1) including all multi-organ transplants with updated risk-adjustment; (2) excluding all multi-organ transplants, including kidney/pancreas; and (3) excluding most multi-organ transplants while retaining kidney/pancreas with a kidney-only outcome measure. We rejected the first alternative because the non-comparability of outcomes even among otherwise matched recipients confirms that risk-adjustment models designed for the kidney transplant population would be insufficient to support fair performance assessment. We rejected complete exclusion because, while supported by the clinical distinctions raised by commenters, it would unnecessarily reduce sample sizes and could discourage IOTA participants from offering kidney/pancreas transplantation. We therefore concluded that excluding multi-organ transplants other than kidney/pancreas from the composite graft survival rate, while retaining kidney/pancreas transplants with only kidney graft survival counted toward the quality metric, best accounts for the substantially different care processes and outcome expectations associated with multi-organ transplantation while maintaining meaningful quality assessment focused on kidney transplant performance.

After consideration of the public comments we received, for the reasons set forth in this rule, we are finalizing the proposed definition of single-organ kidney transplant at § 512.402 without modification. Furthermore, we are finalizing our proposal to exclude multi-organ transplants except for kidney/pancreas transplants from the numerator and denominator when calculating the composite graft survival rate in the quality domain at proposed § 512.428(b)(1)(iii)(E) and 512.428(b)(1)(iv)(A) without modification.

In response to comments received, we are replacing the risk-adjustment methodology we had proposed to use for purposes of calculating performance on the composite graft survival rate in the quality domain. Specifically, we are codifying in our regulation at § 512.428(b)(2)(i) that in accordance with paragraphs (b)(1) through (3) of this section CMS risk-adjusts the composite graft survival rate using SRTR's adult kidney graft survival first-year outcomes variables in accordance with § 512.428(b)(2)(ii)(A) through (C).

We are codifying the risk-adjustment methodology for the composite graft survival rate that is based on an adapted SRTR framework in our regulation in sections § 512.428(b)(2)(ii)(A) through (C). Specifically, we are finalizing our regulation at § 512.428(b)(2)(ii)(A), that in accordance with § 512.428(b)(1), CMS calculates the observed composite graft survival rate by dividing the number of functioning grafts plus two by the total number of completed kidney transplants plus two as described in Equation 1 to paragraph (b)(2)(ii)(A) at § 512.428.

We are codifying the methodology for calculating the risk score for each IOTA participant in our regulation at § 512.428(b)(2)(ii)(B)(1) through (3). Under this provision, CMS calculates each IOTA participant's risk of graft failure relative to the national graft failure rate. We are finalizing at § 512.428(b)(2)(ii)(B)(1)(i) through (ii) that CMS calculates the expected graft failure rate using SRTR's methodology as described in Equation 1 to paragraph (b)(2)(ii)(B)(1)(i) at § 512.428 and SRTR's adult kidney graft survival first-year post-transplant risk-adjustment models for both deceased donor and living donor kidney transplants and the most available set of coefficients. We are also finalizing the methodology for calculating the national graft failure rate in our regulation at § 512.428(b)(2)(ii)(B)(2)(i) through (iv). Under this provision, CMS calculates the national graft failure rate by dividing the number of graft failures by the number of completed kidney transplants as described in equation 1 to paragraph (b)(2)(ii)(B)(2) at § 512.428. For the calculation of the national graft failure rate, we are codifying at § 512.428(b)(2)(ii)(B)(2)(ii) through (iv) the following inclusion and exclusion criteria, as outlined in Table 5.

TABLE 5: NATIONAL GRAFT FAILURE RATE CALCULATION INCLUSION AND EXCLUSION CRITERIA

Component	Inclusion Criteria	Exclusion Criteria
Numerator (# of graft failures)	• Graft failure based on OPTN adult kidney transplant recipient follow-up forms • Re-transplant • Death	• Patients under 18 years of age at time of transplant • Pediatric kidney transplant hospitals • Multi-organ transplants (except kidney/pancreas)
Denominator – Total # of kidney transplants	• Single-organ kidney transplants (as defined at § 512.402) • Kidney/pancreas transplants for patients 18 years of age and older at time of transplant	• Patients under 18 years of age at time of transplant • Pediatric kidney transplant hospitals • Multi-organ transplants (except kidney/pancreas)

We are also finalizing at § 512.428(b)(2)(ii)(B)(3) that CMS will calculate the risk score for each IOTA participant by dividing each IOTA participants' expected graft failure rate by the national graft failure rate for all kidney transplants as described in Equation 1 to paragraph (b)(2)(ii)(B)(3) at § 512.428.

Additionally, we are finalizing at § 512.428(b)(2)(ii)(C) the calculation of the risk-adjusted composite graft survival rate as described in Equation 1 to paragraph (b)(2)(ii)(C) at § 512.428. Under this provision, CMS will multiply the observed composite graft survival rate, as calculated under § 512.428(b)(2)(ii)(A), by the risk score calculated under § 512.428(b)(2)(ii)(B).

Lastly, because we are finalizing a risk-adjustment methodology in the calculation of the composite graft survival rate, as described and finalized at § 512.428(b)(2), we are updating the regulatory text at § 512.428(b)(1)(ii). Specifically, we are finalizing at § 512.428(b)(1)(ii) that, for all subsequent PYs, CMS will calculate each IOTA participant's cumulative composite graft survival rate using the methodology described in § 512.428(b)(1) and in accordance with the risk-adjustment methodology finalized at § 512.428(b)(2).

We believe that these revisions, taken together, establish a comprehensive and

methodologically sound approach to calculating the composite graft survival rate that improves accuracy, enhances statistical reliability, and supports equitable comparisons across IOTA participants by accounting for differences in donor and recipient risk while maintaining consistency with established, clinically validated SRTR methodologies. We note that we will analyze and monitor IOTA participant performance throughout the model performance period to ensure we do not unduly disadvantage IOTA participants. If analysis results warrant a new or updated policy, we will address it pursuant to future notice and comment rulemaking as appropriate.

(b) Calculation of Points

In the 2024 Final Rule (89 FR 96280) that established the IOTA Model, we acknowledged commenter concerns about the proposed points allocation for the composite graft survival rate, arguing that it unfairly penalizes transplant hospitals that accept higher-risk patients and suggesting modifications including lowering the threshold for maximum points from the 80th to 60th percentile for IOTA participants (89 FR 96365). In response to comments, we finalized an alternate scoring methodology, such that IOTA participants would be awarded points based on the national quintiles, as outlined in Table 6, such that IOTA participants that perform—

- At or above the 80th percentile would earn 20 points;
- In the 60th percentile to below the 80th percentile would earn 18 points;
- In the 40th percentile to below the 60th percentile would earn 16 points;
- In the 20th to below the 40th percentile would earn 14 points;
- In the 10th to below the 20th percentile would earn 12 points; and
- Below the 10th percentile would receive 10 points for the composite graft survival rate.

TABLE 6: COMPOSITE GRAFT SURVIVAL RATE SCORING

Performance Relative to National Ranking	Points Earned
80^{th} Percentile $\leq$	20
$60^{th} \leq$ and $< 80^{th}$ Percentile	18
$40^{th} \leq$ and $< 60^{th}$ Percentile	16
$20^{th} \leq$ and $< 40^{th}$ Percentile	14
$10^{th} \leq$ and $< 20^{th}$ Percentile	12
$< 10^{th}$ Percentile	10

In addition, we stated that we recognized that for PY 2 and future PYs there would be more events and a longer time horizon and plan to implement a more robust methodology that could account for both the likelihood of graft failure based on the donor and the recipient and could account for relative benefits of transplantation over remaining on dialysis (89 FR 96365). We direct readers to the 2024 Final Rule for a full discussion of this policy, our rationale for this approach, and alternatives considered (89 FR 96364 through 96366).

As stated in the 2025 Proposed Rule, upon further review of our methodology, we proposed to modify the composite graft survival rate scoring methodology to allow for a more even scoring distribution for IOTA participants (*90 FR 57609*). Specifically, we proposed in Table 1 to paragraph (d) at § 512.428 that points earned would be based on the IOTA participants' performance on the composite graft survival rate relative to national ranking, inclusive of all eligible kidney transplant hospitals, both those selected and not selected as IOTA participants, as outlined in Table 7.

As described in the 2025 Proposed Rule, we proposed that points continue to be awarded based on national quintiles, as outlined in Table 7 (*90 FR 57609*). We maintained our belief that utilizing quintiles aligns with the calculation of the upside and downside risk payments in relation to the final performance score, as described in 42 CFR 512.430(b), where average performance yields half the number of points. The scoring is normalized, meaning an average performing IOTA participant earns 10 points out of 20, 50 percent of the total possible points. We recognized that there is an upper limit to the benefits of quality, and quintiles combine the highest 20 percent of performers in a point band.

In accordance with § 512.428, we proposed the following updates to the allocation of points for the composite graft survival rate in Table 1 to paragraph (d) at § 512.428, as illustrated in Table 7 (*90 FR 57609*):

- IOTA participants in the 80th percentile and above, 20 points.
- IOTA participants in the 60th to below the 80th percentile of performers, 15 points.
- IOTA participants in the 40th to below the 60th percentile of performers, 10 points.
- IOTA participants in the 20th to below the 40th percentile of performers, 5 points.
- IOTA participants who are below the 20th percentile of performers, 0 points.

TABLE 7: COMPOSITE GRAFT SURVIVAL RATE SCORING

Performance Relative to National Ranking	Lower Bound Condition	Upper Bound Condition	Points Earned
80th Percentile	Equals 80th percentile	Greater than 80th percentile	20
60th Percentile	Equals 60th percentile	Less than 80th percentile	15
40th Percentile	Equals 40th percentile	Less than 60th percentile	10
20th Percentile	Equals 20th percentile	Less than 40th percentile	5
20th Percentile	N/A	Less than 20th percentile	0

As stated in the 2025 Proposed Rule, utilizing quintiles aligns with the calculation of the upside and downside risk payments in relation to the final performance score, as described in 42 CFR 512.430(b), where average performance yields half the number of points (*90 FR 57610*). The scoring is normalized, meaning an average performing IOTA participant earns 10 points out of 20, 50 percent of the total possible points. We recognized that there is an upper limit to the benefits of quality, and quintiles combine the highest 20 percent of performers in a point band.

Additionally, in the 2024 Final Rule (89 FR 96379), we stated that we would continue to assess our quality domain methodology and how to best balance incentives in the efficiency domain and quality domain and address a new or updated policy pursuant to future notice and comment rule making. Furthermore, as proposed in section II.B.2.b.(2).(a). of this final rule, we proposed to incorporate a risk-adjustment methodology to the calculation of the composite graft survival rate measure. As such, we believed that the proposed allocation of points, as illustrated in Table 7, is necessary to account for the proposed composite graft survival rate risk-adjustment methodology, as described in section II.B.2.b.(2).(a). of this final rule, and best balances incentives in the quality domain.

We considered applying a two-scoring system in which we would determine an achievement score and improvement score and award the point equivalent to the higher value between the two scores; similar to the organ offer acceptance rate ratio scoring methodology as described at § 512.426(c) (*90 FR 57610*). In this considered two-scoring system, the achievement score would reflect the proposed scoring approach on the composite graft survival rate, as illustrated in Table 7 of this section. For improvement scoring on the composite graft survival rate, we considered the following methodologies:

- In accordance with the organ offer acceptance rate ratio improvement scoring methodology at § 512.426(c)(2)(ii).
- Improvement relative to national ranking from previous PY.
- Improvement over 2 PYs. In this methodology, improvement scoring would only be awarded twice (PYs 4 and 6) and would measure improvement by comparing PYs 1–2 to PYs 3–4 and PYs 3–4 to PYs 5–6.

We considered applying a two-scoring system in which we would determine an achievement score and improvement score and award the point equivalent to the higher value between the two scores because we recognized that if an IOTA participant does not do well one PY on the composite graft survival rate, as described at § 512.428(b)(1), that it may be difficult for it to improve during the model performance period (*90 FR 57610*). However, we chose not to propose this methodology (two-scoring system) because we still had concerns over our ability to measure improvement year-over-year due to potentially small numbers. Furthermore, given that we proposed to incorporate a risk-adjustment methodology, as proposed in section II.B.2.(b).(2).(a). of the 2025 Proposed Rule, we believed that our proposed scoring approach rewards both achievement and improvements and is a more rigorous scoring methodology. Although we did not propose to include this alternative, we sought comment on whether a two-scoring system methodology would be appropriate for the composite graft survival rate and the best approach for measuring improvement.

We sought comment on our proposed composite graft survival rate scoring methodology at proposed Table 1 to Paragraph (d) at § 512.428 for purposes of assessing quality domain performance for each IOTA participant. We also sought comments on alternatives considered. Additionally, we sought comment on whether there is a scoring methodology on the composite graft survival rate that recognizes IOTA participants whose post-transplant outcomes are at an acceptable level and how to define an acceptable level (for example, 1 standard deviation of the national risk-adjusted rate or some other way).

The following is a summary of the comments we received on all of the calculation of points proposals and on the alternatives considered set out in this section and our responses:

Comment: Several commenters recommended that CMS incorporate an improvement component into the scoring methodology for the composite graft survival rate metric within the quality domain. Specifically, these commenters suggested a dual-scoring system whereby CMS would determine both an achievement score and an improvement score, subsequently awarding the point value equivalent to the higher of the two scores. Commenters noted that this approach would recognize IOTA participants demonstrating meaningful progress, even in instances where their absolute performance has not yet reached higher percentile thresholds.

Response: We appreciate commenters' suggestions regarding the inclusion of improvement scoring on the composite graft survival rate metric within the quality domain. As discussed at *90 FR 57610* in the 2025 Proposed Rule and in this section of this final rule, we considered applying a two-scoring system in which we would determine an achievement score and an improvement score and award the point equivalent to the higher value between the two scores, similar to the organ offer acceptance rate ratio scoring methodology described at *§ 512.426(c).* As described in the preamble of this section of this final rule, we considered applying a two-scoring system because we recognize that if an IOTA participant does not perform well in a given PY on the composite graft survival rate, it may be difficult for the IOTA participant to demonstrate meaningful improvement during the model performance period. We direct readers to section II.B.2.b.(2).(b). of this final rule for a full discussion on the two-scoring system methodologies we considered for

calculating points on the composite graft survival rate.

Furthermore, we believe that the updated risk-adjustment methodology incorporated into the composite graft survival rate calculation, as described and finalized in section II.B.2.b.(2).(a). of this final rule, inherently recognizes IOTA participants that improve their performance by accepting more complex cases, as changes in case mix complexity over time will be appropriately reflected. We also believe that the updated scoring methodology for performance on the composite graft survival rate, as outlined in Table 8 of this section of this final rule, rewards both achievement and improvement, constitutes a more rigorous scoring methodology, creates smoother transitions between scoring thresholds, and reduces the likelihood of a scenario in which a modest decrease in performance results in a disproportionate loss of points, as compared to the proposed approach as described in this section of this final rule.

However, we will continue to assess whether an improvement scoring methodology for performance on the composite graft survival rate metric in the quality domain would be appropriate for future PYs and will monitor IOTA participant performance to evaluate the feasibility of incorporating one. We remain interested in considering how an improvement scoring methodology could be incorporated into the composite graft survival rate and intend to conduct further analysis to evaluate the feasibility of incorporating a two-scoring system. If analysis results warrant a new or updated policy, we will address it pursuant to future rulemaking.

Comment: Many commenters expressed concern that the proposed updates to the allocation of points for performance on the composite graft survival rate would create large performance ''cliffs'' [55] between scoring thresholds. Commenters noted that smaller kidney transplant hospitals may be disproportionately affected by these gaps due to greater statistical variability in their composite graft survival rates. Several commenters suggested more granular scoring thresholds, such as deciles, to reduce the impact of small variations in performance.

Response: We thank the commenters for expressing their concerns and for their suggestions on our proposed methodology for awarding points for the purpose of assessing performance on the composite graft survival rate in the quality domain. We acknowledge the concerns raised regarding the potential difficulties IOTA participants may face in achieving a top score on the composite graft survival rate metric. With respect to the concerns that a small number of adverse outcomes could significantly skew a kidney transplant hospital's data, we acknowledge that it is difficult to fully assess the extent to which such concerns may affect performance measurement across IOTA participants at this time, given the limited data currently available. However, we recognize there have been significant improvements in kidney transplantation outcomes over time due to advances in immunosuppressive therapies, surgical techniques, and organ preservation methods. We also recognize that post-transplant outcomes are already incentivized through private payers' COE programs and OPTN metrics.

We agree that the impact of statistical volatility is important, particularly for smaller IOTA participants. As such, in response to comments received, we are updating the methodology for the allocation of points for performance on the composite graft survival rate in the quality domain. Specifically, we are finalizing, with modification, Table 1 to paragraph (d) at § 512.428, to reflect the updated points allocation, as outlined in Table 8, such that IOTA participants that perform:

- IOTA participants in the 87.5th percentile of performers and above, 20 points.
- IOTA participants in the 75th to below 87.5th percentile of performers, 18 points.
- IOTA participants in the 62.5th to below 75th percentile of performers, 15 points.
- IOTA participants in the 50th to below 62.5th percentile of performers, 13 points.
- IOTA participants in the 37.5th to below 50th percentile of performers, 10 points.
- IOTA participants in the 25th to below 37.5th percentile of performers, 8 points.
- IOTA participants in the 12.5th to below 25th percentile of performers, 5 points.
- IOTA participants who are below the 12.5th percentile of performers, zero points.

TABLE 8: COMPOSITE GRAFT SURVIVAL RATE SCORING

Performance Relative to National Ranking	Lower Bound Condition	Upper Bound Condition	Points Earned
87.5th percentile	Equals 87.5th percentile	Greater than 87.5th percentile	20
75th percentile	Equals 75th percentile	Less than 87.5th percentile	18
62.5th percentile	Equals 62.5th percentile	Less than 75th percentile	15
50th percentile	Equals 50th percentile	Less than 62.5th percentile	13
37.5th percentile	Equals 37.5th percentile	Less than 50th percentile	10
25th percentile	Equals 25th percentile	Less than 37.5th percentile	8
12.5th percentile	Equals 12.5th percentile	Less than 25th percentile	5
12.5th percentile	N/A	Less than 12.5th percentile	0

We are adding additional thresholds where points will be based on national octiles, as illustrated in Table 8 in this section, rather than quintiles. We believe this approach reflects our partial agreement with commenters by providing greater granularity than both the current and proposed point allocation methodologies as described in this section of the final rule, while preserving greater simplicity than a full decile system comprising 10 thresholds. Furthermore, we believe that using 8 thresholds establishes smoother transitions between scoring thresholds, with increments of 2 or 3 points between most thresholds, thereby reducing the ''cliff effect'' identified by

[55] The cliffs mentioned by commenters refers to the ''cliff effect'' in scoring, a phenomenon where a small increase or decrease in performance results in a disproportionate gain or loss in points.

commenters. We believe this strikes an appropriate balance between granular performance differentiation and administrative feasibility.

Comment: Some commenters expressed concern that the proposal to assign zero points to IOTA participants falling below the 20th percentile is excessively punitive, particularly for safety-net hospitals and those serving high-risk populations and may serve as a disincentive for kidney transplantation even with risk-adjustment mechanisms in place.

Response: We appreciate commenters' concerns regarding the potential impact of awarding zero points to IOTA participants below the 20th percentile, particularly for safety-net hospitals serving vulnerable populations. We also recognize that risk-adjustment may not fully capture all challenges faced by safety-net hospitals. We believe the updated risk-adjustment methodology in the composite graft survival rate calculation, as described and finalized in section II.B.2.b.(2).(a). of this final rule, appropriately addresses case mix differences and ensures fair comparison across IOTA participants with varying patient populations. We also believe that the updated scoring methodology for performance on the composite graft survival rate, as described and finalized in section II.B.2.b.(2).(b). of this final rule, reduces the likelihood of a scenario in which a small decrease in performance results in a significant loss of points, compared to the proposed approach, as described in this section of this final rule. We note that in the updated composite graft survival rate scoring methodology, as outlined in Table 8, zero points are awarded only to IOTA participants below the 12.5th percentile, rather than the 20th percentile as proposed. We believe that this update addresses the criticism of being overly punitive while balancing scoring granularity and administrative feasibility.

Comment: Some commenters requested that CMS establish minimum performance thresholds based on absolute quality standards for the composite graft survival rate rather than relative percentile rankings. Commenters suggested that IOTA participants should be able to meet objective benchmarks without being penalized simply for falling in the bottom percentile nationally, regardless of whether their absolute performance meets acceptable quality standards.

Response: We appreciate the commenters for their feedback and for raising the consideration of utilizing absolute quality standards for the composite graft survival rate. We acknowledge the concern that a purely relative, percentile-based scoring methodology for performance on the composite graft survival rate may result in IOTA participants being penalized despite achieving outcomes that could be considered acceptable from an absolute performance perspective.

We continue to believe that a relative, percentile-based methodology is appropriate for the purpose of allocating points for performance on the composite graft survival rate in the IOTA Model, as it enables comparison of performance across IOTA participants and supports the model's goal of driving continuous quality improvement. A relative approach allows CMS to assess performance within the context of national variation among eligible kidney transplant hospitals and evolving clinical outcomes, rather than relying on fixed thresholds that may not reflect ongoing advancements in transplant care.

At the same time, we recognize the importance of ensuring that performance assessment remains both fair and meaningful. As discussed in comment responses noted previously in this section, we will be finalizing an updated composite graft survival rate scoring methodology, as outlined in Table 8, to reduce sharp performance differentials between thresholds and to more effectively balance performance differentiation with stability. We believe these modifications help mitigate concerns regarding penalizing IOTA participants whose outcomes meet acceptable clinical standards, while simultaneously maintaining appropriate incentives for improvement. However, we will take these comments into consideration as we continue to evaluate the quality domain methodology and may consider alternative approaches, including the potential role of absolute benchmarks, in future notice and comment rulemaking.

After consideration of public comments, for the reasons set forth in this rule, we are finalizing our proposed scoring methodology for performance on the composite graft survival rate in the quality domain, with modification. In response to public comments we received we are modifying the methodology for the allocation of points. Specifically, we are finalizing, with modification Table 1 to paragraph (d) at § 512.428 to reflect the updated points allocation, as illustrated in Table 8. We intend to analyze and monitor IOTA participant performance through the model test to ensure we do not unduly disadvantage kidney transplant hospitals selected for the model. If analysis results indicate that a change in policy is warranted, we will address it pursuant to future notice and comment rulemaking.

3. Payment

a. Background

For the IOTA Model, we proposed and finalized an alternative payment model (APM) structure that incorporates both upside and downside risk to existing Medicare fee-for-service (FFS) payments for kidney transplantations. The IOTA Model will test whether performance-based payments, including the potential for an upside or downside risk payment, to IOTA participants increases access to kidney transplants for attributed patients while preserving or enhancing quality of care and reducing kidney transplant hospital expenditures.

In the 2024 Final Rule (89 FR 96280), we finalized provisions regarding downside risk payments and other payments as described in § 512.430, where we specified the methodologies for upside risk payments, neutral zone, and downside risk payments for IOTA participants. For upside risk payments, if the IOTA participant's final performance score is 60 points or above, CMS will calculate the IOTA participant's upside risk payment by subtracting 60 from the IOTA participant's final performance score, dividing the resulting amount by 40, multiplying the calculated amount by $15,000 and multiplying that amount by the total number of Medicare kidney transplants performed by the IOTA participant during the relevant PY. For downside risk payments, beginning in PY 2, CMS will calculate the downside risk payment by subtracting the IOTA participant's final performance score from 40, divide that number by 40, multiplying the resulting amount by $2,000 and multiplying that amount by the total number of Medicare kidney transplants performed by the IOTA participant during the relevant PY.

b. Alternative Payment Design

In the 2024 Final Rule (89 FR 96383), CMS proposed and finalized two-sided performance-based payments for ''Medicare kidney transplants,'' defined at § 512.402 as kidney transplants furnished to attributed patients whose primary or secondary insurance is Medicare FFS, as identified in Medicare FFS claims with MS–DRGs 008, 019, 650, 651 and 652.

In our proposal in the 2024 Proposed Rule (89 FR 43570), we stated that we had considered including beneficiaries with Medicare Advantage (MA) as well

in the definition of Medicare kidney transplants. As stated in the 2024 Final Rule (89 FR 96382), we decided to finalize the policy as proposed as we did not believe that the additional incentive effects from including MA in the calculation for upside and downside risk payments were necessary at that point to provide sufficient incentive to test the model. We noted our plan to further engage with MA plans to think about the incentives in the IOTA Model and those set up by MA plans. We also planned to monitor relative enrollment of beneficiaries who receive kidney transplants in Medicare FFS as opposed to MA to see if further policy changes would be necessary for future years of the IOTA Model.

In the 2025 Proposed Rule we stated that since publication of the 2024 Final Rule, CMS has continued to assess its position regarding the potential inclusion of beneficiaries enrolled in MA within the definition of Medicare kidney transplants for several key reasons (*90 FR 57611*). This ongoing evaluation reflects CMS's commitment to monitoring changes in MA enrollment trends, analyzing potential impacts on model incentives and Medicare Trust Fund savings, and considering the operational and statutory implications of such an inclusion. In the 2025 Proposed Rule, CMS solicited public comment on this issue more broadly, on whether to include MA beneficiaries within the IOTA Model, as well as on the specific considerations and requests for input if CMS were to proceed with such an approach.

We sought comment on whether CMS should include MA transplants in the calculation for upside risk payments and downside risk payments. We also sought comment on our consideration to update the definition of Medicare kidney transplants at § 512.402 to include attributed patients with MA, to further the incentive effects of the IOTA Model and in recognition of the growth of MA enrollment relative to Medicare FFS.

In the 2025 Proposed Rule (*90 FR 57611*), we stated that per the Announcement of Calendar Year (CY) 2026 Medicare Advantage (MA) Capitation Rates and Part C and Part D Payment Policies, Medicare FFS enrollment of the total ESRD population enrolled in Medicare was about 45 percent in 2024 and is projected to drop to approximately 40 percent by 2028. This means that updating the definition of Medicare kidney transplant would increase the maximum potential upside risk payments, per the definition in § 512.430(b)(1)(iv), for an IOTA participant given that the number of Medicare kidney transplants performed would on average also be increasing. In the 2025 Proposed Rule, we stated that under this approach, CMS could potentially decrease the maximum upside risk payment from $15,000 to $10,000 per Medicare kidney transplant. CMS analyses project that the decreased upside risk payment multiplier and increased number of kidney transplants that upside and downside risk payments would apply to under such an approach would approximately offset each other and approximately have a net zero impact on model savings from this combination of provisions. We explained that CMS could make this change to balance our goals of creating a strong incentive for IOTA participants to increase their number of kidney transplants and ensure savings for the Medicare Trust Fund. We sought comment on our consideration to decrease the maximum upside risk payment from $15,000 to $10,000 per Medicare kidney transplant should CMS update the definition of Medicare kidney transplant to include MA beneficiaries.

As discussed in the 2025 Proposed Rule (*90 FR 57611*), while there may be benefits to including kidney transplants furnished to MA beneficiaries in the calculation for the upside risk payment and downside risk payment, CMS continues to consider potential concerns or disadvantages. One potential issue is whether the payments made under such an approach could affect the contracting relationship between a Medicare Advantage organization (MAO) and the IOTA participant. We sought feedback from both IOTA participants and from MAOs about any potential effect that inclusion of beneficiaries with MA in the definition of Medicare kidney transplants in the IOTA Model could have on their contracting relationships.

In accordance with the non-interference clause in section 1854(a)(6)(B)(iii) of the Act, CMS does not interfere in payment arrangements between MA organizations and their contracted providers (*90 FR 57611*). At the same time, CMS is interested in opportunities to achieve greater alignment between MA and Medicare FFS payment methodologies.

Given the factors described in this section, CMS solicited comments from a broad range of stakeholders and interested parties, including MA plans, beneficiary advocates, healthcare providers, and industry experts. We were particularly interested in comments on how MA could play a role in the IOTA Model. Specifically, we invited public comment on the following:

- What are any innovative transplant-related strategies being tested by MAOs?
- What are the anticipated effects that implementation of this contemplated policy modification would have on the kidney transplant strategic initiatives currently under consideration by MAOs?
- How does the growth of MA compared to Medicare FFS affect participation and incentives in the IOTA Model?
- What do MA plans consider as their role in the kidney transplant process?
- What performance metrics do MA plans consider when evaluating kidney transplant hospitals?
- What performance metrics are the most important for a kidney transplant hospital?
- What are kidney transplant hospitals' experiences with kidney transplant performance metrics from private insurers and MAOs, outside of their experience with the IOTA Model?
- How do the IOTA Model performance metrics play a role in the relationship between an MA plan and a contracted provider?
- If any, what are potential effects that MA inclusion in the model could have on a contracting relationship between providers and MA plans (for example, negotiation of terms)?
- If any, what are potential unintended consequences of MA inclusion on utilization management tools employed by MAOs?
- Would an MA plan consider implementing similar performance metrics to those included in the IOTA Model?
- Under what circumstances is it appropriate for CMS to consider directly incentivizing a behavior change from a provider contracted in an MA plan?

We extended our sincerest appreciation in advance to all commenters, as their valuable feedback will serve to inform future CMS policy actions in this domain.

The following is a summary of the public comments received on the alternative payment design we considered in the 2025 Proposed Rule (90 FR 57611), as described in this section, and our responses:

Comment: Multiple commenters observed that rates of MA enrollment among the Medicare population with ESRD are increasing and that, absent any policy modifications by CMS, the incentives associated with the model would diminish over the course of the IOTA Model performance period. In particular, some of these commenters noted that the rate of ESRD enrollment

in MA is projected to reach 60 percent by 2030, according to the latest projections from the CMS Office of the Actuary.

Response: We appreciate this feedback from the commenters. Per the Announcement of Calendar Year (CY) 2026 Medicare Advantage (MA) Capitation Rates and Part C and Part D Payment Policies, Medicare FFS enrollment of the total ESRD population enrolled in Medicare was about 45 percent in 2024 and is projected to drop to approximately 40 percent by 2029.[56] This projected decline in relative enrollment in Medicare FFS between 2024 and 2029 would likely reduce the overall incentive payments under the model by more than 10 percent over those years, without any further action taken by CMS, which could affect the incentive effects of the model test. Additionally, we also recognize that the distribution of beneficiaries enrolled in MA is not uniform and certain areas with higher current MA penetration or growth in MA enrollment would have less of a potential incentive from the model than those in areas with lower MA enrollment relative to Medicare FFS as a higher percentage of the transplants performed by an IOTA participant would be for patients with MA, rather than Medicare FFS, decreasing the magnitude of their upside or downside risk payments.

In consideration of the comments received and as discussed in more detail later in this section, we are finalizing adoption of the alternative payment design described in the 2025 Proposed Rule, in part, to provide for upside and downside risk payments to IOTA participants based on the total number of transplants made to attributed patients with any Medicare primary or secondary coverage, including both Medicare FFS and MA. Specifically, we are finalizing an update to the definition of Medicare kidney transplant at § 512.402 to mean a kidney transplant furnished to an attributed patient in the IOTA Model whose primary or secondary insurance is Medicare FFS or MA, as identified in Medicare FFS claims with MS–DRGs 008, 019, 650, 651, and 652,[57] or through OPTN data.

Comment: Several commenters expressed support for the inclusion of MA beneficiaries in the calculation for the upside risk payment and downside risk payment as IOTA participants are already reimbursed for costs for their MA patients directly from Medicare FFS organ acquisition costs. A commenter also noted that Medicare cost reports do not differentiate between Medicare FFS beneficiaries and MA beneficiaries. The commenter recommended that the IOTA Model follow suit in its calculation of the upside risk payment and downside risk payments.

Response: We thank the commenters for their support and feedback. Accounting for kidney transplants performed for patients with MA in the IOTA payment calculations aligns with the precedent already set in this area where transplant hospitals receive payments for organ acquisition costs directly from Medicare FFS, even for patients with MA.

Comment: Multiple commenters urged CMS to include MA beneficiaries in the calculation of the upside risk payment and downside risk payment to help align payment policies across payers.

Response: We thank commenters for their support and agree on the importance of multi-payer alignment. We believe updating the calculation of the upside risk payment and downside risk payment to account for MA enrollees will help avoid any potential incentives for IOTA participants to target kidney transplants to attributed patients with Medicare FFS over attributed patients with MA.

Comment: Several commenters indicated that, while they endorsed the inclusion of MA beneficiaries in the calculation of the upside risk payment and downside risk payment, they were unable to support this alternative consideration if the maximum upside risk payment were simultaneously reduced from $15,000 to $10,000, as described in section II.B.3.b. of the 2025 Proposed Rule.

Response: We thank the commenters for their feedback. In response to the comments we received and additional analyses from the CMS Office of the Actuary suggesting that this would not have a large effect on projected model savings, we will be finalizing this alternative consideration with modification. Specifically, we are finalizing as considered in section II.B.3.b. of the 2025 Proposed Rule the modification to the definition of Medicare kidney transplant at § 512.402 and our regulatory text at § 512.470 to provide a waiver of section 1851(i)(2) of the Act and *42 CFR 422.322(c)* to allow for the inclusion of kidney transplants furnished to attributed patients enrolled in MA in the definition of Medicare kidney transplants so that upside risk payments and downside risk payments are based on kidney transplants for beneficiaries with Medicare FFS or MA as a primary or secondary payer. However, rather than lowering to the maximum upside risk payment allotment per Medicare kidney transplant to $10,000, as considered in section II.B.3.b. of the 2025 Proposed Rule, the maximum upside risk payment per Medicare kidney transplant will remain at $15,000.

Comment: Several commenters expressed concern that including MA beneficiaries in the calculation of upside and downside risk payments would increase administrative burden. Commenters specifically cited concerns regarding additional data costs associated with integrating data across payers, as well as potential additional notification requirements.

Response: We thank the commenters for their feedback. We note that the inclusion of MA beneficiaries in the calculation of the upside risk payment and downside risk payment affects only the relative magnitude of upside and downside risk payments for IOTA participants and does not change existing accountability for total kidney transplant volume, which applies regardless of payer under the achievement domain. As such, we do not anticipate that finalizing this provision will introduce additional operational burden or new data analysis requirements for IOTA participants. We also note that the notification requirements under the IOTA Model apply to all Medicare beneficiaries, regardless of whether they are enrolled in Medicare FFS or MA, and, therefore, do not represent a new or incremental requirement associated with this policy.

Comment: Multiple commenters raised concerns regarding the differences in incentives between the IOTA Model and the COE requirements from different MA plans and raised concerns about their ability to succeed on both sets of metrics. A commenter raised concerns that the outcomes metric used for the Quality Domain in the IOTA Model, especially given that it is not risk adjusted for PY 1, does not align with the methodology used by most plans for their COE designations and that use of more complex organs could cause them to lose COE status.

Response: We thank the commenters for their comments regarding the potential impact of incorporating MA kidney transplants into the calculation of upside and downside risk payments on their ability to meet COE requirements across different plans. A kidney transplant hospital receives COE

[56] Centers for Medicare & Medicaid Services, *Announcement of Calendar Year (CY) 2027 Medicare Advantage (MA) Capitation Rates and Part C and Part D Payment Policies* (Apr. 6, 2026), at 27, *https://www.cms.gov/files/document/2027-announcement.pdf.*

[57] See Table 12 in the 2024 Final Rule (89 FR 96381) for a full description of MS–DRGs 008, 019, 650, 651 and 652.

designation from a private insurer when it meets transplant volume and performance thresholds. Without this designation, a kidney transplant hospital may not be approved by certain private insurance companies to complete a kidney transplant procedure, which limits the kidney transplant hospitals where patients may receive covered care. However, as described in comment responses noted previously in this section, updating the calculation of the upside risk payment and downside risk payment to account for transplants furnished to MA enrollees would only affect the relative magnitude of upside risk payments or downside risk payments for IOTA participants. The IOTA Model is designed to test the concept of holding IOTA participants accountable to a comprehensive set of metrics focused on achieving a certain threshold of kidney transplants, organ offer acceptance rates, and post-transplant outcomes. These metrics are comparable to COE requirements that we have identified, such as this sample one linked here,[58] which require a minimum volume threshold and performance above the minimum SRTR thresholds for 90-day and 1-year graft survival rates. We believe that IOTA participants' quality improvement activities implemented as a result of the model's performance metrics and payment methodology may help them reach and maintain COE status.

Though there are similarities between insurer COE requirements and IOTA metrics, CMS recognizes that existing COE requirements from MAOs and private insurers are generally focused on achieving a minimum volume standard to ensure that a center is proficient at performing transplants, rather than on increasing kidney transplant volume as emphasized in the IOTA Model. CMS acknowledges that this distinction may be attributable, in part, to factors that make it difficult for MAOs to capture potential savings that accrue when a transplant occurs. Associated savings from additional transplants are realized when a beneficiary transitions from a higher-cost eligibility category (as an ESRD beneficiary) to a lower-cost category (as a post-transplant beneficiary). MAOs may not directly benefit from these transitions, given the fact that MAOs receive capitated payments based on beneficiary category, the fact that savings associated with transplantation materialize over multiple years due to the substantial upfront costs of organ acquisition, transplantation, and recovery, and the uncertainty of continued beneficiary enrollment over time. These factors reduce the likelihood that MA plans may independently implement incentive mechanisms comparable to those established under the IOTA Model.

Comment: Multiple commenters raised concerns that the inclusion of MA beneficiaries in the calculation of upside and downside risk payments could potentially constitute a violation of the non-interference clause in section 1854(a)(6)(B)(iii) of the Act, which provides that the Secretary may not require any MAO to contract with a particular hospital, physician, or other entity or individual to furnish items and services or require a particular price structure for payment under such a contract.

Response: We thank the commenters for their feedback; however, we respectfully disagree that including MA beneficiaries in the calculation of upside and downside risk payments under the IOTA Model implicates the non-interference clause. Under this policy, MA plans retain full authority to negotiate payment arrangements with contracted providers without interference from the model. The non-interference clause prohibits CMS from interfering in negotiations between MA plans and their contracted providers to require MAOs to contract with a particular provider or require a particular price structure for payment. The inclusion of kidney transplants furnished to MA enrollees in the calculation of upside and downside risk payments does not regulate, direct, or otherwise influence those negotiations, nor does it impose requirements on MA plans. Rather, it applies solely to IOTA participants by incorporating transplant activity across payers into model-based payment calculations. MA plans retain full discretion to negotiate contracts and establish reimbursement rates with network providers without interference from the model. We also note that the IOTA Model operates independently of plan-provider contracting cycles. MA plans typically negotiate contracts with transplant hospitals prior to the start of a calendar year, whereas IOTA Model PYs conclude 18 months after the start of the respective calendar year, and payment adjustments are calculated retrospectively. For example, an IOTA participant's rates for PY 1, which began on July 1, 2025, would have been negotiated before the end of 2024, but the IOTA Model will not finish its calculations until after the PY ends on June 30, 2026. For these reasons, we do not believe that including MA beneficiaries in the calculation of upside and downside risk payments would have an impact on contract negotiations between MA plans and providers.

Comment: A commenter recommended that the alternative consideration regarding the inclusion of kidney transplants furnished to attributed patients enrolled in MA within the definition of Medicare kidney transplants—such that upside risk payments and downside risk payments would be based on kidney transplants for beneficiaries with Medicare FFS or MA as a primary or secondary payer—be implemented on a voluntary basis, and further urged that CMS update the model accordingly to reflect voluntary participation.

Response: As described in the 2024 Final Rule (*89 FR 96304*), a mandatory model is necessary to ensure that a sufficient number of kidney transplant hospitals participate in the IOTA Model such that CMS will be able to conduct a sound evaluation of the model's effects on cost and quality of care. A mandatory model would also minimize the potential for selection bias, thereby ensuring that the model participants are a representative sample of kidney transplant hospitals. We believe a mandatory model is necessary to obtain relevant information about the effects of the model's policies on kidney transplant hospital behavior.

Comment: A commenter suggested that implementation of this provision would be premature, citing uncertainty regarding its potential implications for MA Star Ratings and risk-adjustment if it were finalized.

Response: CMS does not believe that adjusting the magnitude of payments for IOTA Model participants to account for MA enrollees would have any operational impact on MAOs. All payments under the IOTA Model occur directly between CMS and the IOTA participants. Additionally, Star Ratings should not be affected by a change in payment amount received by IOTA participants, given that the MAO would not have a role in this area. Furthermore, the CMS Office of the Actuary does not project that this would impact rates or risk adjustment for MAOs. Their analyses project an additional 4,766 transplants over the six-year period of the model, which is dwarfed by the tens of millions of beneficiaries enrolled in the Medicare program.

Comment: Multiple commenters raised concerns about certain actions taken by MAOs, including prior

[58] Aetna. (2024, January 1). Aetna Institutes of Excellence® transplant facilities: Summary of criteria. *https://www.aetna.com/content/dam/aetna/pdfs/aetnacom/healthcare-professionals/documents-forms/Aetna-Institutes-of-Excellence.pdf*.

authorization requirements and limited contracted networks of transplant hospitals, noting that these policies may constrain patients' ability to receive a transplant. Commenters requested additional data regarding the effects of these various policies implemented by MAOs.

Response: We thank the commenters for their feedback regarding the potential impact of MA utilization management policies and limited networks of kidney transplant hospitals on transplant access. We note that including MA enrollees in the calculation of the upside risk payment and downside risk payment affects only the relative magnitude of upside and downside risk payments for IOTA participants and does not alter the achievement domain, in which IOTA participants are already held accountable for total kidney transplant volume regardless of payer. We also recognize the rapid growth in MA enrollment among patients with ESRD following implementation of the 21st Century Cures Act. As part of the model evaluation for the IOTA Model, we intend to examine effects of the model by payer, and where feasible, investigate the role of MA utilization management policies and networks on results for patients. We believe it is important to know the differential effects of the model by payer and the ability of different kidney transplant hospitals to navigate utilization management requirements.

Comment: We received comments supporting the proposed reduction in spending for the maximum upside risk payment. Commenters pointed out that it was a reasonable policy tradeoff that could ensure budget neutrality and could leave total IOTA participant upside payments at a relatively similar amount relative to the standards for PY 1.

Response: We appreciate the feedback from commenters. CMS' intent in proposing this provision was to achieve that tradeoff and to ensure that total model savings exceeded model payments. We are planning to update our approach as described below and in recognition of the dynamic effects of increased payment amounts. Our final decision to leave the upside risk payment at $15,000 came after updated analyses from the CMS Office of the Actuary that showed an increased incentive effect from higher payments that could ensure more beneficiaries receive kidney transplants and additional savings for the Medicare Trust Fund.

Comment: Multiple commenters expressed support for the alternative consideration that would reduce the maximum upside risk payment, as well as for the inclusion of kidney transplants furnished to attributed patients enrolled in MA within the definition of Medicare kidney transplants.

Response: We thank the commenters for their support. As mentioned in comment responses noted previously in this section, we will not be finalizing the alternative consideration that would reduce the maximum upside risk payment due to updated calculations from the CMS Office of the Actuary and comments from stakeholders that demonstrate that maintaining the payment at $15,000 has a positive incentive effect on encouraging more kidney transplants. We direct readers to section IV. of this final rule for a full discussion on how keeping the maximum upside risk payment at $15,000 is projected to provide a larger incentive for IOTA participants to improve performance in the model. However, as described in comment responses noted previously in this section, we will be finalizing the inclusion of kidney transplants furnished to attributed patients enrolled in MA within the definition of Medicare kidney transplants.

Comment: Multiple commenters expressed disagreement with the alternative consideration that would reduce the maximum upside risk payment, noting that higher incentive payments are necessary to support the requisite investments in technology and care coordination essential for success within the model. Several of these commenters further observed that more complex organs can frequently result in higher costs associated with kidney transplantation due to delayed graft function.

Response: We appreciate this feedback from commenters and are not finalizing the reduction in payments laid out in the 2025 Proposed Rule.

Comment: Commenters noted that the updated savings estimates in the 2025 Proposed Rule show a higher savings for the Medicare Trust Fund that occurs when a patient with MA receives a kidney transplant, as opposed to a patient with Medicare FFS.

Response: We agree with commenters on this issue. In the 2025 Proposed Rule, the CMS Office of the Actuary projected that federal savings would be approximately $5,000 greater for the average additional kidney transplant under MA because risk scores tend to over-project ESRD spending for beneficiaries meeting the clinical criteria for transplantation (*90 FR 57628*). The CMS Office of the Actuary performed an analysis that showed that Hierarchical Condition Category (HCC) risk score and Medicare Part A and B spending data for a cohort of 1,450 transplanted Medicare FFS primary payer beneficiaries from the first quarter of 2023 indicated actual spending of only $4,782 PBPM compared to $6,935 in average estimated monthly MA premium had the beneficiary been enrolled in Medicare Part C during the 9-month period preceding transplant, while post-transplant spending is similar. Assuming 45 percent of new kidney transplants generated by the model are for MA beneficiaries, and these marginally added savings of $2,000 PBPM accrue for what would have been on average 6-months of obviated MA ESRD enrollment, mean savings per added transplant would be assumed to grow by about $5,000 relative to the $40,000 average savings assumed under the policies in this rule which do not currently include kidney transplants for beneficiaries with MA in calculating model payment incentives. This is also in part why, in this final rule, CMS is updating the regulations to account for MA beneficiaries who receive a kidney transplant in upside and downside risk payments.

Comment: Multiple commenters expressed concern regarding the incentive effects arising from the alternative consideration that would reduce the maximum upside risk payment multiplier from $15,000 to $10,000 per Medicare kidney transplant. In particular, a commenter expressed concern that reducing the maximum upside risk payment multiplier to $10,000 would weaken the incentives in the model that support meaningful expansion of transplant capacity. The commenter stated that expanding transplant access requires sustained investment in specialized personnel, patient navigation, care coordination, data analytics, and post-transplant monitoring. The commenter cited evidence from other alternative payment models suggesting that incentives must be of sufficient magnitude and predictability to effectuate provider behavior change, particularly in circumstances where participation is mandatory.

The commenter noted that feedback from transplant programs indicates that the reduction, when considered in conjunction with increasing administrative and transparency requirements, may not adequately offset the costs associated with investing in center capacity and utilization of more complex organs that require longer hospital stays. The commenter further stated that in a labor-constrained

environment, insufficient upside potential may serve as a disincentive to the investments that are central to achieving the model's access goals. The commenter urged CMS to retain the current maximum upside risk payment multiplier of $15,000 per Medicare kidney transplant or, in the alternative, to provide transparent empirical analysis demonstrating that the reduction to $10,000 remains sufficient to sustain participation and investment across diverse transplant programs.

Response: We agree with commenters on this response. Our updated analysis from the CMS Office of the Actuary shows that keeping the maximum upside risk payment multiplier at $15,000 is projected to provide a larger incentive for IOTA participants to better perform in the model. We direct readers to section IV. of this final rule for a full discussion on how keeping the maximum upside risk payment at $15,000 is projected to provide a larger incentive for IOTA participants to better perform in the model.

After consideration of public comments received, for the reasons set forth in this rule, we are finalizing our alternative consideration to calculate upside and downside risk payments to the IOTA participants based on the total number of kidney transplants made to attributed patients with any Medicare primary or secondary coverage, including both Medicare FFS and MA, for the IOTA Model with modification. We are revising the definition of Medicare kidney transplant definition at § 512.402 to include transplants furnished to attributed patients with MA, to further the incentive effects of the IOTA Model and to recognize the growing trend in MA enrollment. Specifically, we are revising the definition of Medicare kidney transplant at § 512.402 to mean a kidney transplant furnished to an attributed patient in the IOTA Model whose primary or secondary insurance is Medicare fee for service (FFS) or MA, as identified in Medicare FFS claims with MS–DRGs 008, 019, 650, 651, and 652, or through aggregate OPTN data that would be able to identify transplants for patients with MA.

We are also revising the regulatory text at § 512.470 to provide a waiver of section 1851(i)(2) of the Act and *42 CFR 422.322(c)* to allow for the inclusion of transplants furnished to attributed patients enrolled in MA in the definition of Medicare kidney transplants so that upside risk payments and downside risk payments are based on kidney transplants for beneficiaries with Medicare FFS or MA as a primary or secondary payer. Specifically, at § 512.470 we are removing the phrase ''and 1833(b) of the Act'' and adding in its place the phrase ''1833(b), and 1851(i)(2) of the Act, and *42 CFR 422.322(c)*''. We do recognize that this waiver has not been used before by CMS. To ensure that there are not unintended negative consequences, CMS will plan to evaluate the effect of this policy on IOTA participants and see if there is any impact on the number of kidney transplants delivered to patients with MA compared to Medicare FFS. This analysis would look at effects of the model between the different payers and also look at any particular regional effects from the model. This will be shared publicly as part of CMS' evaluation of the IOTA Model. Additionally, CMS will track incentive payments made for patients with MA and Medicare FFS separately and assess their effects. Finally, CMS is interested in seeing any effect on MA plan negotiated rates with IOTA participants before and after implementation of this policy and seeks feedback from the public, MAOs, and IOTA participants about how to best track this information.

Additionally, in response to the comments we received, we will maintain the maximum upside risk payment multiplier per Medicare kidney transplant at $15,000, rather than lowering the maximum upside risk payment multiplier per Medicare kidney transplant to $10,000, as considered in section II.B.3.b. of the 2025 Proposed Rule. We believe that this will help to ensure the strongest incentive for IOTA participants to better perform in the IOTA Model, while still ensuring overall savings for the model.

c. Performance-Based Payment Method

(1) Determine Final Performance Score Range Category

In the 2024 Final Rule (89 FR 96384), we finalized using the final performance scores to determine the upside risk payment, the downside risk payment, and the neutral zone at § 512.430(a), as illustrated in Table 9. Additionally, we finalized the definitions of downside risk payment, upside risk payment, and neutral zone at § 512.402.

TABLE 9: PERFORMANCE-BASED PAYMENTS BY FINAL PERFORMANCE SCORE

Final Performance Score	PY 1	PY 2 – 6
60-100	Upside Risk Payment	Upside Risk Payment
41-59 (Inclusive)	Neutral Zone	Neutral Zone
0 - 40	Neutral Zone	Downside Risk Payment

As discussed in the 2025 Proposed Rule (*90 FR 57612*), we previously finalized our policy that for PYs 2 through 6 an IOTA participant would qualify for the neutral zone if their final performance scores were between 41 and 59 points (inclusive) at § 512.430(b)(2)(ii), as illustrated in Table 9. Since publication some IOTA participants have expressed confusion about final performance scores of 40 points and 60 points. In the 2025 Proposed Rule (90 FR 57612), we proposed to update this provision to clarify language about final performance scores of 40 points and 60 points. Given the final performances scores described in Table 9, a score of 40 points results in zero downside risk payments and a score of 60 points results in zero upside risk payments. As a result, we proposed to clarify the language in the rule to address this point and to further clarify the endpoints where an IOTA participant could receive an upside risk payment, be in the neutral zone, or receive a downside risk payment.

We proposed at § 512.430(b)(1) to clarify that if in PYs 1–6, the IOTA participant's final performance score is above 60 points, the IOTA participant qualifies for an upside risk payment (*90 FR 57612*). Additionally, we proposed at § 512.430(b)(2)(ii) to clarify that for PYs 2 through 6, if an IOTA participant's final performance is between 40 to 60 points (inclusive), the IOTA participant qualifies for the neutral zone. Finally, we proposed at § 512.430(b)(3) to clarify that if an IOTA participant's final performance score is below 40 points in

PYs 2 through 6, the IOTA participant qualifies for a downside risk payment.

We sought comment on our proposals at proposed § 512.430(b)(1), (b)(2)(ii), and (b)(3)(i) to clarify the appropriate final performance score ranges for an IOTA participant to be eligible to receive an upside risk payment, be in the neutral zone, or receive a downside risk payment.

The following is a summary of the comments received on our proposals at proposed § 512.430(b)(1), (b)(2)(ii), and (b)(3)(i) to clarify the appropriate final performance score ranges for an IOTA participant to be eligible to receive an upside risk payment, be in the neutral zone, or receive a downside risk payment and our responses:

Comment: A few commenters expressed support for the clarification of the appropriate final performance score ranges for an IOTA participant to be eligible to receive an upside risk payment, be in the neutral zone, or receive a downside risk payment.

Response: We thank the commenters for their support.

After consideration of the public comments we received, for the reasons set forth in this rule, we are finalizing our proposals to clarify the appropriate final performance score ranges for an IOTA participant to be eligible to receive an upside risk payment, be in the neutral zone, or receive a downside risk payment at § 512.430(b)(1), (b)(2)(ii), and (b)(3)(i) without modification, as illustrated in Table 10.

TABLE 10: UPDATED PERFORMANCE-BASED PAYMENTS BY FINAL PERFORMANCE SCORE

Final Performance Score	PY 1	PY 2 – 6
61-100	Upside Risk Payment	Upside Risk Payment
40-60 (Inclusive)	Neutral Zone	Neutral Zone
0 - 39	Neutral Zone	Downside Risk Payment

(2) Downside Risk Payment

In the 2024 Final Rule (89 FR 96386), we finalized provisions regarding downside risk payments and other payments as described in § 512.430. Additionally, we finalized the definition of downside risk payment and established the methodology for its calculation. Since publication, we recognized that this section contains a typographical error that should be corrected regarding the deadline for downside risk payments and lacks specificity regarding what happens if the IOTA participant fails to make the downside risk payment for a given PY.

Therefore, we proposed to update the provision at § 512.430(d)(6)(ii) to clarify that the IOTA participant must pay the downside risk payment to CMS in a single payment within 60 days, rather than at least 60 days, after the date on which the demand letter is issued (*90 FR 57612*). Where the IOTA participant fails to repay CMS in full for all monies owed, CMS would invoke all legal means to collect the debt, including referral of the remaining debt to the United States Department of the Treasury, in accordance with 31 U.S.C. 3711(g).

We sought comment on our proposal at proposed § 512.430(d)(6)(ii) to clarify that full payment of a downside risk payment must be received within 60 days after the demand is made and that it will be considered delinquent debt if not received within that time period.

The following is a summary of the public comments received on these proposals and our responses:

Comment: A few commenters suggested extending the proposed 60-day timeline for remitting downside risk payments, with suggestions including a timeline similar to the deadline for CMS to make bonus payments, no payment being due while there is an existing appeal of a penalty determination, and leniency for smaller providers to allow installment payments.

Response: We appreciate the commenters' concerns regarding the 60-day timeline for remitting downside risk payments. The original rule contained a typographical error wherein CMS will invoke all legal means to collect the debt if the payment has not been made within 60 days, rather than at least 60 days, after the date on which demand is issued. This timeframe is consistent with other CMS debt collection practices. Additionally, there are existing mechanisms in place for an IOTA participant to contest any monies owed. Therefore, we are finalizing this policy as proposed. In addition, the requested leniency for smaller providers was not included in the 2025 Proposed Rule; and therefore, we are not finalizing the revisions suggested by the commenter in this final rule.

Comment: A commenter expressed support for the proposals to finalize the downside risk payment.

Response: We thank the commenter for their support.

After consideration of the public comments we received, for the reasons set forth in this rule, we are finalizing our proposed provisions for clarifying that full payment of a downside risk payment must be received within 60 days after the demand is made and if the IOTA participant fails to repay CMS in full within that timeframe, CMS will invoke all legal means to collect the debt, including referral of the remaining debt to the United States Department of Treasury, at § 512.430(d)(6)(ii) without modification.

(3) Extreme and Uncontrollable Circumstances

In the 2024 Final Rule (89 FR 96389), we finalized provisions regarding a policy related to Extreme and Uncontrollable Circumstances (EUC) at § 512.436. We finalized that for the IOTA Model, CMS would apply determinations made under the QPP with respect to whether an extreme and uncontrollable circumstance has occurred and the affected area during the PY and that CMS has sole discretion to determine the period during which an extreme and uncontrollable circumstance occurred and the percentage of attributed patients residing in affected areas. If CMS determined then that an EUC occurred, CMS could then reduce the amount of the IOTA participant's downside risk payment, if applicable, prior to recoupment and calculate that reduction based on the percentage of total months during the PY affected by the extreme and uncontrollable circumstance and the percentage of attributed patients who reside in an area affected by the extreme and uncontrollable circumstance.

As stated in the 2025 Proposed Rule (*90 FR 57612*), since publication of the 2024 Final Rule, CMS has been reviewing its policy towards EUC

events. The current EUC policy for the IOTA Model reflects the policy used for many accountable care organization (ACO) type models, including the ACO Realizing Equity, Access, and Community Health (ACO REACH) and Kidney Care Choices (KCC) Models. However, CMS recognizes that the policies used for the QPP may not be appropriate for the IOTA Model, given that the QPP policies may not account for broader impacts that an EUC might have on an IOTA participant's ability to perform in the model if allocation systems were disrupted due to an emergency or if there were disaster conditions that could disproportionately affect post-transplant outcomes. The current provision only potentially reduces downside payments and does not account for any change in the model inputs or reporting period that may affect an IOTA participant's performance score if their ability to perform on one or more of the measures were disrupted by an EUC event.

Therefore, we proposed to update the provision at § 512.436(a)(1) to state that CMS may, at its sole discretion, apply flexibilities if the IOTA participant is located in an emergency area during an emergency period, as those terms are defined in section 1135(g) of the Act, for which the Secretary has issued a waiver under section 1135 of the Act and if the IOTA participant is located in a county, parish, or tribal government designated in a major disaster declaration under the Stafford Act (*90 FR 57612* through *57613*). Additionally, we proposed at § 512.436(a)(2) that CMS has the sole discretion to determine the time period during which payment and reporting flexibilities are provided to the IOTA participant. Finally, we proposed at § 512.436(b) that CMS may, at its sole discretion, adjust the direction and the magnitude of the upside or downside risk payments, if applicable, prior to recoupment or payment, for the IOTA participant if the IOTA participant is participating in the IOTA Model when CMS has declared such an emergency period.

We sought comment on our proposal at proposed § 512.436(a)(1) to clarify how CMS will determine if an emergency situation occurs for an IOTA participant beginning in PY 2 of the Model. We also sought comment about the flexibilities at proposed § 512.436(b) that CMS may adjust upside or downside payments to respond to a potential emergency faced by an IOTA participant.

The following is a summary of the comments received on our proposal our proposal at proposed § 512.436(a)(1) to clarify how CMS will determine if an emergency situation occurs for an IOTA participant beginning in PY 2 of the Model, as well as the flexibilities at proposed § 512.436(b) that CMS may adjust upside or downside risk payments to respond to a potential emergency faced by an IOTA participant and our responses:

Comment: Multiple commenters expressed support for increased flexibility for acknowledging extreme and uncontrollable circumstances and the ability for CMS to account for the effects of disasters when measuring performance in the IOTA Model for IOTA participants. Commenters supported CMS extending its purview beyond forgiving a portion of shared losses when considering the effects of an EUC situation.

Response: We appreciate the feedback and believe that this flexibility will be useful in responding to circumstances outside of the control of model participants. This will enable CMS to potentially account for numerous situations that could occur during an EUC situation, including a scenario where the EUC situation causes an IOTA participant to perform fewer than the required minimum number of kidney transplants during a performance year.

Comment: Multiple commenters expressed concerns about using the Stafford Act definition for when an EUC occurs. Commenters were concerned about a governor being required to declare the disaster and urged CMS to remain with the standard set up by the Quality Payment Program.

Response: We appreciate this feedback from commenters and recognize the potential concerns that could occur. As a result, we believe it would be superior to continue using the standard established by the QPP to determine when an EUC occurs, given that it is an internal CMS standard, rather than a definition that depends on outside sources.

After consideration of the public comments we received, for the reasons set forth in this rule, we are not finalizing the proposed changes to § 512.436(a)(1) in order to continue relying on the internal CMS standard of the Quality Payment Program for designating when an Extreme and Uncontrollable circumstance has occurred and the affected area during the PY. However, we are finalizing without modification the provisions as proposed at § 512.436(b), which grants CMS increased flexibility to respond to EUC scenarios.

4. Other Requirements

a. Transparency Requirements

(1) Publication of Selection Criteria for Kidney Transplant Evaluations and Waitlisting

In the 2024 Final Rule (89 FR 96394) that established the IOTA Model, we finalized that IOTA participants must publicly post their patient selection waitlist criteria on a website by the end of PY 1 at § 512.442(a). Additionally, we discussed commenters' suggestions to provide IOTA participants with flexibility in updating waitlist selection criteria and balancing accuracy with resource constraints. We direct readers to the 2024 Final Rule for a full discussion of this policy, a summary of the comments received, and our responses to those comments (89 FR 96394 through 96397).

As stated in the 2025 Proposed Rule, to advance transparency for individuals seeking transplant waitlist access and to improve patient health literacy regarding transplant program evaluation processes, we proposed to revise § 512.442(a) (90 FR 57613). Specifically, we proposed to revise the paragraph heading at § 512.442(a) to remove ''transplant patient'' from Publication of transplant patient selection criteria and to redesignate the current requirement from § 512.442(a) to (a)(1). For all subsequent PYs, we proposed at § 512.442(a)(2) that the IOTA participant must review its publicly posted criteria used for evaluating and selecting patients for addition to its kidney transplant waitlist and ensure that the information on its website is up to date by the end of each relevant PY. We stated in the 2025 Proposed Rule that the proposed modifications aim to improve patient health and safety while reducing disparities in access to transplant evaluations and seek to strengthen the transparency framework within transplant program evaluation processes, thereby facilitating improved patient understanding and equitable access to transplant services.

In the 2025 Proposed Rule (90 FR 57613), we stated that in recognition that transplant hospitals may make changes to the patient selection criteria for determining a patient's suitability for placement on a waitlist we believe that this proposed provision would capture these changes and ensure that the information on its website is up to date in future PYs. We also believed this policy would address commenters' suggestions and provide flexibility in updating its waitlist selection criteria on its website. We sought comment on

these proposals at proposed § 512.442(a)(1) and (2).

We alternatively considered requiring IOTA participants to update its publicly posted living donor selection criteria to ensure that this information on its websites remains current within timeframes of 30 days, 60 days, or 90 days following any modification (90 FR 57613). We recognized that this alternative would provide more accurate and timely information while facilitating informed patient decision-making processes. However, we proposed that IOTA participants must review and update their publicly posted living donor selection criteria by the end of each relevant PY to align with current and proposed publication requirements for patient selection criteria, as described in section II.B.4.a.(1). of this final rule, in the IOTA Model. We sought public comment on the alternatives considered.

As stated in the 2025 Proposed Rule, if a transplant program performs living donor transplants, the transplant program's living donor selection criteria must be consistent with the general principles of medical ethics (90 FR 57613). The program must use written donor selection criteria to determine the suitability of candidates for donation. Transplant programs must also ensure that a prospective living donor receives a medical and psychosocial evaluation, document in the living donor's medical records the living donor's suitability for donation, and document that the living donor has given informed consent. We recognized that the current regulations in the IOTA Model do not address publicly posting living donor selection criteria. As such, for IOTA participants performing living donor kidney transplants, we proposed that those IOTA participants must publicly post on its website its living donor selection criteria for evaluating potential living donors for kidney transplant waitlist patients by the end of PY 2 at § 512.442(a)(3)(i). For all subsequent PYs, we proposed at § 512.442(a)(3)(ii) that the IOTA participant must review its living donor selection criteria for evaluating potential living donors for kidney transplant waitlist patients on its website and ensure that the information publicly posted on its website is correct by the end of each relevant PY.

We believed requiring IOTA participants that perform living donor kidney transplants to publicly post on their website its living donor selection criteria would significantly enhance transparency in the kidney transplant system by making living donor selection criteria readily accessible to patients, families, and referring physicians, allowing them to make more informed decisions about transplant options and understand the specific requirements each IOTA participant uses to evaluate potential living donors (90 FR 57613). Additionally, we believed this requirement would empower patients by providing them with clear information about what criteria their kidney transplant hospital uses to assess living donors, enabling patients, families, and referring physicians to better prepare potential donors and understand the evaluation process, which could ultimately lead to more successful living donor kidney transplant outcomes. We sought comment on these proposals at proposed § 512.442(a)(3)(i) and (ii). Finally, we proposed finalizing these requirements only if they are not redundant with other Department of Health and Human Services (HHS) guidance. We alternatively considered requiring IOTA participants to update its publicly posted living donor selection criteria to ensure that this information on its websites remains current within timeframes of 30 days, 60 days, or 90 days following any modification (90 FR 57613). We recognized that this alternative would provide more accurate and timely information while facilitating informed patient decision-making processes. However, we proposed that IOTA participants must review and update their publicly posted living donor selection criteria by the end of each relevant PY to align with current and proposed publication requirements for patient selection criteria, as described in section II.B.4.a.(1). of this final rule, in the IOTA Model. We sought public comment on the alternatives considered.

As previously suggested by commenters in the 2024 Final Rule (89 FR 96396), we considered creating a standardized waitlist selection criteria template for IOTA participants to use that would include specific details of waitlist selection criteria such as absolute contraindications, financial and insurance requirements, and psychosocial factors that impact listing decisions (90 FR 57614). We also considered but did not propose creating a standardized living donor selection criteria template for IOTA participants to use that would be relative or absolute contraindications for donating a kidney. While we did not propose to provide standardized waitlist selection criteria or living donor selection criteria templates that IOTA participants would be required to use, we sought public comment regarding whether the inclusion of such templates would be preferable and would not impose additional administrative burden upon IOTA participants. Additionally, beyond the requirements outlined in 42 CFR 482.90, we sought comment on what specific requirements or specific detail should be included in standardized waitlist selection criteria or living donor selection criteria templates.

The following is a summary of the public comments received on all of the publication of selection criteria proposals and alternatives considered set out in this section and our responses:

Comment: Several commenters expressed their general support for requiring IOTA participants to review and publicly post the criteria used for evaluating and selecting patients for addition to their kidney transplant waitlist. A commenter supported the proposal, noting that the information is already available and that the absence of a mandate for standardized templates allows IOTA participants to determine the most appropriate information to discuss with their community. Another commenter observed that the publication of selection criteria enhances transparency by affording patients the opportunity to make informed decisions while maintaining consistent reporting requirements across IOTA participants. An additional commenter stated that this initiative serves to empower patients, as they may not otherwise be aware of the criteria employed at different kidney transplant hospitals.

Response: We thank the commenters for their support of the requirement that IOTA participants review and maintain up to date criteria used to evaluate and select patients for addition to their kidney transplant waitlist. We agree that ensuring this information is publicly available and periodically reviewed promotes transparency and helps patients better understand transplant program evaluation processes. We also agree with commenters that making these criteria publicly accessible can help patients and referring clinicians better anticipate evaluation requirements across transplant hospitals and support more informed decision making prior to transplant evaluation. By encouraging transparency early in the transplant journey, we believe this policy may empower patients and contribute to a more efficient and informed transplant evaluation process. For these reasons, we are finalizing this proposal without modification.

Comment: Several commenters expressed support for requiring IOTA participants to review their publicly

posted criteria used for evaluating and selecting patients for addition to the kidney transplant waitlist for each subsequent performance year. A few of these commenters noted that the requirement aligns with existing practices and would not create significant additional administrative burden.

While supporting the proposal, a commenter suggested including the date of the most recent review in the publicly posted criteria. Another commenter commended the initiative for empowering patients and supporting more informed decision making by patients and their care teams, noting that access to this information may help patients select the most appropriate transplant hospital, particularly when insurance limits the number of transplant evaluations permitted each year. This commenter also recommended that CMS and HRSA collect and publish additional data on pre-waitlisting processes, including the number of referred patients and the number who begin and complete transplant evaluations.

Additionally, a commenter stated that the proposal appropriately balances improving patient understanding with recognizing operational burden. The commenter further recommended that CMS complement transparency efforts by collecting and publishing anonymized, summary-level data regarding reasons transplant hospitals decline organ offers and the eventual disposition of those organs to improve public understanding of transplant decision making and identify potential inefficiencies in the organ allocation system.

Response: We thank the commenters for their support of the proposal requiring IOTA participants to review their publicly posted criteria used for evaluating and selecting patients for addition to the kidney transplant waitlist for each subsequent performance year. We agree that this requirement aligns with existing practices for many IOTA participants and should not impose significant additional administrative burden. As described in this section of this final rule, § 512.442(a)(2) requires IOTA participants to review and ensure that their publicly posted waitlist selection criteria remain current by the end of each relevant performance year, which we believe promotes transparency while maintaining operational flexibility.

As mentioned in comment responses noted previously in this section, we are finalizing this provision without modification. However, we appreciate the suggestion to include the date of the most recent review within the publicly posted criteria and the broader recommendations to expand transparency through additional data collection, such as information on pre-waitlisting referrals, evaluation completion rates, or reasons transplant hospitals decline organ offers. We also acknowledge commenters' views that providing clear information about transplant evaluation criteria can empower patients and their care teams to make informed decisions when selecting transplant hospitals, particularly when insurance coverage limits the number of evaluations permitted each year. While the provision focuses on ensuring the accuracy and transparency of IOTA participant selection criteria, we recognize the potential value of additional data transparency initiatives and may consider such suggestions in coordination with HRSA and other stakeholders in future policy development or notice and comment rulemaking.

Comment: A commenter expressed general support for the proposal requiring IOTA participants to review and maintain up to date their publicly posted criteria used to evaluate and select patients for addition to the kidney transplant waitlist each performance year, indicating they understood and supported the intent of this annual requirement as a means of promoting transparency in kidney transplant evaluation processes.

Response: We thank the commenter for their support.

Comment: A commenter expressed support for the requirement that IOTA participants publicly post the criteria used to evaluate and select patients for addition to their kidney transplant waitlist. The commenter also recommended that CMS consider auditing this practice to ensure compliance and consistency. In addition, the commenter suggested that CMS define what constitutes selection criteria and provide examples of key areas that should be addressed in the publicly posted criteria.

Response: We appreciate the commenter's support. We acknowledge that we inadvertently omitted transparency requirements in the inclusion of monitoring activities for PY 1. However, as described and finalized in section II.B.6 of this final rule, we are finalizing our proposed provisions for monitoring the transparency requirements at § 512.462(b)(2)(xi), (xii), and (xiii) with modification. We direct the commenter to section II.B.6. of this final rule for further discussion on monitoring activities for transparency requirements included in the IOTA Model.

We acknowledge that certain IOTA participants may maintain distinct criteria for the initial consideration and evaluation of a kidney transplant waitlist patient as compared to the criteria for selection and addition to the waitlist, while other IOTA participants may regard evaluation and selection as encompassing a unified set of criteria. We would also like to clarify that the intent of requiring the publication of selection criteria provision is to promote transparency regarding the requirements that patients must realistically fulfill, both prior to and following evaluation, in order to successfully advance to addition on the waitlist.

As mentioned in comment responses noted previously in this section, we are finalizing this provision without modification. While we will not require IOTA participants to use selection criteria templates for the posting of this information on its websites, we encourage IOTA participants to consider incorporating categories such as potential disqualifications, absolute and relative contraindications to kidney transplant, or, alternatively, factors that may delay or promote readiness for kidney transplant. For example, such criteria could potentially include, but not be limited to, guidance pertaining to body mass index, smoking status, active substance use, psychosocial requirements, cardiac and pulmonary function, physical functioning status, active demonstration of adherence to appointments and medications, state of vascular disease, ability for temporary relocation for post-transplant follow-up, active cancers, life expectancy, and active insurance coverage for surgical procedures and lifelong transplant medications. We acknowledge that many patients may receive resources during their transplant evaluation, such as guidance to achieve weight loss or to develop a financial plan or social support system, in order to meet qualification requirements. Accordingly, the specificity and explanations of selection criteria remain at the discretion of the IOTA participant to address the needs of their local populations and kidney transplant hospital. We also encourage IOTA participants to present their selection criteria in a manner that is comprehensible to patients of varying education levels and in an accessible format.

Comment: Several commenters recommended that CMS establish a centralized dashboard to publish the criteria used by IOTA participants for evaluating and selecting patients for

addition to their kidney transplant waitlist, rather than requiring individual IOTA participant websites to host such information, thereby enhancing accessibility and reducing administrative burden. Additionally, it was suggested that the criteria should be presented as a means of patient preparation rather than discouragement, and that this centralized platform should be developed over time to serve as a comprehensive repository for patient resources.

Response: We appreciate the commenters' recommendation to establish a centralized location for the posting of selection criteria. As described and finalized in section II.B.4.a(2) of this final rule, CMS will publish IOTA participant waitlist selection criteria and living donor selection criteria on the IOTA Model website by the end of the second quarter of each subsequent PY, thereby supplementing the existing requirement for IOTA participants to post such information on their respective websites. While this is not a dashboard, this centralized approach is intended to enhance accessibility and transparency for patients and other stakeholders. We direct readers to section II.B.4.a(2) of this final rule for a full discussion of these policies.

We also agree that the manner in which selection criteria are presented is of considerable importance to patient engagement. IOTA participants are encouraged to frame such information in a manner that supports patient preparation and comprehension, including the emphasis of modifiable factors that may assist patients in preparing for kidney transplant evaluation, rather than presenting criteria in a manner that may be perceived as discouraging.

Comment: A commenter expressed support for CMS's proposal requiring IOTA participants, for each subsequent PY, to review and maintain up to date the publicly posted criteria used for evaluating and selecting patients for addition to the kidney transplant waitlist by the end of each relevant PY, noting that this provision promotes transparency. The commenter also suggested that selection criteria include information on therapies or options available for highly sensitized patients to further support patient empowerment and informed decision making.

Response: We thank the commenter for their support and recommendation. We recognize the importance of providing information that may support patient understanding and empowerment, including considerations relevant to highly sensitized patients. However, as described in comment responses noted previously in this section, we are not prescribing specific content requirements for how criteria used by IOTA participants for evaluating and selecting patients for addition to their kidney transplant waitlist must be presented.

IOTA participants retain flexibility in determining how to present their selection criteria and related information to best meet the needs of their patient populations. This may include, at the discretion of the IOTA participant, information on factors such as high PRA considerations and potential options to expand transplant opportunities, including paired kidney exchange programs or desensitization therapies.

Comment: A few commenters recommended that CMS modify the frequency of the proposed provision requiring IOTA participants to review their publicly posted criteria used to evaluate and select patients for addition to the kidney transplant waitlist, as well as living donor selection criteria for IOTA participants performing living donor kidney transplants, from an annual review to once every three years. The commenters indicated that aligning the review frequency with the 3-year accreditation cycle for transplant hospitals would more accurately reflect existing operational practices and reduce administrative burden.

Response: We thank the commenters for their recommendation to align the review of selection criteria with the three-year accreditation cycle; however, we do not agree that extending the review frequency to every three years is appropriate. Transplant hospitals operate on different accreditation timelines, which could result in significant variation in how current publicly posted criteria are across IOTA participants. Over a three-year period, regulatory requirements, clinical practices, and transplant program policies may change, and less frequent updates could result in outdated information being presented to patients and referring clinicians.

We also note that variability in update timing could create inconsistencies for patients comparing IOTA participants, particularly if some of them have more recently updated criteria while others have not. We believe that requiring annual review and updating of selection criteria better supports transparency, accuracy, and equitable access to information, especially given the dynamic nature of transplant practices and the continuous flow of patients entering and progressing through the transplant process. For these reasons, and those described in this section, we are finalizing the frequency of these provisions without modification.

Comment: Several commenters expressed support for the proposal requiring IOTA participants that perform living donor kidney transplants to publicly post their living donor selection criteria on their websites. Commenters stated that this initiative would improve transparency, support informed decision making for kidney transplant waitlist patients, and promote greater consistency across transplant hospitals.

Commenters also noted that the information is generally already available and that the absence of a mandated template allows IOTA participants flexibility to tailor how criteria are presented to best meet the needs of their communities. Additionally, commenters indicated that the proposal appropriately balances enhancing patient understanding with minimizing administrative burden and is not expected to impose significant additional workload on IOTA participants.

Response: We appreciate the commenters' support for the proposal requiring an IOTA participant that performs living donor kidney transplants to publicly post its living donor selection criteria on its website. We agree that making these criteria publicly available enhances transparency, supports informed decision-making for kidney transplant waitlist patients and their families, and promotes greater consistency across transplant hospitals. We believe that providing access to living donor selection criteria enables patients, potential donors, and referring clinicians to more thoroughly understand evaluation requirements and adequately prepare for the living donation process.

We further agree with commenters that this requirement is unlikely to impose significant additional administrative burden, as many IOTA participants already maintain such information and the policy does not prescribe the use of a standardized template. This flexibility permits IOTA participants to tailor the manner in which criteria are presented to best serve the needs of their respective communities while ensuring that essential information remains accessible. By achieving an appropriate balance between transparency and operational flexibility, we believe this provision supports patient understanding and engagement without imposing undue burden. For these

reasons, we are finalizing § 512.442(a)(3) without modification.

Comment: A few commenters expressed support for requiring IOTA participants that perform living donor kidney transplants to publicly post their living donor selection criteria, including the requirement to review and update this information for each subsequent PY. A commenter suggested that CMS also require inclusion of the date of the most recent review to enhance transparency and clarity for patients and stakeholders.

Another commenter commended the initiative for empowering patients, noting that access to this information may support more informed decision making and improve efficiency for patients and their care teams. Additionally, a commenter agreed with the requirement, stating that clearly defined threshold criteria may help potential living donors better prepare for evaluation, and recommended that CMS clarify which stage of the evaluation process the posted selection criteria are intended to address.

Response: We thank the commenters for their support of the requirement for IOTA participants that perform living donor kidney transplants to publicly post and annually review their living donor selection criteria. In response to the suggestion to include the date of the most recent review, while we did not propose to require this element, we encourage IOTA participants to consider including it to enhance transparency and facilitate tracking for patients, staff, and monitoring purposes.

We also appreciate the request for clarification regarding the stage of the evaluation process addressed by the posted selection criteria. The intent of this provision is to provide potential living donors with a clearer understanding of what to expect during the evaluation process. While we are not mandating specific templates or content, we encourage IOTA participants to present information that may assist with patient preparation, such as potential contraindications or factors that may affect readiness for donation. We note that the level of detail and presentation of this information remains at the discretion of the IOTA participant to best meet the needs of their patient population, and the policy is not intended to discourage potential donors but rather to promote informed understanding and engagement.

Comment: A commenter expressed disagreement with our proposal requiring IOTA participants performing living donor kidney transplants to publicly post their living donor selection criteria for evaluating potential living donors for kidney transplant waitlist patients on its websites. The commenter cited concerns regarding administrative burden and redundancy for both CMS and providers, noting that patients already utilize direct sources of information, such as transplant hospital and OPTN websites. The commenter further conveyed concern that transitioning this material to the IOTA Model website could introduce opportunities for errors.

Response: We thank the commenter for their feedback. As mentioned in comment responses noted previously in this section, we are finalizing our provision at § 512.442(a)(3) without modification. As such, IOTA participants that perform living donor kidney transplants will be required to post its publicly posted living donor selection criteria by the end of PY 2 and review and update this information by the end of each subsequent PY thereafter. We note that, if desired, IOTA participants may update this information more frequently. The information posted on IOTA participant websites will serve as the basis for the content published by CMS on the IOTA Model website, as described and finalized in section II.B.4.a(2) of this final rule, which is intended to provide a centralized and accessible source of information for patients and stakeholders. We direct readers to section II.B.4.a(2) of this final rule for further discussion on this provision.

We also acknowledge the availability of resources through the OPTN website. However, it does not currently provide a centralized location for comparing transplant hospital selection criteria. While the IOTA Model website will include only IOTA participants, Innovation Center models are designed to test approaches on a smaller scale with the potential for broader application if successful. CMS does not have the authority to require non-IOTA participants to adopt similar posting practices; however, we encourage all transplant hospitals to consider such transparency efforts to support informed decision-making for living donor candidates.

Comment: A few commenters recommended removing the proposed provision requiring IOTA participants, beginning in PY 3 and for all subsequent PYs, to review its living donor selection criteria for evaluating potential living donors for kidney transplant waitlist patients and ensure that the information on its website is correct by the end of each relevant PY. These commenters cited concerns that such criteria are patient-specific in nature and could either create confusion or deter potential donors, thereby conflicting with the broader objective of increasing access to kidney transplantation.

Response: We thank the commenters for their recommendations and acknowledge that living donor selection involves careful consideration of a multitude of risks and benefits unique to each potential donor. However, given that there is currently no requirement for IOTA participants to post its living donor selection criteria on its website, we believe that establishing baseline criteria will not only encourage more meaningful discussions between kidney transplant waitlist patients and their care teams regarding living donation, but also set reasonable expectations for those patients. We further note that this provision does not include prescriptive specifications requiring IOTA participants to utilize standardized templates. This flexibility affords IOTA participants the discretion to determine the specificity of their criteria, including whether to list absolute or relative contraindications, or to adopt alternative approaches. Given that this provision is not overly prescriptive in nature, we do not believe that it would create confusion or deter prospective living donors.

Comment: A commenter expressed concern that the new publication of living donor selection criteria requirement would impose additional administrative burden without providing clear benefit.

Response: We acknowledge that initial implementation may require IOTA participants to engage in internal discussions to establish and align on living donor selection criteria. However, we do not consider these efforts to be unduly burdensome, but rather necessary to support transparency and patient understanding. Providing this information may help facilitate more efficient evaluations and better prepare potential living donors for the process. We also anticipate that, following initial implementation, subsequent PYs would require only limited updates, as IOTA participants maintain and refine existing living donor selection criteria rather than develop them anew.

Comment: A few commenters expressed support for the use of standardized templates. A commenter specifically supported the development of a uniform, standardized template, preferably created by HRSA or the OPTN, that would encompass absolute contraindications as well as financial, psychosocial, and insurance requirements. Another commenter recommended that HHS encourage HRSA, through the OPTN Modernization Initiative, to establish a

centralized repository incorporating the aforementioned criteria to facilitate comparison among transplant hospitals. This commenter referenced a prior SRTR version as a potential model and suggested that such a tool could be piloted initially by IOTA participants.

Response: We appreciate the commenters' support. We are finalizing these provisions as proposed, but, we will take the commenters' recommendations into consideration for future notice and comment rulemaking. We remain interested in standardized templates as a means to ease the burden on each IOTA participant and to facilitate comparisons across all IOTA participants, provided that such templates can be implemented while maintaining flexibility for IOTA participants and accommodating their independent needs. Furthermore, following the implementation of these requirements, we encourage IOTA participants to engage in ongoing discussions with CMS regarding whether the inclusion of standardized templates would or would not be beneficial.

Comment: Several commenters expressed opposition to the use of standardized templates for publishing waitlist and living donor selection criteria. Some of these commenters stated that standardized templates could limit flexibility for IOTA participants to tailor criteria to their specific kidney transplant hospitals and patient populations. Another commenter raised concerns about potential administrative burden associated with implementing templates. Additionally, a commenter requested further clarification regarding how such a requirement would be implemented. In contrast, another commenter suggested that, if templates were to be developed, they should be created by HRSA or the OPTN to ensure consistency and alignment with existing transplant system practices.

Response: We thank the commenters for their comment. We are finalizing these provisions without modification. However, we will take this feedback into consideration for future notice and comment rulemaking.

After consideration of the public comments we received, we are codifying in our regulation at § 512.442(a)(2) that for all subsequent PYs, the IOTA participant must review its publicly posted criteria used for evaluating and selecting patients for addition to its kidney transplant waitlist and ensure that the information is up to date on its website by the end of each relevant PY, as proposed without modification.

Additionally, we are finalizing our regulations at § 512.442(a)(3)(i) and (ii) that IOTA participants who perform living donor kidney transplants must publicly post on its website its living donor selection criteria for evaluating potential living donors for kidney transplant waitlist patients by the end of PY 2 without modification and for all subsequent PYs, review its living donor selection criteria for evaluating potential living donors for kidney transplant waitlist patients and ensure that the information on its website is correct by the end of each relevant PY without modification.

We received no comments on our provisions to revise the paragraph heading at § 512.442(a) to remove ''transplant patient'' from Publication of transplant patient selection criteria and to redesignate the current requirement from § 512.442(a) to 512.442(a)(1) and therefore are finalizing these provisions as proposed without modification. We intend to further consider the cadence of updating this website and selection criteria. For IOTA participants who choose to post their selection criteria for evaluating patients for addition to their kidney transplant waitlist and living donors early in a given PY, we also encourage them to update their criteria again, should it change throughout the year.

(2) Publication of IOTA Participant Selection Criteria

In the Specialty Care Models final rule (85 FR 61114), CMS established certain general provisions in 42 CFR part 512 subpart A that apply to all Innovation Center models. One such general provision pertains to rights in data. Specifically, in the Specialty Care Models final rule, we stated that to enable CMS to evaluate the Innovation Center models as required by section 1115A(b)(4) of the Act and to monitor the Innovation Center models pursuant to § 512.150, in § 512.140(a) we would use any data obtained in accordance with §§ 512.130 and 512.135 to evaluate and monitor the Innovation Center models (85 FR 61124). We also stated that, consistent with section 1115A(b)(4)(B) of the Act, CMS would disseminate quantitative and qualitative results and successful care management techniques, including factors associated with performance, to other providers and suppliers and to the public. We stated that the data to be disseminated would include, but would not be limited to, patient de-identified results of patient experience of care and quality of life surveys, as well as patient de-identified measure results calculated based upon claims, medical records, and other data sources. We finalized these policies in 42 CFR 512.140(a).

Consistent with these provisions, in the 2024 Final Rule (89 FR 96403) that established the IOTA Model, we finalized our proposals to publish results from all PYs of the IOTA Model. Specifically, we stated that, for each PY, we intend to identify each IOTA participant for the PY and to post performance across the achievement domain, efficiency domain, and quality domain for each IOTA participant on the IOTA Model website annually, as they become available (89 FR 96403). As stated in the 2025 Proposed Rule, we maintain our belief that this not only meets CMS requirements but also demonstrates transparency for the transplant community (90 FR 57614).

Adding to these provisions, we proposed to publish IOTA participant waitlist selection criteria and the proposed living donor selection criteria, as described in section II.B.4.a.(1). of this final rule, on the IOTA Model website (90 FR 57614). Specifically, for each PY, we indicated our intent to publish waitlist selection criteria and the proposed living donor selection criteria, as described in section II.B.4.a.(1). of this final rule, for each IOTA participant on the IOTA Model website by the end of the second quarter of each subsequent PY. We proposed to finalize this requirement only if it was not redundant with other HHS guidance. We believed that the release of this information on the IOTA Model website would inform the public about IOTA participants' selection criteria while in the IOTA Model. Furthermore, we believed the release of this information on the IOTA Model website would address previous suggestions from commenters to provide this information in a centralized location (89 FR 96396). Lastly, we noted that this would supplement, not replace, the publication of selection criteria requirements in the IOTA Model.

We sought comments on our proposal to post this information to the IOTA Model website, as well as the information we intend to post and the manner and timing of the posting.

The following is a summary of the comments received on our proposal to post this information to the IOTA Model website, as well as the information we intend to post and the manner and timing of the posting and our responses:

Comment: A commenter indicated that they were not opposed to publishing IOTA participant living donor selection criteria and kidney transplant waitlist selection criteria on the IOTA Model website but questioned the overall value of this action. The commenter expressed concern that making this information publicly

available could enable insurers to access data limited to IOTA participants, potentially creating advantages or disadvantages for participating kidney transplant hospitals relative to non-participants.

Response: We appreciate the commenter's feedback and acknowledge the concern regarding the potential implications of publishing IOTA participant waitlist selection criteria and living donor selection criteria, particularly the possibility that insurers or other stakeholders could focus on information from only those kidney transplant hospitals participating in the IOTA Model. We understand the importance of ensuring that participation in the IOTA Model does not inadvertently create inequitable advantages or disadvantages for non-participants.

The intent of requiring centralized publication of these criteria is to promote transparency, consistency, and informed decision-making for patients and stakeholders. Publicly available information regarding selection criteria supports greater understanding of how candidates are evaluated and helps ensure clarity around the practices of IOTA participants. This transparency requirement is not intended to serve as a comparative performance tool or to elevate IOTA participants over non-participating kidney transplant hospitals.

Importantly, we note that this requirement pertains to the disclosure of selection criteria, not selective reporting of performance outcomes. Broader transplant hospital performance data remain subject to established reporting frameworks that apply uniformly across all transplant hospitals. As such, we respectfully disagree that posting this information on the IOTA Model website could allow insurer access to only IOTA participant data, thereby potentially creating unfair advantages or disadvantages for participating or non-participating institutions.

Furthermore, as described in the 2025 Proposed Rule (90 FR 57614) and in this section of this final rule, we believe the publication of this information on the IOTA Model website will address previous suggestions from commenters to provide this information in a centralized location (*89 FR 96396*). For these reasons, we are finalizing this provision without modification.

Comment: A commenter expressed opposition to the public posting of selection criteria on the IOTA Model website, citing concerns regarding the associated administrative burden and the absence of any substantive benefit.

Response: We thank the commenter for their feedback; however, we respectfully disagree that the requirement to publish selection criteria on the IOTA Model website would create additional administrative burden or provide limited benefit. As described in the 2025 Proposed Rule at 90 FR 57614 and in this section of this final rule, CMS intends to transfer the relevant selection criteria, as described and finalized in section II.B.4(a)(1) of this final rule, from individual IOTA participant websites to the IOTA Model website. Because the information is already publicly posted by IOTA participants pursuant to existing transparency requirements, we do not expect this provision to impose additional administrative burden.

We believe that making this information available through a centralized location will improve transparency and accessibility for patients, referring clinicians, and other stakeholders. As noted in the 2025 Proposed Rule (90 FR 57614) and discussed in this section of this final rule, this approach also responds to earlier stakeholder feedback requesting a centralized location for this information (*89 FR 96396*). As described in comment responses noted previously in this section, we are finalizing this provision without modification. We will continue to welcome feedback from IOTA participants, patients, and the transplant community regarding the usefulness and implementation of this information on the IOTA Model website.

Comment: A commenter expressed opposition to publishing IOTA participant waitlist selection criteria and living donor selection criteria on the IOTA Model website. The commenter stated that patients typically seek this information directly from transplant hospital websites or through resources provided by the OPTN and expressed concern that relocating this information to a separate IOTA Model website could increase the potential for errors or inconsistencies in the information presented.

Response: We thank the commenter for their feedback and acknowledge the concern that patients often seek transplant hospital selection criteria directly from transplant hospital websites or through resources provided by the OPTN. However, as described in the 2025 Proposed Rule (90 FR 57614) and in this section of this final rule, publishing IOTA participant waitlist selection criteria and living donor selection criteria on the IOTA Model website is intended to supplement, not replace, these existing sources. IOTA participants will continue to publicly post this information on its individual kidney transplant hospital websites in accordance with the publication of selection criteria requirements as described and finalized in section II.B.4.a.(1) of this final rule. Centralized posting on the IOTA Model website is intended to improve accessibility and transparency by providing a single location where patients and referring clinicians may review and better understand the criteria used by IOTA participants to evaluate transplant candidates and potential living donors.

We also recognize the concern regarding potential errors or inconsistencies. CMS intends to transfer the relevant information directly from IOTA participant websites and requires IOTA participants to review and ensure their publicly posted criteria remain current by the end of each performance year. While the OPTN website provides valuable resources, it does not currently offer a centralized location where patients can easily review and compare transplant hospital selection criteria. We believe this centralized posting helps address that gap and responds to prior stakeholder recommendations to make this information available in one location. Accordingly, as mentioned in comment responses noted previously in this section, we are finalizing this provision without modification.

After consideration of public comments, for the reasons set forth in this rule, we are finalizing our proposals to publish IOTA participant waitlist selection criteria and the living donor selection criteria, as described and finalized in section II.B.4.a.(1). of this final rule, without modification, as outlined in section II.B.4.a(2) of the preamble of this final rule. Specifically, for each PY, we intend to publish IOTA participant waitlist selection criteria and the living donor selection criteria, as described and finalized in section II.B.4.a.(1). of the preamble of this final rule, for each IOTA participant on the IOTA Model website by the end of the second quarter of each subsequent PY. Not only does this meet CMS requirements, as previously discussed, but also demonstrates transparency for the transplant community. We will further consider the frequency and availability of this information on the IOTA Model website in future notice and comment rulemaking.

(3) Transparency Into Kidney Transplant Organ Offers

As discussed in the 2024 Final Rule (89 FR 96397), those active on a kidney transplant waitlist may receive organ offers at any time. However, there is

currently no requirement for providers to discuss organ offers with their patients. A provider may decline an organ offer for any number of reasons; [59] however, declining without disclosing the rationale to the patient may miss an important opportunity for shared decision-making.

As stated in the 2025 Proposed Rule at 90 FR 57614, after 3 years on the waiting list, approximately 27 percent of kidney transplant waitlist patients receive a deceased donor kidney transplant (DDKT), while 33 percent remain on the waitlist.[60] Communication with waitlisted patients is limited, typically focusing only on discussing eligibility requirements and notifying them when a transplant program plans to accept an organ offer.[61] [62] Furthermore, the National Academy of Sciences, Engineering, and Medicine (NASEM) released a significant report in 2022 titled ''Realizing the Promise of Equity in the Organ Transplantation System.'' [63] The report put forth several key recommendations to enhance transparency and patient engagement in the organ transplantation process. Notably, it called for transplant hospitals to increase transparency with patients regarding declined organ offers, including providing specific details about the number of declined offers and the rationale behind these decisions. Secondly, the report advocated for modifications to the OPTN contract, emphasizing the need for transplant hospitals to actively involve patients in the decision-making process when accepting or rejecting organs.

We also noted in the 2025 Proposed Rule that the recent release of two studies related to notifying patients on the waiting list about declined organ offer, since we issued the 2024 Proposed Rule (90 FR 57615). One study conducted interviews with patients and nephrologists about this issue of organ offer transparency. [64] This study found that among 755 patient respondents surveyed, 64 percent expressed a preference to receive organ offer reports. Of the total patient respondents, 87 percent indicated that transplant hospitals should be mandated to inform candidates about the organ offers they receive, while 62 percent specified that candidates should be notified following each individual offer. Additionally, 73 percent of nephrologists reported that they believe patients should be provided with offer information. The second study, conducted at the University of Michigan in 2022, developed and evaluated an innovative Organ Offer Review Card (OORC) designed to enhance transparency in kidney transplant waitlist processes. [65] In response to the 2022 NASEM recommendations for increased accountability in organ offer decisions, researchers created a prototype tool that summarizes patients' organ offers and reasons for decline over a 6-month period. This study employed a cross-sectional survey design to assess patients' perceptions, attitudes, and feedback regarding the OORC, while also examining perspectives on shared decision-making for organ offers. The survey found that of 60 randomly selected patients, 43 were reached by phone and 17 (39.5 percent) completed the survey, almost all of whom believed it was important to be involved in the decision-making process about organ offers and all of them wanted to understand why organs were declined on their behalf. The study further found that a vast majority of patients believe the information enhanced their understanding of the transplant process and believed that seeing this information would increase their trust in the transplant hospital. While these two studies have limited sample size, they represent a growing interest in how to foster organ offer transparency and patient-centered care.

As described in the 2024 Final Rule (89 FR 96397), we proposed to add requirements to increase transparency for IOTA waitlist patients who are Medicare beneficiaries regarding the volume of organ offers received on their behalf while on the waitlist. Specifically, we proposed that for each month an organ is offered to an IOTA waitlist patient who is a Medicare beneficiary, an IOTA participant must inform the Medicare beneficiary, on a monthly basis, of the number of times an organ is declined on the Medicare beneficiary's behalf and the reason(s) for the decline. However, following feedback from public comments that this policy would impose a significant administrative burden on IOTA participants, we did not finalize this transparency requirement to consider alternatives, such as an alternative frequency of sharing declined organ offers with the Medicare beneficiary. We also stated that we remain invested in evaluating alternative transparency opportunities for patients on the waiting list with the transplant community to fulfill this important need. We direct readers to the 2024 Final Rule for more information on the stakeholder comments regarding that proposal and our responses to those comments (89 FR 96397 through 96403).

As stated in the 2025 Proposed Rule, based on the feedback we received, we proposed an alternative approach for the model (90 FR 57615). Specifically, for PYs 3 through 6 we proposed at § 512.442(b) and (b)(1) that IOTA participants would be required to notify eligible IOTA waitlist beneficiaries of the number of times an organ is declined on the eligible IOTA waitlist beneficiary's behalf at least once every 6 months that the eligible IOTA waitlist beneficiary is on the IOTA participant's waitlist. For purposes of the model, we proposed to define ''eligible IOTA waitlist beneficiaries'' at § 512.402 as IOTA waitlist patients, as defined at § 512.402, who are Medicare beneficiaries and meet all of the following criteria:

- Are active on the IOTA participant's waitlist.
- Have accrued a minimum of 3 years of waiting time on the IOTA participant's waitlist.

[59] Reasons for declining include concerns about the quality of the donor organ, such as, donor comorbidity, evidence of disease or injury, or other clinical factors that could affect long-term graft survival. Providers may also decline an offer if the organ is not compatible with the candidate's blood type or antibody profile, which could increase the risk of rejection. Patient-specific factors may also play a role, such as the candidate not being medically stable for surgery at the time of the offer, not meeting weight or other health requirements, or having unresolved infections or comorbidities. In some cases, logistical issues like timing, transport of the organ, or operating room availability may contribute to a declined offer.

[60] Lentine, K. L., Smith, J. M., Miller, J. M., Bradbrook, K., Larkin, L., Weiss, S., Handarova, D. K., Temple, K., Israni, A. K., & Snyder, J. J. (2023). *OPTN/SRTR 2021 Annual Data Report: Kidney. American journal of transplantation: official journal of the American Society of Transplantation and the American Society of Transplant Surgeons, 23*(2 Suppl 1), S21–S120. *https://doi.org/10.1016/j.ajt.2023.02.004.*

[61] Bergeron, M. (2020). *Transplant Center Criteria and Inequalities Within Transplant Wait Listing Process* [Thesis]. *https://stars.library.ucf.edu/etd2020/175/.*

[62] Rasheed, H. A., Pensler, M., Diaz, S., Roney, E., Barrett, M., & Sonnenberg, E. M. (2024). Organ Offer Review Cards: Improving Transparency on the Kidney Transplant Waitlist. *Clinical Transplantation, 38*(7). *https://doi.org/10.1111/ctr.15388.*

[63] National Academies of Sciences, Engineering, and Medicine. (2022a). *Realizing the Promise of Equity in the Organ Transplantation System* (K. W. Kizer, R. A. English, & M. Hackmann, Eds.). National Academies Press. *https://doi.org/10.17226/26364.*

[64] Husain, S. A., Rubenstein, J. A., Ramsawak, S., Huml, A. M., Yu, M. E., Maclay, L. M., Schold, J. D., & Mohan, S. (2025). Patient and Provider Attitudes Towards Patient-Facing Kidney Organ Offer Reporting. *Kidney International Reports, 10*(4), 1122–1130. *https://doi.org/10.1016/j.ekir.2025.01.013.*

[65] Rasheed, H. A., Pensler, M., Diaz, S., Roney, E., Barrett, M., & Sonnenberg, E. M. (2024). Organ Offer Review Cards: Improving Transparency on the Kidney Transplant Waitlist. *Clinical Transplantation, 38*(7). *https://doi.org/10.1111/ctr.15388.*

We noted that our rationale for this proposal is explained further later in this section (90 FR 57615). We sought comment on our proposed definition of eligible IOTA waitlist beneficiaries at proposed § 512.402.

In the 2025 Proposed Rule, we proposed that, beginning in PY 3, IOTA participants would be required to provide notification of declined organ offers for eligible IOTA waitlist beneficiaries, as defined at proposed § 512.402, who are on their waitlist every 6 months, starting July 1 of PY 3, subject to the following conditions (90 FR 57615). We stated that IOTA participants would only have to notify eligible IOTA waitlist beneficiaries with at least 3 years of accrued waiting time. IOTA participants would have to provide this notification every 6 months after that time period. For example, if an eligible IOTA waitlist patient has 2 years and 11 months of accrued waiting time on July 1 of PY 3, the IOTA participant would not need to provide this notification to that eligible IOTA waitlist patient because they have not accrued 3 years of waiting time. Alternatively, if an eligible IOTA waitlist patient has 3 years and 11 months of accrued waiting time on July 1 of PY 3, the IOTA participant would need to provide this notification to that eligible IOTA waitlist patient because they have accrued 3 years of waiting time. We also stated that this proposed timeframe is designed to balance the operational burden for IOTA participants and when eligible IOTA waitlist beneficiaries could start getting transplantable offers. To respect beneficiary choice, eligible IOTA waitlist beneficiaries would be able to opt out of this notification.

As stated at 90 FR 57615 of the 2025 Proposed Rule, for each 6-month period in which an organ offer is received and declined, we proposed at § 512.442(b)(1)(i)(A) through (F) that the IOTA participant must provide notifications to each eligible IOTA waitlist beneficiary, as defined at proposed § 512.402, and include all of the following:

- How much wait-time the eligible IOTA waitlist beneficiary is currently listed with and their percent panel-reactive antibody (PRA)[66] value.
- In each 6-month period, how many match-runs, as defined at § 512.402, the eligible IOTA waitlist beneficiary came up on and how many donors they received kidney organ offers from.
- Unique patient-specific considerations for that eligible IOTA waitlist beneficiary for which deceased donor kidneys the IOTA participant would consider for that eligible IOTA waitlist beneficiary.
- The refusal reason(s)[67] why offers were declined based off the OPTN refusal codes in plain language.
- Of the deceased donor kidney organ offers declined for that eligible IOTA waitlist beneficiary how many of those kidneys were transplanted in another kidney transplant patient, as defined at § 512.402.
- Potential avenues to accelerate access to transplant (for example, exploring living donation, being waitlisted at multiple kidney transplant hospitals, reviewing transplant organ offer acceptance criteria or ensuring they meet and maintain the patient criteria for their chosen kidney transplant hospital(s), such as adhering to weight loss recommendations).

We believed that these proposed requirements would best balance transparency for the eligible IOTA waitlist beneficiary and ensure the information is as useful as possible for them (90 FR 57616). We noted that we did not finalize this provision in the 2024 Final Rule and stated that we were very interested in transparency, but due to the many concerns that we received, we recognized that monthly notification to Medicare beneficiaries regarding volume and reason for organ decline could have been very burdensome to IOTA participants and their staff in PY 1 since this was a new initiative and there were not current infrastructure or database resources to aid in minimizing burden on IOTA participants (89 FR 96397). We believe though that circumstances have changed relative to when we wrote the 2024 Final Rule for a few reasons:

As stated at 90 FR 57616 in the 2025 Proposed Rule, first, the IOTA Model has already started. The 2024 Final Rule that established the IOTA Model was finalized in December 2024 and IOTA participants were notified of their participation status. IOTA participants have had time to implement their care models. Additionally, IOTA participants would have plenty of notice of CMS' intent in this area, with approximately 18 months from the release date of the 2025 Proposed Rule in Fall 2025 until the start of PY 3 on July 1, 2027, to implement the necessary processes to implement these notification requirements.

Next, we believed that this updated provision that we proposed is responsive to many of the administrative burden concerns that were raised by commenters in response to what we originally proposed in the 2024 Proposed Rule (90 FR 57616). For example, in the 2025 Proposed Rule we proposed that the transparency into kidney transplant organ offers requirement would only apply for eligible IOTA waitlist beneficiaries, as defined in section II.B.4.a.(3). of this final rule, rather than all IOTA waitlist patients who are Medicare beneficiaries, and IOTA participants would only be required to notify eligible IOTA waitlist beneficiaries every 6 months, rather than monthly.

Additionally, we further stated in the 2025 Proposed Rule that we have been working with the Health Resources and Services Administration (HRSA) with operational assistance to help to make sure that this information is easily accessible for IOTA participants and in a format that could be easily shared with its eligible IOTA waitlist beneficiaries (90 FR 57616).

We considered requiring that an IOTA participant begin providing notification of declined organ offers 3 years from when a beneficiary started dialysis, but did not propose that as we know some beneficiaries get onto the waitlist before they start dialysis (90 FR 57616). We also considered proposing 1 or 2 years of waitlist time, as well as 4 or 5 years, but decided to propose 3 years as a way to balance when it would be appropriate for eligible IOTA waitlist beneficiaries to start being informed of their offers. We sought comment on the alternative considered.

As stated in the 2025 Proposed Rule, we considered proposing to require IOTA participants to provide this notification to eligible IOTA waitlist beneficiaries once they join the list or with just 1 year or 2 years of waiting list time but decided to propose 3 years to balance informing these patients with the workload for IOTA participants (90 FR 57616). We also considered proposing other timeframes for potentially notifying eligible IOTA waitlist beneficiaries about kidney transplant organ offers including monthly, quarterly, or annually, but

[66] As defined by the OPTN, the percent PRA value is a measure of a patient's level of sensitization to HLA antigens. It is the percentage of cells from a panel of blood donors against which a potential recipient's serum reacts. The PRA reflects the percentage of the general population that a potential recipient makes antibodies (is sensitized) against. For example, a patient with a PRA of 80 percent will be incompatible with 80 percent of potential donors. Kidney patients with a high PRA are given priority on the waiting list. The higher the PRA, the more sensitized a patient is to the general donor pool, and thus the more difficult it is to find a suitable donor. A patient may become sensitized as a result of pregnancy, a blood transfusion, or a previous transplant.

[67] Refusal reasons, as defined by the OPTN, are number codes used on a match run to show the reason an organ was not accepted for a potential transplant recipient (PTR) receiving the offer.

proposed every 6 months to align with the model's review of acceptance criteria requirement at § 512.442(c) and the proposed change in waitlist status requirement, as described in section II.B.4.a.(5). of this final rule.

Subsequently, we considered a variation of organ offer notifications, where every 6 months the IOTA participant would be required to also provide the total number of kidney transplant organ offers the IOTA participant received and accepted in the relevant 6-month period in addition to the kidney transplant organ offers for the individual eligible IOTA waitlist beneficiary (90 FR 57616). For example, a notification in January would include the number of received and accepted kidney transplant offers by the IOTA participant from July 1 to December 31, alongside the number of kidney transplant organ offers that the individual eligible IOTA waitlist beneficiary received during that same time frame. We believe that providing total kidneys accepted by an IOTA participant would help provide a comparison for when eligible IOTA waitlist beneficiaries receive organ offer notifications every 6 months. In recognition of the additional reporting complexity this variation would introduce for IOTA participants, we did not propose this alternative considered.

We considered limiting this proposed requirement exclusively to kidney transplant organ offers that were ultimately transplanted; however, we determined that the requirement to inform eligible IOTA waitlist beneficiaries of the disposition of each kidney transplant organ offer would accomplish the same objectives while providing more comprehensive information to the eligible IOTA waitlist beneficiary (90 FR 57616). We also considered not requiring the sharing of offers further up in the match run, as defined at § 512.402, at spot 100 or higher to align with the SRTR definition of hard-to-place organ or spot 150, but wanted to err on the side of providing greater transparency to eligible IOTA waitlist beneficiaries. We further considered excluding multi-organ offers from this provision; however, we did not propose such exclusion because we wanted to ensure that eligible IOTA waitlist beneficiaries would receive a more complete perspective regarding their care.

We considered requiring other explanations for why each kidney transplant organ offer was declined, in order to provide additional specificity where appropriate but decided to propose OPTN refusal codes in order to provide a standardized approach for IOTA participants using a format they are already familiar with (90 FR 57616). We also considered requiring cumulative information of organ offers declined since the eligible IOTA waitlist beneficiary was added to the IOTA participant's waitlist but were unsure if that would provide additional useful information for these beneficiaries.

Lastly, we considered but did not propose creating a standardized notification template for IOTA participants to use that would include the information specified at proposed § 512.442(b)(1)(i)(A) through (F) (90 FR 57616). We thought that requiring IOTA participants to use a CMS-provided standardized template for these notification requirements could be beneficial because it would ensure uniform implementation across all IOTA participants, eliminating variability in how critical patient-specific information is communicated and significantly reducing the administrative burden on individual IOTA participants by providing ready-to-use formats rather than requiring each IOTA participant to develop custom systems. Additionally, we stated that a standardized template would enhance beneficiary understanding by presenting complex medical information in a consistent, accessible format across all IOTA participants, while also facilitating more efficient CMS oversight and enabling better aggregation of beneficiary communication data for program evaluation and quality improvement initiatives. We also recognized that requiring IOTA participants to use a CMS-provided notification template presents certain considerations that merit evaluation. While standardization offers benefits, we recognized that it may present challenges in addressing diverse patient populations, varying literacy levels, and unique clinical circumstances that could benefit from tailored communication approaches. Furthermore, we stated that a standardized notification template may need to be designed with sufficient flexibility to accommodate the different operational capabilities, existing communication systems, and established beneficiary relationships that individual IOTA participants have developed to avoid potential implementation challenges or reduced effectiveness in patient communication. While we did not propose to provide a standardized notification template that IOTA participants would be required to use, we sought public comment regarding whether the inclusion of such templates would be preferable and would not impose additional administrative burden upon IOTA participants. Additionally, beyond the proposed requirements, we sought comment on what specific requirements or specific details should be included in or excluded from such a notification template.

To communicate with the eligible IOTA waitlist beneficiary effectively, we proposed at § 512.442(b)(2) that the IOTA participant must provide this notification via patient visit, email, electronically, or mail on an individual basis, unless the eligible IOTA waitlist beneficiary opts out of this notification (90 FR 57617). We proposed at § 512.442(b)(2)(i) IOTA participants must give eligible IOTA waitlist beneficiaries the opportunity to opt out of receiving this notification. We proposed at § 512.442(b)(2)(ii) that if an eligible IOTA waitlist beneficiary opts out of receiving this notification, the IOTA participant would be required to do the following:

- Record in the eligible IOTA waitlist beneficiary's medical record all of the following:

++ The date on which this notification was declined.

++ The method by which this notification was declined.

- Offer to provide this notification once every 6 months at which time the eligible IOTA waitlist beneficiary would have the opportunity to opt out of receiving this notification again.

We note that our rationale for this proposal is explained further later in the section.

In the 2025 Proposed Rule at 90 FR 57617, we also proposed at § 512.442(b)(3)(i) through (iii) that the IOTA participant must record in the eligible IOTA waitlist beneficiary's medical record—

- That the eligible IOTA waitlist beneficiary received the notification specified in proposed § 512.442(b)(1);
- The method by which the notification was delivered; and
- The date by which the notification was delivered.

Additionally, we proposed at § 512.442(b)(4) that the information at proposed § 512.442(b)(1) must be provided with the eligible IOTA waitlist beneficiary's nephrologist or nephrology professional, to provide the opportunity for questions and clarification of information (90 FR 57617).

As described at 90 FR 57617 in the 2025 Proposed Rule, we alternatively considered proposing that the IOTA participant must record in the eligible IOTA waitlist beneficiary's medical record—

- That the eligible IOTA waitlist beneficiary was sent the notification specified in proposed § 512.442(b)(1);
- The method by which the notification was sent; and
- The date by which the notification was sent.

In the 2025 Proposed Rule we stated in this alternative considered, requiring IOTA participants to document when a notification was sent rather than when it was delivered recognizes the practical challenges of verifying receipt while still ensuring accountability (90 FR 57617). The IOTA participant would fulfill its obligation to communicate the required information once a notification was sent, whether by mail, email, or electronically. However, we chose not to propose this alternative because we believed recording only when a notification was sent does not confirm that the information reached the eligible IOTA waitlist beneficiary. We also believed that requiring IOTA participants to document delivery of this notification creates a more accurate medical record, allowing IOTA participants to know with confidence what information eligible IOTA waitlist beneficiaries have in hand when engaging in follow-up discussions or counseling. Furthermore, we stated that documenting delivery supports transparency and accountability by demonstrating that IOTA participants are not only generating notices, but also ensuring they arrive, reducing the risk that eligible IOTA waitlist beneficiaries unknowingly miss out on information necessary for shared decision-making. Ultimately, we stated that focusing on when it was delivered rather than was sent better serves the purpose of the notification requirement: to keep eligible IOTA waitlist beneficiaries informed and actively engaged in their path to kidney transplantation.

We sought comment on our proposals to provide transparency into kidney transplant organ offers at proposed § 512.442(b). We also sought comment on the alternatives considered.

The following is a summary of the public comments received on all of the transparency into kidney transplant organ offers proposals and alternatives considered set out in this section and our responses:

Comment: Several commenters requested that CMS further define what constitutes ''3 years of waiting time'' on an IOTA participant's waitlist, noting that there are multiple mechanisms by which waiting time may be accrued and that additional clarification would be helpful for consistent implementation.

Response: We thank the commenters for their feedback. After consideration for the concerns raised by commenters, we are not finalizing the proposed transparency into kidney transplant organ offers provision at § 512.442(b), and therefore are not finalizing the proposed definition of eligible IOTA waitlist beneficiaries. We remain committed to advancing transparency in a manner that balances patient benefit and operational feasibility and will continue to engage with transplant stakeholders to identify potential alternative approaches that may be considered in future notice and comment rulemaking.

Comment: A commenter expressed opposition to the provision that organ offer information would be required to be shared exclusively with IOTA waitlist patients who have accrued three years of wait time on the IOTA participant's waitlist.

Response: We thank the commenters for their comment. As mentioned in comment responses noted previously, in response to the comments we received, we will not be finalizing the proposed transparency into kidney transplant organ offers provision. As such, we will not be finalizing the definition of eligible IOTA waitlist beneficiaries.

Comment: A commenter expressed support for CMS's consideration of a standardized template for IOTA participants to use in providing transparency into kidney transplant organ offers, including the elements specified at proposed § 512.442(b)(1)(i)(A) through (F). The commenter further recommended that any such template be pre-populated to the greatest extent possible to minimize administrative burden on IOTA participants.

Response: We appreciate the commenter's feedback. As described in comment responses noted previously in this section, we are not finalizing our proposed transparency into kidney transplant organ offers provisions at this time.

Comment: A commenter expressed interest in the development of a standardized template for transparency into kidney transplant organ offers and indicated a willingness to collaborate with CMS and the patient community to support its design and implementation.

Response: We thank the commenter for their interest in the development of a standardized template for transparency into kidney transplant organ offers and willingness to collaborate with CMS and the patient community to support its design and implementation. However, as described in comment responses noted previously in this section, we are not finalizing our proposed transparency into kidney transplant organ offers provisions at this time.

Comment: Numerous commenters expressed strong support for increasing transparency in the transplant system but urged CMS not to finalize the proposed requirement at § 512.442(b) to notify eligible IOTA waitlist beneficiaries of declined organ offers every six months. Many commenters stated that the data needed to support these notifications are not available in a single source and would require extensive manual review, resulting in significant administrative burden and diversion of clinical resources away from patient care. Commenters emphasized that most declined offers are based on clinical suitability or organ quality and noted that communicating these complex, patient-specific decisions could generate additional patient questions, further increasing workload. Several commenters asserted that CMS underestimated the time and resources required, and raised concerns that compliance costs, without additional funding, could strain transplant programs or lead to scaling back services.

Commenters also raised concerns about patient impact. Some commenters noted that their programs already emphasize shared decision-making and patient education, and cautioned that presenting complex and nuanced organ offer data could create confusion, distress, or erosion of trust. Other commenters stated that the decision to accept or decline an organ is highly individualized and involves numerous clinical factors that may be difficult for patients to interpret meaningfully. A commenter highlighted that even transplant professionals face challenges in attributing a single reason for organ declines, citing the complexity of decision-making and ongoing efforts to refine OPTN refusal codes. Commenters expressed concern that providing large volumes of technical information without sufficient context could undermine, rather than enhance, patient understanding and engagement.

Several commenters recommended alternative approaches to transparency that may be more feasible and meaningful. For example, a commenter suggested providing patients with individualized estimates of wait time based on their characteristics, while another recommended CMS focus oversight on transplant hospitals with significantly higher refusal rates. Other commenters proposed patient-initiated access to aggregate and de-identified data, or leveraging centralized OPTN resources to provide standardized information. Across comments, there

was a consistent recommendation that CMS collaborate with the transplant community to develop transparency approaches that balance patient benefit with operational feasibility.

Response: We thank the commenters for their concerns. Due to the many concerns received, we recognize that notifying eligible IOTA waitlist beneficiaries, as described in this section of this final rule, regarding volume and reason for organ decline could be very burdensome to IOTA participants and their staff in PY 3 since this would be a new requirement and there is not current infrastructure or database resources to aid in minimizing burden on IOTA participants. We need more time to better identify how we can increase transparency of the organ offer process for transplant recipients with the help of the transplant community. Minimizing administrative burden for kidney transplant hospitals while maximizing meaningful communication with beneficiaries will be key in these discussions as the transplant community participates in this dialogue. Subsequently, in response to these comments and those raised in this section, we will not be finalizing our regulation at proposed § 512.442(b), which required that eligible IOTA waitlist beneficiaries, as defined at proposed § 512.402 on the IOTA participant's waitlist be notified at least once every 6 months about the number of times an organ is declined. Additionally, as mentioned in comment responses noted previously in this section, we will not be finalizing the proposed definition of eligible IOTA waitlist beneficiary at this time. We look forward to engaging in conversation with transplant stakeholders to understand additional transparency opportunities to mutually meet patient and provider goals, prior to potentially revisiting this in future notice and comment rulemaking.

Comment: A commenter expressed support for the proposal to notify eligible IOTA waitlist beneficiaries with at least 3 years of waiting time of the number of times an organ is declined on their behalf every six months, stating that the requirement would not be overly burdensome. However, the commenter recommended that CMS consider limiting the scope of reported organ offers to those within a specified threshold on the match run to improve relevance and feasibility.

Response: We thank the commenter for their support and recommendation. We will not be finalizing the proposed transparency into kidney transplant organ offer provision, as described in comment responses noted previously in this section, but may consider this idea in future notice and comment rulemaking as we continue to assess ways to increase transparency and maximize meaningful communication while minimizing administrative burden for kidney transplant hospitals.

Comment: A commenter expressed support for notifying eligible IOTA waitlist beneficiaries of the number of times an organ is declined on their behalf, asserting that such transparency would help ensure that care aligns with beneficiaries' preferences. However, the commenter recommended excluding organs that are ultimately discarded from these notifications. The commenter also questioned the proposed threshold of requiring at least three years of accrued waiting time, describing it as arbitrary and suggesting that notifications begin earlier, while acknowledging the need to balance transparency with feasibility. The commenter further emphasized the importance of ongoing patient education beginning at the time of waitlist placement and recommended linking notifications to real-time communication support to reduce potential anxiety. The commenter also disagreed that eligible IOTA waitlist beneficiaries would be overwhelmed by a high volume of offers, stating this does not reflect typical patient experience. Additionally, the commenter advocated for the centralization of reporting through the establishment of a personal organ offer portal administered by the OPTN, which would provide standardized information and afford greater patient autonomy.

Response: We appreciate the commenters' support of our objective to enhance transparency and acknowledge their thoughtful recommendations regarding patient empowerment, including proposals for enhanced educational initiatives and the establishment of a centralized reporting portal. As mentioned in comment responses noted previously in this section, we are not finalizing our proposed transparency into kidney transplant organ offers provisions at this time. We intend to continue engaging with the transplant community to identify appropriate approaches for future transparency initiatives, including consideration of which types of organ offers may be appropriate to include or exclude in such reporting.

Comment: A commenter expressed support for increased transparency, stating that patients often lack visibility into significant decisions made by transplant hospitals on their behalf. The commenter recommended that patients be informed of organ offer declines and provided with educational information regarding organ quality and anticipated outcomes to support understanding and engagement in decision making.

Response: We thank the commenter for their support and for emphasizing the importance of informing patients about organ offer declines and related considerations. We agree that transparency and patient education are important to support informed decision making and patient engagement. As described in comment responses in this section, we are not finalizing our proposed transparency into kidney transplant organ offers provisions at this time. We remain committed to exploring approaches to enhance transparency and patient understanding in collaboration with patients, providers, and the broader transplant community.

Comment: A commenter expressed support for the proposed transparency into kidney transplant organ offer notification requirements, particularly when combined with patient reported outcome measures to promote patient centered care. However, the commenter raised concerns regarding the proposed threshold of three years of accrued waiting time for eligible beneficiaries to receive notifications and suggested that CMS consider shorter or tiered waiting time thresholds to allow earlier access to this information.

Response: We thank the commenter for their support and feedback and acknowledge the concern regarding limiting organ offer notifications to eligible IOTA waitlist beneficiaries with at least three years of accrued waiting time, particularly given variation in wait times and the potential for patients to receive organ offers earlier. As described in comment responses in this section, we are not finalizing our proposed transparency into kidney transplant organ offers provisions at this time. However, we believe this is an important consideration and will take this comment into consideration in future notice and rulemaking.

Comment: A commenter expressed support for the requirement that IOTA participants provide notifications to eligible IOTA waitlist beneficiaries regarding declined organ offers, noting that such measures would serve to enhance transparency. However, the commenter cautioned that implementation must be undertaken thoughtfully to avoid causing undue anxiety or confusion among eligible IOTA waitlist beneficiaries. The commenter recommended providing information through periodic, aggregated summaries rather than real-time notifications, focusing on clinically meaningful offers, and including

standardized, plain-language explanations. The commenter further stated that transparency efforts should aim to empower patients by pairing such information with ongoing education about the complexity of the organ offer decision-making process, thereby supporting patient understanding and trust.

Response: We thank the commenter for their support of CMS' efforts to enhance transparency and for their thoughtful recommendations regarding implementation. We agree that transparency initiatives should be designed to support patient understanding and avoid unnecessary confusion or anxiety, and we appreciate the suggestions to use periodic summaries, focus on clinically meaningful offers, and incorporate plain language explanations and education. As described in comment responses in this section, we are not finalizing our proposed transparency into kidney transplant organ offers provisions at this time. However, we believe this is an important consideration and will take this comment into consideration in future notice and rulemaking as appropriate.

Comment: A commenter expressed support for the proposal to retrospectively share declined organ offer information with eligible IOTA waitlist beneficiaries on a semi-annual basis, emphasizing that they should have access to this information if they choose. However, the commenter opposed limiting eligibility to IOTA waitlist patients who had accrued a minimum of 3 years of waiting time on an IOTA participants waitlist, noting that patients may begin receiving organ offers within weeks of listing and that prolonged time on dialysis may reduce transplant opportunities. The commenter also raised concerns about the potential administrative and time burden on providers, suggesting that billing mechanisms be considered to support these complex patient discussions. To mitigate burden on IOTA participants, the commenter proposed alternative approaches, such as limiting shared data to organs that were ultimately transplanted or restricting disclosure to a certain point in the match run. The commenter further emphasized the importance of leveraging technology to automate data sharing and recommended that this information also be provided to the patient's referring nephrologist to support shared decision-making. The commenter cautioned that careful implementation would be necessary to ensure that increased transparency enhances patient trust and understanding rather than causing confusion.

Response: We appreciate the commenter's thoughtful feedback, including their support for the principle that patients have a right to their health data and their insightful suggestions regarding implementation. We acknowledge the observation that the proposed accrued a minimum of 3 years waiting time on the IOTA participant's waitlist could potentially exclude those who receive offers early in their journey, and we agree that any transparency initiative must be carefully designed to foster trust. Additionally, we recognize the commenter's emphasis on mitigating IOTA participant burden through recommendations such as automation, the establishment of billing codes, and the sharing of information with referring nephrologists to facilitate shared decision-making. As described in the comment responses within this section, we are not finalizing the proposed transparency into kidney transplant organ offers provisions at this time. However, we consider this to be an important area of consideration and will take this comment into account in future notice and comment rulemaking as appropriate.

Comment: A commenter expressed support for the proposal to notify eligible IOTA waitlist beneficiaries, on at least a semiannual basis, of the number of organ offers declined on their behalf while on the IOTA participant's waitlist. However, the commenter recommended that CMS consider excluding kidney transplant organ offers that were ultimately discarded from these notifications. The commenter also suggested that CMS explore the development of individualized organ offer filters to reduce the volume of clinically inappropriate offers and alleviate operational burden for IOTA participants.

Response: We thank the commenter for their feedback and for their support of efforts to improve transparency into kidney transplant organ offers. We appreciate the recommendation to reduce the number of clinically inappropriate organ offers through approaches such as individualized organ offer filters, and we agree that such strategies may help alleviate operational burden for IOTA participants while improving the efficiency of the organ offer process. As described in comment responses in this section, we are not finalizing our proposed transparency into kidney transplant organ offers provisions at this time. However, we believe this is an important consideration and will take this comment into consideration in future notice and rulemaking as appropriate.

Comment: A few commenters expressed support for the goal of increasing transparency through the proposed transparency into kidney transplant organ offers notification requirements, noting the potential to enhance patient empowerment. However, the commenters emphasized that any such requirements should be operationally feasible for IOTA participants and designed in a manner that is meaningful and helpful for patients.

Response: We thank the commenters for their feedback. As described in comment responses in this section, we are not finalizing our proposed transparency into kidney transplant organ offers provisions at this time. However, we believe this is an important consideration and will take this comment into consideration in future notice and rulemaking as appropriate.

Comment: A commenter expressed appreciation for the flexibility in the proposed transparency into kidney transplant organ offer notification delivery options.

Response: We thank the comment for their support.

Comment: A commenter recommended that CMS not finalize the proposed transparency into kidney transplant organ offers requirements, citing concerns regarding administrative burden, potential disruption to existing clinical protocols, limited patient benefit, lack of clarity regarding which organ offers would need to be communicated, and the overall complexity of organ offer decision-making.

Response: We thank the commenter for their recommendation. As described in comment responses in this section, we are not finalizing our proposed transparency into kidney transplant organ offers provisions at this time. However, we believe this is an important consideration and will take this comment into consideration in future notice and rulemaking as appropriate.

Comment: A commenter expressed strong opposition to the proposed organ offer notification requirement, asserting that challenges in the transplant system stem primarily from the organ allocation framework rather than a lack of patient communication. The commenter stated that requiring IOTA participants to explain complex, multifactorial reasons for declining organ offers would impose significant burden and may lead to patient confusion. As an alternative, the commenter recommended a patient-

centered approach in which eligible IOTA waitlist beneficiaries define their preferences regarding transplant longevity and acceptable waiting time, which could then be incorporated into a statistical matching model to better align organ allocation with individual patient goals.

Response: We thank the commenter for their comment. As described in comment responses in this section, we are not finalizing our proposed transparency into kidney transplant organ offers provisions at this time. However, we believe this is an important consideration and will take this comment into consideration in future notice and rulemaking as appropriate.

Comment: A commenter expressed opposition to the proposed organ offer notification requirement, stating that the criteria used to determine organ acceptance are highly complex, even for experienced physicians. The commenter further noted that the effort required to communicate this information, as well as the potential for patient confusion, may outweigh any anticipated benefits.

Response: We thank the commenter for their comment. As described in comment responses in this section, we are not finalizing our proposed transparency into kidney transplant organ offers provisions at this time. However, we believe this is an important consideration and will take this comment into consideration in future notice and rulemaking as appropriate.

Comment: A commenter recommended that CMS collaborate with HRSA to develop a standardized format for the proposed transparency into kidney transplant organ offers notifications, noting that such an approach could reduce administrative burden and eliminate the need for delivery verification methods such as certified mail or read receipts.

Response: We thank the commenter for their recommendation. As described in comment responses in this section, we are not finalizing our proposed transparency into kidney transplant organ offers provisions at this time. However, we believe this is an important consideration and will take this comment into consideration in future notice and rulemaking as appropriate.

Comment: A commenter observed that several proposed transparency requirements, including notifications of organ offer declines and waitlist status changes, depend upon the accurate identification of CMS-attributed beneficiaries. The commenter urged CMS to refrain from imposing requirements that would compel hospitals to duplicate information already maintained within OPTN systems. The commenter recommended that CMS securely transmit relevant beneficiary-attribution lists to the OPTN to facilitate the automated generation of standardized, patient-specific reports for Medicare beneficiaries. The commenter asserted that this approach would enhance accuracy, reduce the need for manual reconciliation by IOTA participants, standardize notification formats, and substantially diminish administrative burden. The commenter further suggested that such reports could be distributed directly by CMS or made accessible through a secure OPTN-developed patient portal, and encouraged collaboration among CMS, HRSA, and the OPTN to leverage existing data expertise. The commenter maintained that centralized reporting and distribution would promote consistency, reduce variation across institutions, and advance the stated goals of the model.

Response: We thank the commenter for their comment. As described in comment responses in this section, we are not finalizing our proposed transparency into kidney transplant organ offers provisions at this time. However, we believe this is an important consideration and will take this comment into consideration in future notice and rulemaking as appropriate.

After consideration of public comment, for the reasons set forth in this rule, we are not finalizing our proposed provisions for transparency into kidney transplant organ offers at § 512.442(b).

(4) Review of Acceptance Criteria

As finalized in the 2024 Final Rule (89 FR 96402), IOTA participants will be required to review transplant organ offer acceptance criteria with their IOTA waitlist patients who are Medicare beneficiaries at least once every 6 months that the Medicare beneficiary is on their waitlist, unless the Medicare beneficiary opts out of this review. Under this provision, the IOTA participant must conduct this review via patient visit, phone, email or mail on an individual basis, unless the Medicare beneficiary declines this review. In the 2024 Final Rule, we stated, in response to comments we received, that we recognized that explaining organ offer filters with waitlisted patients might not promote the same outcome as reviewing organ offer acceptance criteria (89 FR 96398). As such, we finalized the transparency requirements at § 512.442(c) with minor technical edits. Specifically, we added ''organ offer'' to transplant acceptance criteria that must be disclosed and removed all references to ''organ offer filter'' from the provision at § 512.442(c). Additionally, at § 512.442(c) we replaced ''selection criteria'' to now say ''acceptance criteria''. We stated that these changes were made in order to clarify the specific provisions regarding the review of transplant organ offer acceptance criteria.

As described at 90 FR 57617 in the 2025 Proposed Rule, since publication of the 2024 Final Rule, IOTA participants have requested that CMS provide clarification on what acceptance criteria information should be reviewed. Therefore, in the 2025 Proposed Rule, we aimed to clarify at § 512.442(c) that review of acceptance criteria pertains to individual patient transplant organ offer acceptance criteria and not organ offer filters or kidney transplant hospital level acceptance criteria. For purposes of the model, we proposed at § 512.402 to define ''transplant organ offer acceptance criteria'' as individualized patient acceptance parameters that kidney waitlist patients, as defined at § 512.402, may elect regarding the categories of organ offers they are prepared to accept for transplantation. We sought comment on our proposal at proposed § 512.442(c) to clarify the meaning of transplant organ offer acceptance criteria. We also sought comment on the proposed definition for transplant organ offer acceptance criteria at proposed § 512.402.

As described earlier in this section, in the 2024 Final Rule we finalized at § 512.442(c)(1) that IOTA participants must conduct the review of acceptance criteria via patient visit, phone, email or mail on an individual basis, unless the Medicare beneficiary declines this review. Additionally, in response to comments we received we stated at 89 FR 96399 that we would provide further sub-regulatory guidance on how IOTA waitlist patients who are Medicare beneficiaries can choose to decline the review of their transplant organ offer acceptance criteria. Since publication, we provided sub-regulatory guidance to IOTA participants in the IOTA Model Newsletter on how IOTA waitlist patients who are Medicare beneficiaries can opt out of this review. However, upon further review of the sub-regulatory guidance we provided to IOTA participants, we realized there was a need to clarify this guidance and account for this requirement when CMS conducts monitoring activities in the IOTA Model.

As such, we proposed at § 512.442(c)(1)(i) that prior to reviewing transplant organ offer acceptance criteria, as defined at proposed § 512.402, with IOTA waitlist patients who are Medicare beneficiaries, IOTA participants must give these beneficiaries an opportunity to decline this review (90 FR 57618). We proposed at § 512.442(c)(1)(ii) that if the IOTA waitlist patient who is a Medicare beneficiary declines this review, the IOTA participant must record in the IOTA waitlist patient who is a Medicare beneficiary's medical record all of the following:

- The date on which this review was declined; and
- The method by which this review was declined.

We also proposed that if an IOTA waitlist patient who is a Medicare beneficiary declines this review, the IOTA participant would then be required to offer the IOTA waitlist patient who is a Medicare beneficiary the opportunity to review transplant organ offer acceptance criteria once every 6 months at which time the IOTA waitlist patient who is a Medicare beneficiary would have the opportunity to decline this review again (90 FR 57618). We sought comment on these proposed requirements at proposed § 512.442(c)(1)(i) and (ii).

Lastly, as stated in the proposed rule at 90 FR 57618, to facilitate compliance monitoring, we proposed at § 512.442(c)(2)(i) through (iii) that the IOTA participant must record in the IOTA waitlist patient who is a Medicare beneficiary's medical record all of the following:

- The information specified at § 512.442(c) was reviewed with the IOTA waitlist patient who is a Medicare beneficiary;
- The date on which this review took place; and
- The method by which this review was delivered.

We sought comment on these proposed documentation requirements at proposed § 512.442(c)(2)(i) through (iii).

The following is a summary of the public comments received on all of the review of acceptance criteria proposals and alternatives considered set out in this section and our responses:

Comment: A few commenters expressed support for CMS's efforts to provide clarification regarding the transplant organ offer acceptance criteria requirement, particularly with respect to ensuring compliance and oversight; however, they requested additional clarification on certain aspects of the provision. In particular, a commenter conveyed appreciation for the clarification but requested further specifications regarding documentation requirements and expectations to promote consistency across IOTA participants.

Another commenter expressed support for the clarification but requested that CMS delineate the minimum criteria that would be required to fulfill this update. Furthermore, the commenter indicated that, to effectively implement the proposed review of acceptance criteria requirements at § 512.442(c), as described in this section of this final rule, the existing specific informed consent processes for KDPI greater than 85 percent or high-risk organs could be updated on a semiannual basis, thereby aligning current OPTN policy with these requirements. The same commenter also suggested that CMS consider strictly requiring a discussion regarding declined categories of organs every six months, rather than requiring a review of organs for which the patient is both enrolled and not enrolled to receive.

Response: We thank the commenters for their support of CMS's efforts to clarify the current review of acceptance criteria review requirement and for recognizing the importance of clear standards to support compliance and oversight. We appreciate the commenters' requests for additional specificity regarding documentation expectations and minimum criteria for implementing the provision. As described in the 2025 Proposed Rule at 90 FR 57617 and this section of this final rule, the requirement at § 512.442(c) clarifies that IOTA participants must review individualized transplant organ offer acceptance criteria with IOTA waitlist patients who are Medicare beneficiaries at least once every six months while the patient remains on the waitlist, unless the patient declines the review. The provision also requires IOTA participants to document in the patient's medical record that the review occurred, the date of the review, and the method by which the review was conducted. We believe that these documentation elements provide a clear and consistent framework for compliance while allowing flexibility for IOTA participants to integrate the review into existing clinical workflows and patient communication practices.

We also appreciate the commenter's suggestion that CMS delineate minimum criteria for fulfilling the requirement and align the review with existing OPTN informed consent processes for kidneys with a KDPI greater than 85 percent or other high-risk organs. While we recognize that IOTA participants may choose to incorporate such discussions into their existing informed consent or patient education processes, the purpose of this provision is broader: to ensure that patients periodically review their individualized acceptance parameters for categories of organ offers they may be willing to accept for transplantation. Because transplant candidacy, patient preferences, and clinical circumstances may change over time, we believe that a comprehensive review of a patient's transplant organ offer acceptance criteria, as defined in this section of this final rule, better supports shared decision-making and informed patient engagement, rather than limiting the discussion to specific categories such as high-KDPI or previously declined organs.

For similar reasons, we do not believe it is appropriate to require that the review of acceptance criteria focus solely on declined categories of organs. We note that the intent of the requirement is to ensure that IOTA waitlist patients who are Medicare beneficiaries periodically reassess the full range of organ offer categories they may be willing to accept, including those they have elected to accept as well as those they have chosen not to accept. We believe that this broader discussion allows IOTA waitlist patients who are Medicare beneficiaries and clinicians to revisit preferences, consider evolving clinical circumstances, and ensure that acceptance parameters remain aligned with the patient's current goals and medical status. Accordingly, while IOTA participants may incorporate elements of existing informed consent discussions or other patient education processes into this review, we continue to believe that the flexibility provided in the regulation appropriately balances clarity, patient engagement, and operational feasibility. For these reasons, we are finalizing the proposed review of acceptance criteria requirements at § 512.442(c) and the definition of transplant organ offer acceptance criteria at § 512.402 without modification. We direct readers to section II.B.4.a(4) of this final rule for a full discussion of the proposed review of acceptance criteria documentation requirements and specifications.

Comment: A commenter opposed CMS's proposed transparency updates for the IOTA Model, stating that the provisions would introduce substantial administrative burden and associated costs. The commenter specifically identified the requirement for a semiannual review of individualized transplant organ offer acceptance

criteria for IOTA waitlist patients who are Medicare beneficiaries as particularly labor-intensive, suggesting that implementation could necessitate additional staffing and financial resources that are not currently supported. The commenter further cautioned that the diversion of resources to fulfill this requirement could adversely affect patient care by delaying organ allocation processes and elevating organ risk. As an alternative, the commenter recommended that CMS provide transplant hospitals, particularly those participating in mandatory models, with greater flexibility in implementation, allowing experienced transplant programs to achieve model objectives without being constrained by additional regulatory requirements.

Response: We thank the commenter for their feedback and acknowledge the concerns raised regarding potential administrative burden. However, we believe that this discussion is necessary to ensure that IOTA waitlist patients who are Medicare beneficiaries understand and maintain ongoing consent to the transplant organ offer acceptance criteria applicable to them.

Comment: A commenter expressed concerns regarding both the existing requirement to review transplant organ offer acceptance criteria, as finalized in the 2024 Final Rule (*89 FR 96402*), which requires that such criteria be reviewed with IOTA waitlist patients who are Medicare beneficiaries at least once every six months, and the proposed clarification that such reviews must address individualized transplant organ offer acceptance criteria, as described in this section of this final rule. Specifically, the commenter questioned the clarification that the review must focus on individualized transplant organ offer acceptance criteria rather than transplant hospital level acceptance criteria. The commenter asserted that the implementation of individualized reviews would impose substantial administrative and operational burdens on transplant hospitals, particularly in the absence of additional resources or funding to support the requisite time and staffing necessary to conduct and document these discussions. The commenter further argued that the associated costs would outweigh the anticipated benefits. Additionally, the commenter expressed concern that CMS may have underestimated the time required to perform these individualized reviews and suggested that such discussions could inadvertently mislead IOTA waitlist patients who are Medicare beneficiaries, given that organ suitability is multifactorial in nature and may change over time in response to evolving clinical circumstances.

Response: We thank the commenter for their feedback; however, we respectfully disagree that this requirement undermines clinical judgment. The intent of this provision, as described and finalized at § 512.442(c) of this final rule, is to create a structured opportunity to facilitate and document the individualized discussions that are central to sound clinical practice, ensuring that an IOTA waitlist patient who is a Medicare beneficiary's understanding of and preferences regarding transplant organ offer acceptance criteria, as defined and finalized at § 512.402 of this final rule, are revisited over time as clinical circumstances and patient perspectives may evolve throughout the transplant waiting period. We believe that this semiannual review of acceptance criteria requirement supports patient engagement and informed decision-making by ensuring that these discussions occur consistently and are appropriately documented, and is intended to complement, rather than replace, ongoing clinical conversations between transplant teams and IOTA waitlist patients who are Medicare beneficiaries, reinforcing shared decision-making and strengthening the patient-provider relationship throughout the transplant journey.

Comment: A commenter expressed opposition to the proposed review of acceptance criteria documentation requirements, characterizing them as overly rigid. As an alternative, the commenter recommended that IOTA participants provide general information regarding transplant hospital level organ offer acceptance criteria to all IOTA waitlist patients, while issuing individualized notifications only to those IOTA waitlist patients whose acceptance criteria differ from the transplant hospital's general criteria. The commenter suggested that this approach could streamline communication and potentially eliminate the need for an opt out process for the review requirement.

Response: We thank the commenter for suggesting an alternative approach to streamline communication with IOTA waitlist patients, specifically by providing general transplant hospital-level organ offer acceptance criteria to all IOTA waitlist patients and issuing individualized notifications only when an IOTA waitlist patient's criteria differ. However, the purpose of the review of acceptance criteria provision is to promote individualized, patient-centered discussions regarding transplant organ offer acceptance criteria rather than to disseminate general information applicable to all patients. Requiring IOTA participants to periodically review these criteria with each IOTA waitlist patient who is a Medicare beneficiary ensures that patients have a structured opportunity to revisit their personal preferences and understanding of the categories of organ offers they may be willing to accept, which may change over time based on evolving clinical circumstances and patient priorities. Documenting that this review was offered and whether the IOTA waitlist patient who is a Medicare beneficiary chose to participate in or decline the review is therefore necessary to demonstrate that this individualized engagement has occurred.

We also note that the alternative approach described by the commenter could result in additional administrative complexity. Under such an approach, IOTA waitlist patients whose acceptance criteria differ from transplant hospital-level criteria could potentially receive multiple communications, which may increase rather than reduce documentation and administrative workload. In addition, maintaining the ability for IOTA waitlist patients who are Medicare beneficiaries to decline participation in these reviews remains an important beneficiary protection. The opt-out provision, as described and finalized in this section of this final rule at § 512.442(c)(1)(i) and (ii), ensures that patients retain autonomy in deciding whether to participate in periodic reviews of their transplant organ offer acceptance criteria while preserving the opportunity for ongoing engagement. As described in comment responses noted previously in this section, we are finalizing this provision without modification. However, we appreciate the commenter's perspective and will consider this recommendation in future notice and comment rulemaking as appropriate.

Comment: A commenter expressed concern that the requirement to conduct periodic reviews of transplant organ offer acceptance criteria with IOTA waitlist patients who are Medicare beneficiaries may prove burdensome and potentially confusing for these patients. The commenter asserted that discussing highly technical donor organ offer acceptance criteria during mandated reviews could heighten patient anxiety and may not meaningfully enhance patient comprehension. The commenter emphasized that substantive discussion and documentation of organ offer

acceptance preferences should occur principally at the time of placement on a waitlist or when specific consent decisions are modified.

The commenter further indicated that, given the complexity of organ offer acceptance criteria and their susceptibility to change based on evolving clinical circumstances, requiring standardized periodic patient reviews could oversimplify clinical judgment, engender confusion regarding options that may not be clinically appropriate, and impose a significant administrative burden on IOTA participants. The commenter recommended that retrospective or recurring reviews of these criteria be eliminated and proposed instead that CMS collaborate with HRSA and the OPTN to develop centralized educational materials pertaining to organ offer acceptance criteria in order to promote consistency, transparency, and patient understanding.

Response: We thank the commenter for their thoughtful feedback. We wish to clarify that the intent of this requirement is not to mandate a technical or exhaustive review of every donor organ acceptance criterion, but rather to establish a recurring opportunity for a high-level, individualized discussion that helps ensure an IOTA waitlist patient who is a Medicare beneficiary maintains an up-to-date understanding of their transplant organ offer acceptance criteria and preferences during what may be an extended waitlist period. Because transplant organ offer acceptance criteria, as defined and finalized in this section of this final rule at § 512.402, and patient circumstances may evolve over time, we believe that periodic discussion beyond the initial conversation at the time of being added to a waitlist supports patient engagement and informed decision-making. These reviews are intended to complement, not replace, the clinical judgment exercised by transplant teams at the time of an organ offer.

We also agree that centralized educational materials could support patient understanding and serve as a useful foundation for these discussions. While we are finalizing the proposed review of acceptance criteria requirement at § 512.442(c) without modification, as described in comment responses noted previously in this section, we intend to explore opportunities with HRSA to expand centralized educational resources related to transplant organ offer acceptance criteria and, if appropriate, will propose alternative or updated policies in future notice and comment rulemaking.

Comment: A commenter expressed appreciation for the provision allowing IOTA waitlist patients who are Medicare beneficiaries to opt out of the review of transplant organ offer acceptance criteria. However, the commenter suggested that administrative burden could be reduced and patient autonomy enhanced if IOTA waitlist patients who are Medicare beneficiaries were permitted to select different intervals for receiving these notifications, such as every six months or annually, rather than adhering to a single standardized review timeframe.

Response: We appreciate the commenter's support for the opt out provision and their suggestion regarding allowing IOTA waitlist patients who are Medicare beneficiaries to select different intervals for receiving notifications. However, as described in comment responses noted previously in this section, we are finalizing the review of acceptance criteria requirement without modification. We believe that maintaining a consistent review interval supports clear expectations for IOTA participants and ensures that patients have regular opportunities to revisit their transplant organ offer acceptance criteria. However, we appreciate the commenter's recommendation and will consider this suggestion in future notice and comment rulemaking, particularly if monitoring of this provision indicates that the current review of acceptance criteria frequency results in unintended administrative or operational consequences.

Comment: A few commenters expressed concern for the proposed review of acceptance criteria provisions. A commenter expressed concern that the requirement to document a patient's decision to decline the review of acceptance criteria every six months would create administrative burden and reduce time available for clinical care. This commenter suggested that this process could require individualized outreach prior to each notification cycle in order to confirm whether the IOTA waitlist patient who is a Medicare beneficiary wished to participate or decline the review.

Another commenter similarly noted that this requirement effectively creates a notification obligation both for conducting the review and for documenting a IOTA waitlist patient who is a Medicare beneficiary's decision to opt out. To reduce administrative burden, the commenter suggested allowing IOTA waitlist patients who are Medicare beneficiaries to opt out once on a permanent basis if they choose not to participate in these reviews.

Response: We thank the commenters for their feedback and acknowledge the concerns raised regarding potential administrative burden associated with documenting an IOTA waitlist patient who is a Medicare beneficiary's decision to decline the review of acceptance criteria. However, as described in comment responses noted previously in this section, the intent of this provision is to ensure that IOTA waitlist patients who are Medicare beneficiaries are regularly offered the opportunity to engage in a meaningful discussion regarding their transplant organ offer acceptance, as defined and finalized in this section of this final rule at § 512.402, preferences. We believe that documenting whether an IOTA waitlist patient who is a Medicare beneficiary chooses to participate in or decline the review is a necessary component of demonstrating that this important patient engagement opportunity was offered.

After consideration of public comments, for the reasons set forth in this rule, we are finalizing, as proposed, our provisions at § 512.442(c), § 512.442(c)(1)(i) through (ii)(B), and § 512.442(c)(2) without modification. We are also finalizing, as proposed, the definition of transplant organ offer acceptance criteria at § 512.402 without modification.

(5) Change in Waitlist Status

As described in the 2025 Proposed Rule at 90 FR 57618, transplant hospitals are currently required to promptly notify patients awaiting transplantation of any program-related circumstances that could affect their ability to receive a transplant (see 42 CFR 482.102(c)). We stated that these regulations mandate that transplant hospitals must inform patients of factors such as the availability of transplant surgeons and changes in the hospital's operational status. Transplant hospitals must also notify patients of any modifications to their Medicare certification status, whether due to voluntary program inactivation or termination. We also stated that these notification requirements serve as a crucial mechanism to ensure transparency and protect patient interests throughout the transplant waiting period.

In the 2025 Proposed Rule, we stated that patients on the transplant waiting list are designated as either ''active'' or ''inactive'' (90 FR 57618). Individuals with active status are prepared and eligible to be matched with available organs, whereas those with inactive

status are not yet ready to, nor can they, receive organ offers (90 FR 57618). There are over 90,000 people on the waiting list for a kidney transplant, but nearly half (49 percent) of these individuals on the waiting list are listed as ''inactive'' as of 2025, and unable to receive a kidney transplant.[68] While awaiting organ transplantation, kidney transplant waitlist patients' status on the waiting list may change between active and inactive multiple times before ultimately receiving a successful transplant. The decision to place a kidney transplant waitlist patient on inactive status can arise from various factors, including hospital admission for vascular access issues, suspected lesions identified during preoperative screening, or poor compliance with dialysis treatments.[69 70 71 72 73] Any of these concerns may prompt a temporary inactivation until the problem is resolved, allowing for the kidney transplant waitlist patient's reactivation. Barriers to maintaining active status are often multifactorial but frequently modifiable, encompassing symptoms such as fatigue, depression, stress, pain, loss of physical function, social isolation, and decreased health literacy.[74 75] Inactive status thus indicates a kidney transplant waitlist patient's ineligibility to be considered for organ offers at a given point in time, for many different reasons such as temporarily too sick, temporarily too well, candidate work-up incomplete, etc.[76 77 78 79]

We also stated in the proposed rule at 90 FR 57619 that numerous research studies have demonstrated that kidney transplant waitlist patients frequently experience confusion and knowledge deficits regarding the transplant evaluation and listing process.[80 81 82 83 84 85 86 87] These knowledge gaps often contribute to delays in testing and aborted medical evaluations. Kidney transplant waitlist patients have reported a lack of clarity about their status in the listing process[88 89 90 91], a belief that they are already on the waiting list[92 93 94], unawareness that tests must be repeated[95 96], and misunderstanding about being placed on inactive status on

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the waiting list[97] [98]. In addition to difficulties navigating the healthcare system, these knowledge deficits can lead to negative perceptions of the transplant process and diminish kidney transplant waitlist patient motivation to complete the required testing. Literature also suggests that kidney transplant waitlist patients who remain in an inactive status for extended periods are less likely to receive a kidney transplant, which is associated with increased waitlist mortality.[99] [100] [101] [102] [103] [104]

Furthermore, as described in the 2025 Proposed Rule at 90 FR 57619, while a transplant hospital is required to notify patients when they are first added to or removed from a waitlist, there is currently no requirement for transplant hospitals to inform patients on its waitlist when there is a change in waitlist status (that is, from active to inactive).[105] [106] We stated that it is important for transplant candidates to be aware of whether they are active or inactive on the waiting list and to understand that they are only eligible to receive an organ for transplant while in an active status.

As such, we proposed to add new requirements at § 512.442(d) for IOTA participants to notify their IOTA waitlist patients who are Medicare beneficiaries when their waitlist status has changed (90 FR 57619). Specifically, we proposed, at § 512.442(d)(1)(i), that IOTA participants must notify their IOTA waitlist patients who are Medicare beneficiaries any time their status on its waitlist is changed and that would impact their ability to receive an organ offer (that is, from active to inactive). We sought comment on our proposal to add a change in waitlist transparency requirement at proposed § 512.442(d)(1)(i).

As described in the 2025 Proposed Rule, we considered but did not propose requiring IOTA participants to also notify their IOTA waitlist patients who are Medicare beneficiaries whenever their status changes from inactive to active in addition to whenever their waitlist status changes from active to inactive (90 FR 57620). We believed this alternative considered would ensure that IOTA waitlist patients who are Medicare beneficiaries are immediately informed when they regain eligibility to receive organ offers, which is critical for their potential access to life-saving transplantation, while enhancing beneficiary engagement through transparency about significant changes in transplant eligibility status and guaranteeing consistent, timely information across all IOTA participants. However, we recognized that requiring such notifications could impose significant administrative burden on IOTA participants, particularly IOTA participants with limited resources, requiring substantial investments in new systems and staff time that could divert resources from direct patient care. Additionally, we stated that frequent status change notifications might create patient anxiety and unrealistic expectations about organ offer immediacy, potentially overwhelming clinical teams and undermining transparency goals, while standardized requirements may fail to account for diverse patient populations with varying literacy levels and communication needs. While we did not propose to also require IOTA participants to notify their IOTA waitlist patients who are Medicare beneficiaries whenever their status from inactive to active, we sought public comment regarding whether the inclusion of a notification whenever their waitlist status changes from inactive to active in addition to whenever their waitlist status changes from active to inactive would be preferable and would not impose additional administrative burden upon IOTA participants.

At 90 FR 57620 of the 2025 Proposed Rule, we proposed at § 512.442(d)(1)(ii) that IOTA participants must include all of the following in this notification to IOTA waitlist patients who are Medicare beneficiaries:

- The most recent date the IOTA waitlist patient who is a Medicare beneficiary became inactive.
- The reason for the change in waitlist status.
- That the IOTA waitlist patient who is a Medicare beneficiary cannot receive organ offers while inactive.
- Information on how the IOTA waitlist patient who is a Medicare beneficiary may become active on its waitlist again (for example, updating personal information, providing new clinical data, addressing insurance issues or other factors such as medical, psychosocial, and socioeconomic).
- How the IOTA waitlist patient who is a Medicare beneficiary may contact the IOTA participant for more information or with any questions.

We sought public comment on our proposed change in waitlist status notification requirements at proposed § 512.442(d)(1)(ii). In addition, we are also interested in comments on whether the proposed information to include in the change in waitlist status notification should include additional information.

At 90 FR 57620 of the 2025 Proposed Rule, we proposed at § 512.442(d)(1)(iii) that IOTA participants must provide this notification to the IOTA waitlist patient who is a Medicare beneficiary—

- Electronically or by mail;
- Within 10 days of the IOTA waitlist patient who is a Medicare beneficiary's change in waitlist status—consistent with the patient records requirements at § 482.94(c)(2); and
- Annually, thereafter, for as long as the Medicare beneficiary remains inactive (that is; 365 consecutive days).

As described in the 2025 Proposed Rule, we considered alternative methodologies for implementing this provision (90 FR 57620). For example, we considered delaying the implementation of this provision until PYs 3 or 4, in conjunction with the

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[106] While there is currently no requirement for transplant hospitals to inform patients on its waitlist when there is a change in waitlist status, we acknowledge that the OPTN has recently proposed such a policy.

proposed transparency into kidney transplant organ offers requirement to share information about declined kidney transplant organ offers, as described in section II.B.4.a(3) of this final rule. However, we believe that this proposed requirement would impose less administrative burden on IOTA participants than the proposed transparency into kidney transplant organ offers requirement to share information about declined kidney transplant organ offers, as described in section II.B.4.a(3). of this final rule, and could be implemented at an earlier stage.

We also considered alternative timelines for continued notification that an IOTA waitlist patient who is a Medicare beneficiary remains inactive on an IOTA participants waitlist, such as every 60 days, 90 days, or 180 days, but proposed an annual update based on an attempt to balance utility to the beneficiary with burden on the IOTA participants (90 FR 57620). We further considered alternative timelines not predicated on consecutive days but instead based on inactive status for at least 75 percent or 90 percent of days during a specified timeline, rather than reaching 365 consecutive days. We additionally considered an alternative timeline structured around the point at which an IOTA waitlist patient who is a Medicare beneficiary is ultimately discharged from a hospital. We also considered requiring IOTA participants to inform IOTA waitlist patients who are Medicare beneficiaries about internal holds; however, we were uncertain regarding the implementation methodology for this provision.

We sought public comment on our proposed change in waitlist status delivery method and timeline requirements at proposed § 512.442(d)(1)(iii)). We also sought comment on the alternatives considered.

In the 2025 Proposed Rule, we also proposed at § 512.442(d)(2) that the IOTA participant must record in the IOTA waitlist patient who is a Medicare beneficiary medical record all of the following (90 FR 57620):

- A copy of the notification.
- The method by which the notification was delivered.
- The date in which the notification was sent.

Additionally, we proposed at § 512.442(d)(3) that for IOTA waitlist patients who are Medicare beneficiaries and—

- For ESRD patients, the IOTA participant must also notify the dialysis facility (as defined at 42 CFR 494.10) and managing clinician (as defined at 42 CFR 512.310) or nephrologist; or
- For Non-ESRD patients,[107] the IOTA participant must also notify the referring provider or practitioner providing care to the IOTA waitlist patient who is a Medicare beneficiary.

We stated that this notification timeframe conforms with the current timeframe at § 482.94, however, we solicit public comment on alternative timeframes that may be appropriate. We also stated that we expect that IOTA participants would be expeditious and deliberate in determining an IOTA waitlist patient who is a Medicare beneficiary's waitlist status and communicating that information to them, the OPTN, and others as appropriate. We proposed to finalize these requirements only if they are not redundant with other HHS guidance.

We sought public comment on these proposed documentation requirements at proposed § 512.442(d)(2) through (3).

In the 2025 Proposed Rule we stated that we understand that a kidney transplant waitlist patient's condition or situation may change over time and warrant kidney transplant hospitals reassessing the kidney transplant waitlist patient to determine if their waitlist status should be updated (90 FR 57621). However, we stated our belief that kidney transplant waitlist patients should be aware of these situations and the impact it has on their ability to receive an offer. Additionally, we stated that we also believe that ''internal holds,'' which are a process used by the kidney transplant hospital to temporarily not consider offers for a kidney transplant waitlist patient, despite the kidney transplant waitlist patient being listed as active with the OPTN are detrimental to the efficiency of the organ allocation system and could lead to increased organ discards by slowing down the allocation process. We stated that, at present, there are no national policies mandating that kidney transplant waitlist patients be notified when they are designated as inactive, whether due to patient-specific reasons or after an extended period of inactivity. We believed that this proposed requirement would establish consistency across all IOTA participants in informing IOTA waitlist patients who are Medicare beneficiaries about their inactive waitlist status and are unable to receive organ offers. As such, we believe that these IOTA waitlist patients who are Medicare beneficiaries would gain greater awareness of their listing status and the necessary steps to become eligible to receive an organ for transplant.

Furthermore, in the 2025 Proposed Rule, we stated that we believe that the proposals in this section would improve communication between IOTA participants and their IOTA waitlist patients who are Medicare beneficiaries regarding their waitlist status and the implications of being inactive on a waitlist (90 FR 57621). We stated that although these proposed requirements could create additional work for transplant coordinators in particular, we believe that they would promote effective and safe care for persons with organ failure by increasing IOTA waitlist patients who are Medicare beneficiaries' awareness of their inactive waitlist status and provide them with the information required to be proactive in their reactivation. We noted that the intent of these notifications is to prevent IOTA waitlist patients who are Medicare beneficiaries from being inactive on a waitlist for unnecessarily extended period of times.

The following is a summary of the comments we received on the provisions proposed and alternatives considered set out in this section and our responses:

Comment: Numerous commenters expressed support for the proposal to add a change in waitlist transparency requirement. For example, many commenters emphasized that consistent and timely notification is critical because a patient's waitlist status directly affects their eligibility to receive organ offers and is among the most important pieces of information for understanding their transplant prospects. Another commenter indicated that current notification practices vary across transplant hospitals and agreed that establishing a clear requirement would promote greater transparency, improve patient awareness of transplant status, and help ensure patients are promptly informed of changes that impact their opportunity for transplantation.

Response: We thank the commenters for their support of the proposal to add a change in waitlist transparency requirement, as described in this section of this final rule. We agree that a patient's waitlist status is critical information because it directly affects eligibility to receive organ offers and may significantly influence a patient's understanding of their transplant opportunities. We also agree that timely

[107] A Non-ESRD patient is someone who has healthy kidneys or chronic kidney disease (CKD) in a less severe form that does not constitute irreversible kidney failure. These patients do not require life-sustaining dialysis treatment or an immediate kidney transplant, and their condition is managed through other medical treatments. However, non-ESRD patients may still be eligible to get wait listed for a preemptive kidney transplant before their kidney function deteriorates to the point of requiring dialysis.

and consistent notification of changes in waitlist status promotes transparency, supports patient awareness, and helps ensure that patients are informed when their ability to receive an organ offer is affected.

We further acknowledge commenters' observations that notification practices may vary across transplant hospitals. We believe that establishing a clear requirement will promote greater consistency in communication, improve patient understanding of transplant status, and help ensure that patients are promptly notified of changes that may affect their opportunity for transplantation. For these reasons, we are finalizing the change in waitlist transparency requirement as proposed. We note that a full discussion on the comments we received about the proposed change in waitlist status requirements and our responses are discussed later in this section.

Comment: Many commenters opposed the proposal to add a change in waitlist status provision, citing concerns about duplication, operational burden, and potential patient confusion. They noted that transplant hospitals already maintain established, CMS-governed processes for notifying patients of waitlist status changes, including active-to-inactive transitions, and argued that imposing additional IOTA Model-specific requirements would be redundant and unnecessary, particularly where IOTA participants already notify all waitlisted patients as part of standard practice. Commenters further asserted that the proposal would create significant administrative and operational challenges, especially for IOTA participants with large waitlists or frequent status changes, potentially requiring workflow redesign, additional staffing, and new expenditures. They expressed concern that these compliance obligations could divert resources from direct patient care, delay transplant services, and strain clinical teams with added regulatory responsibilities.

Response: We thank the commenters for their feedback. We note that a full discussion on the comments we received about the proposed change in waitlist status requirements and our responses are discussed later in this section.

Comment: Some commenters suggested that the proposed CMS waitlist notification requirement is largely duplicative of existing regulations and unnecessary. For example, a few commenters cited that such notifications are already mandated and audited under the existing conditions of participation (CoPs) for transplant hospitals, while a couple other commenters indicated that transplant hospitals already notify all waitlisted patients—regardless of payer—when their status changes from active to inactive, consistent with established departmental policies and standard operating procedures.

A few commenters expressed concern that imposing a new, separate requirement would create regulatory confusion, inefficiencies, and potential uncertainty for patients. They argued that a duplicative rule could lead to divergent communication methods based on a patient's payer source and would be an unnecessary overlay on systems that are already functioning effectively and compassionately.

A commenter also conveyed that transplant hospitals often use their own internal systems for managing waitlists that are more nuanced than the binary active/inactive status proposed. For example, the commenter stated that transplant hospitals may use an ''interim'' status for temporary holds that do not affect a patient's official waitlist time but indicate their temporary unavailability, a level of detail the commenter believes that the proposed rule overlooks.

Another commenter stated that the underlying requirement to notify patients of status changes is already in place while highlighting that the only new requirement is the annual notification for patients who remain inactive over a year. Despite acknowledging that this requirement would add some administrative work for transplant hospitals, this commenter ultimately found this to be a reasonable and patient-centered addition that would enhance communication with this specific patient group.

Lastly, a commenter urged the agency to defer to OPTN policy regarding waitlist notifications, pointing out that the OPTN recently had its own public comment period on this issue and creating a separate CMS requirement would be redundant.

Response: We thank the commenters for their feedback. We acknowledge that certain transplant hospitals may already notify patients of waitlist status changes under existing CoPs, departmental policies, or standard operating procedures. However, as discussed in the 2025 Proposed Rule (90 FR 57618) and in this final rule, current regulations require notification when a patient is added to or removed from a waitlist but do not uniformly require notification when a patient's status changes from active to inactive. While some IOTA participants may already provide such notification as a matter of best practice, we believe the absence of a uniform, codified requirement contributes to variability in practice across transplant hospitals. Accordingly, we do not agree that this requirement is duplicative. Rather, it establishes a clear, standardized expectation across all IOTA participants to ensure consistent communication to applicable Medicare beneficiaries.

While some commenters expressed concern about regulatory confusion or divergent communication methods based on payer source, we respectfully disagree. The IOTA Model applies specifically to IOTA participants and IOTA waitlist patients who are Medicare beneficiaries attributed to the model. To the extent that IOTA participants already provide such notifications to all waitlisted patients, we do not believe that compliance with this provision would require substantial operational changes. Rather than creating confusion, we believe this requirement establishes a minimum transparency standard for Medicare beneficiaries participating in the model.

We acknowledge commenters' statements that transplant hospitals may use internal classifications, such as ''interim'' or temporary hold statuses, that are more nuanced than the binary active/inactive framework. We note that this provision does not restrict IOTA participants' internal processes. Rather, it requires notification when a change in status affects the patient's eligibility to receive kidney transplant organ offers. IOTA participants would be able to continue to use internal designations as appropriate, provided IOTA waitlist patients who are Medicare beneficiaries are informed when their ability to receive kidney transplant organ offers is impacted.

We also acknowledge the comment urging CMS to defer to OPTN policy regarding waitlist notifications. While we recognize the importance of coordination with OPTN and are aware of its related policy development efforts, CMS has independent authority to establish requirements within the IOTA Model to promote transparency, patient engagement, and beneficiary protections. We do not believe that establishing a model-specific requirement is redundant; rather, it ensures that IOTA waitlist beneficiaries who are Medicare beneficiaries receive consistent and timely information regarding their kidney transplant eligibility status.

With respect to the commenter who stated that, aside from the annual notification for patients who remain inactive for 365 consecutive days, many transplant hospitals already notify

patients of status changes and that the annual requirement represents a reasonable, patient-centered enhancement. We agree that the annual notification is an important additional safeguard. As discussed in the 2025 Proposed Rule (90 FR 57619), prolonged inactivity is associated with lower likelihood of transplantation and increased waitlist mortality, and knowledge deficits among transplant candidates are well documented. The annual notification requirement is intended to prevent patients from unknowingly remaining inactive for extended periods and to prompt re-engagement where appropriate. We continue to believe this provision appropriately balances patient awareness with administrative burden. Extended inactivity on a waitlist is associated with adverse outcomes, and periodic notification serves as an important safeguard against prolonged, unrecognized inactivation. For these reasons, we are finalizing our proposal without modification.

Comment: A commenter supported CMS's rationale for not proposing to also require IOTA participants to notify IOTA waitlist patients who are Medicare beneficiaries when their waitlist status changes from inactive to active, agreeing that such a mandate could impose significant administrative burden, particularly on participants with limited resources, and could require investments in new systems and staff time that may detract from direct patient care. The commenter also agreed with CMS's concern that frequent status change notifications could create patient anxiety, foster unrealistic expectations regarding the immediacy of organ offers, and potentially overwhelm clinical teams, while standardized notification requirements may not adequately account for diverse patient literacy levels and communication needs. The commenter further asserted that these same concerns apply to the proposed requirements for notifications of changes from active to inactive status. In the commenter's view, uniform, boilerplate notifications alone are unlikely to meaningfully enhance transparency or patient empowerment. Instead, the commenter encouraged CMS to support transplant centers in continuing to provide real-time, personalized communication that offers patients clear, meaningful, and actionable information tailored to their individual circumstances.

Response: We thank the commenter for supporting our decision not to require IOTA participants to notify IOTA waitlist patients who are Medicare beneficiaries when their status changes from inactive to active. We agree that mandating notification for every status change could impose additional administrative burden, particularly for participants with limited resources, and could require workflow modifications that may detract from direct patient care. We also acknowledge the commenter's concerns that frequent notifications could contribute to patient anxiety or unrealistic expectations regarding the immediacy of organ offers.

However, we respectfully disagree that these concerns warrant removal or modification of the requirement to notify patients when their status changes from active to inactive. A change from active to inactive status directly affects a patient's eligibility to receive organ offers and has immediate implications for access to transplantation. Ensuring that IOTA waitlist patients who are Medicare beneficiaries are informed when they become ineligible to receive offers is fundamental to transparency and patient engagement. Unlike reactivation, which restores eligibility, inactivation may go unrecognized by patients and could persist for extended periods without their knowledge. The notification requirement is intended to reduce the risk of prolonged, unrecognized inactivity and to provide patients with clear information about the reason for the change and steps necessary to regain active status.

We also do not agree that the change in waitlist status requirement necessitates rigid, boilerplate communication that would undermine individualized care. The provision establishes minimum content elements to promote consistency and accountability but does not prescribe a specific template or prohibit personalized, real-time discussions between transplant teams and patients. We expect that IOTA participants will continue to engage in individualized communication and view the required notification as a complement to, not a replacement for, patient-centered dialogue.

Accordingly, while we appreciate the commenter's perspective, we continue to believe that requiring notification when a patient's status changes from active to inactive appropriately balances transparency, patient protection, and administrative feasibility. Additionally, as noted in comment responses previously in this section, we will be finalizing the proposed change in waitlist status requirements as proposed.

Comment: A few commenters urged CMS to expand the proposed change in waitlist status requirement to include notifications for both active to inactive and inactive to active waitlist status changes so that patients and their care teams receive timely, transparent updates that protect trust and ensure patients clearly understand their eligibility for organ offers. A commenter expressed agreement that patients should be notified when their waitlist status changes from active to inactive, recognizing that such a change directly affects a patient's eligibility to receive organ offers. The commenter supported ensuring that patients are informed of this status change to promote awareness and transparency. Additionally, the same commenter indicated no objection to also notifying patients when their status changes from inactive back to active and stated that they do not anticipate that providing such reactivation notifications would create a significant administrative burden.

Another commenter recommended that all status changes be formally documented and made visible in the patient's electronic health record (EHR) portal to promote transparency and accessibility. The commenter emphasized that patients should be clearly informed when their status changes, the effective date of the change, the reason for inactivation, and the specific steps necessary to regain active status. According to the commenter, because waitlist status directly affects a patient's eligibility to receive organ offers, failure to provide timely and clear notification may result in patients later discovering that they spent time inactive without their knowledge, which can cause significant distress and undermine trust in the transplant process.

Response: We thank the commenters for their thoughtful feedback and for emphasizing the importance of transparency in communicating changes in waitlist status. We agree that a change from active to inactive waitlist status directly affects a patient's eligibility to receive kidney transplant organ offers and that timely notification of such a change is essential to promoting patient awareness, engagement, and trust.

We carefully considered the commenters recommendations to also require notification when IOTA waitlist patients who are a Medicare beneficiary waitlist status changes from inactive to active. While we acknowledge that reactivation restores eligibility and that a commenter did not anticipate significant administrative burden associated with providing such notice, we continue to believe that limiting the regulatory requirement to active-to-inactive changes appropriately targets

the most consequential transition. Inactivation results in a loss of eligibility to receive kidney transplant organ offers and may not always be readily apparent to patients, particularly if it occurs due to clinical or administrative factors that are not well understood. By contrast, reactivation typically occurs in the context of direct clinical engagement, resolution of previously identified issues, or completion of required testing, during which communication between the transplant team and the patient generally occurs. We remain concerned that requiring notification for every inactive-to-active waitlist status change could contribute to increased administrative complexity, particularly for IOTA participants with frequent status fluctuations, without commensurate benefit beyond existing clinical communication practices.

With respect to the commenter's recommendation that all status changes be formally documented and made visible in the patient's EHR portal, we note that, as described and finalized in this section, §§ 512.442(d)(1)(iii) and 512.442(d)(2) requires IOTA participants to provide notification electronically or by mail and to document in the patient's medical record a copy of the notification, the method of delivery, and the date sent. We believe these requirements promote accountability and traceability. Although we do not mandate a specific technological platform, such as an EHR portal, IOTA participants retain flexibility to leverage existing patient portal functionality or other electronic systems to meet the notification requirement, provided that all required elements are included and documentation standards are satisfied. We agree that notifications should clearly communicate the effective date of inactivation, the reason for the status change, and the steps necessary to regain active status, as described and finalized at § 512.442(d)(1)(ii), and we believe these content requirements directly address the commenter's concerns about patients unknowingly spending extended periods in inactive status.

Accordingly, as mentioned in comment responses noted previously in this section, we will be finalizing the change in waitlist status requirements as proposed. However, we will take these insights and recommendations into consideration as we continue to consider ways to increase transparency and, if warranted, will propose a new or updated policy through future notice and comment rulemaking.

Comment: Numerous commenters expressed support for the proposed change in waitlist notification requirements and generally agreed that timely and transparent communication regarding changes from active to inactive status is critical to patient-centered care. They also encouraged CMS to include implementation approaches that ensure notifications are understandable, actionable, and integrated into patient-centered communication practices. For example, multiple commenters emphasized that understanding one's current waitlist status is among the most important pieces of information for transplant candidates, as it directly affects eligibility for organ offers and overall transplant opportunities. These commenters stated that formalizing notification requirements would promote greater consistency across transplant centers, where practices currently vary, and would help ensure that patients are not left unaware of status changes that could materially affect their care.

Many commenters specifically supported the proposal's requirement that notifications include not only the fact of the patient's status change, but also an explanation of why the patient was made inactive and clear instructions on the steps necessary to regain active status, highlighting the importance of including both the reason for inactivation and clear guidance on how to restore active status. These commenters noted that without this additional information, notifications risk becoming generic or overlooked communications that do not meaningfully empower patients. They underscored that providing specific, actionable guidance can help patients understand what is required of them and reduce the likelihood that they unknowingly remain inactive for extended periods. Some of the same commenters further stressed that learning retrospectively that time was spent inactive can be distressing and erode patient trust, reinforcing the value of prompt and detailed notification within the proposed timeframe.

Some commenters indicated that notifying IOTA waitlist patients who are Medicare beneficiaries when their status on an IOTA participant's changes from active to inactive is consistent with existing regulatory expectations and standard practice and characterized the additional requirements—such as annual notifications for patients who remain inactive for an extended period—as reasonable and patient-centered despite some incremental administrative work. While some other commenters expressed that they did not anticipate significant burden associated with notifying IOTA waitlist patients who are Medicare beneficiaries when they return to active status on an IOTA participant's waitlist and had no objection to such communication, recognizing its value in keeping patients fully informed.

Response: We thank the commenters for their support of the proposed change in waitlist status notification requirements and for emphasizing the importance of timely and transparent communication when a patient's waitlist status changes from active to inactive. We agree that understanding one's waitlist status is a critical component of patient-centered care, as inactive status directly affects a transplant candidate's eligibility to receive kidney transplant organ offers. As stated in this section and in the 2025 Proposed Rule at 90 FR 57619, numerous research studies have demonstrated that kidney transplant waitlist patients frequently experience confusion regarding the transplant evaluation and waitlisting process, including whether they are active on the waiting list and therefore eligible to receive organ offers. We believe that establishing a standardized requirement for IOTA participants to notify IOTA waitlist patients who are Medicare beneficiaries when their waitlist status changes will promote consistency across transplant hospitals and help ensure that patients are promptly informed of changes that may materially affect their opportunity for transplantation.

We further appreciate commenters' support for the requirement that the notification include not only the fact that a status change has occurred but also additional information explaining the reason for the change and the steps necessary to regain active status. As described in this section of this final rule and in the 2025 Proposed Rule at 90 FR 57620, the notification must include the most recent date on which the IOTA waitlist patient who is a Medicare beneficiary became inactive, the reason for the change in waitlist status, a statement explaining that the patient cannot receive organ offers while inactive, information regarding how the patient may become active again on the waitlist, and contact information for the transplant hospital. We agree with commenters that inclusion of this information is essential to ensuring that notifications are both meaningful and actionable. We believe that the provision of clear explanations and guidance can assist IOTA waitlist patients who are Medicare beneficiaries in better understanding their status and

reduce the likelihood that they remain inactive for extended periods due to misunderstanding or lack of awareness.

Commenters additionally noted that formalizing these requirements may enhance patient trust by reducing the possibility that patients subsequently discover they spent time inactive without their knowledge. We agree that prompt and detailed notification can serve to reinforce transparency and engagement in the transplant process. As such, we believe that the notification requirements at § 512.442(d)(1)(ii), together with the delivery and documentation provisions, as described and finalized in § 512.442(d) of this final rule, appropriately support patient awareness and understanding of transplant eligibility status.

Finally, we acknowledge commenters' observations that certain IOTA participants may already provide similar notifications as part of existing practice and that the additional requirements may involve some incremental administrative effort, such as annual notifications for patients who remain inactive. Notwithstanding these considerations, we believe these provisions represent a reasonable and patient-centered approach to ensuring that IOTA waitlist patients who are Medicare beneficiaries remain informed regarding their eligibility for kidney transplant organ offers and the steps necessary to regain active status. For these reasons, we are finalizing the proposed change in waitlist status notification requirements at § 512.442(d)(1)(ii) without modification.

Comment: Several commenters expressed support for improving patient awareness of waitlist status changes but expressed concern that the proposed change in waitlist status notification requirements could create significant administrative burden, patient confusion, and potential mistrust due to the complex, dynamic nature of transplant care. A commenter expressed support for the concept of sharing information with patients regarding transitions from active to inactive waitlist status, noting that such transparency is consistent with broader efforts to provide patients with meaningful information about their own care. This commenter affirmed the value of ensuring patients receive this information and recognized its importance from the patient perspective. However, the commenter raised concerns that requiring IOTA participants to provide each patient with a detailed explanation of how to regain active waitlist status could impose additional administrative burden, create time pressures, and result in unreimbursed costs. The same commenter suggested that, similar to policies involving the communication of organ offer declines, this effort may warrant the development of a billing code to account for the time and complexity involved in conveying, either in writing or verbally, the individualized steps necessary for a patient to become active on the waitlist again.

Another commenter expressed support for the proposal's intent to enhance communication and care coordination by requiring notification to IOTA waitlisted Medicare beneficiaries when their status changes from active to inactive, including the reason for inactivation, steps for reactivation, and concurrent notification to the dialysis facility and managing clinician or nephrologist within 10 business days. However, the commenter raised concerns regarding operational and administrative implications. The commenter noted that inactivation is often temporary or multifactorial, such as when related to insurance authorization issues or pending diagnostic test results, and stated that requiring detailed, step-by-step reactivation instructions in these situations could impose unnecessary administrative burden and potentially increase patient anxiety or confusion. The commenter also requested clarification regarding the annual notification requirement, observing that a strict 365-day timeframe could create operational challenges, particularly because transplant hospital communications are generally limited to business days and do not typically occur on weekends or holidays. The commenter sought additional guidance on operational expectations, documentation requirements, and how the proposed requirements would align with existing notification workflows to minimize duplicative or conflicting processes.

Lastly, a commenter agreed with CMS' reasoning for not proposing to require IOTA participants to also notify their IOTA waitlist patients who are Medicare beneficiaries whenever their status changes from inactive to active in addition to whenever their waitlist status changes from active to inactive. The commenter stated that these concerns also apply to the proposed waitlist status notification requirements more broadly. The commenter believed that uniform, boilerplate notifications—whether for changes from active to inactive status or vice versa—are unlikely on their own to meaningfully enhance transparency or patient empowerment. Instead, the commenter recommended that transplant hospitals be supported in continuing to provide real-time, individualized communication that offers patients clear, relevant, and actionable information tailored to their specific circumstances.

Response: We thank the commenters for their support of improving patient awareness of waitlist status changes and for recognizing the importance of transparency when an IOTA waitlist patient who is a Medicare beneficiary transitions from active to inactive status. We also acknowledge these concerns and understand that transplant candidacy and waitlist status can fluctuate due to various clinical or administrative factors.

To address the comment we received requesting clarification regarding the operational expectations, documentation requirements, and how the proposed change in waitlist status annual notification requirement requirements would align with existing notification workflows to minimize duplicative or conflicting processes we clarify that days, as defined at § 512.402 means calendar days unless otherwise specified by CMS. We also clarify that the change in waitlist status documentation requirements, as described and finalized in § 512.442(d)(2) of this final rule is applicable to the change in waitlist status notification requirements as described and finalized in § 512.442(d)(1)(iii) of this final rule.

As mentioned in comment responses noted previously, we continue to believe that the change in waitlist status notification requirements at § 512.442(d)(1)(ii) appropriately balance transparency, patient protection, and operational feasibility and are finalizing these provisions without modification. However, we will take these insights and recommendations into consideration as we continue to assess our change in waitlist status provision and, if warranted, will propose a new or updated policy through future notice and comment rulemaking.

Comment: Several commenters discussed the importance of ensuring consistent, transparent, and nationally aligned approaches to patient communication within the transplant system. Some of these commenters supported the intention of improving communication by notifying patients of changes in their waitlist status, such as moving from active to inactive. However, they overwhelmingly argued that such a requirement should be established uniformly across all transplant programs through the OPTN policy process, rather than being a

requirement unique to the IOTA Model. These commenters suggested that applying this standard only to IOTA participants could create inconsistent standards within the transplant system and potentially disadvantage patients at kidney transplant hospitals not participating in the model.

A few commenters noted that the OPTN has already been actively developing a policy on this same issue, including a recent public comment period. They urged CMS to defer to the OPTN's process to avoid regulatory confusion and unnecessary duplication of effort for transplant programs. These commenters expressed concern that creating a separate CMS requirement would be redundant and impose an additional administrative burden on IOTA participants that non-participants would not have to bear.

A few commenters also raised concerns about timing and administrative burden. These commenters noted uncertainty regarding whether and when the OPTN proposal would be finalized and expressed concern that, if CMS were to finalize IOTA-specific requirements and OPTN subsequently adopted different requirements, IOTA participants could be subject to duplicative or conflicting notification regimes. They stated that preparing for multiple potential standards would increase administrative burden without corresponding benefits and urged CMS to avoid creating parallel regulatory structures.

Response: We thank the commenters for their thoughtful feedback regarding the importance of consistent, transparent, and nationally aligned approaches to patient communication within the transplant system. We appreciate commenters' recognition that notifying patients when their waitlist status changes, particularly when a change from active to inactive status affects their eligibility to receive organ offers, can meaningfully improve patient awareness and engagement in the transplant process. We also acknowledge commenters' concerns that establishing this requirement within the IOTA Model could create differences in communication standards between transplant hospitals participating in the model and those that are not.

While we recognize the value of nationally consistent policies, we do not agree that the existence of ongoing or potential policy development through the OPTN precludes CMS from establishing model-specific requirements where appropriate to advance the goals of the Innovation Center model. The IOTA Model is designed to test approaches that improve transparency, patient engagement, and access to transplantation for Medicare beneficiaries. As part of this effort, we believe that requiring IOTA participants to notify IOTA waitlist patients who are Medicare beneficiaries when their waitlist status changes from active to inactive—including providing key information about the reason for inactivation, the implications for transplant eligibility, and steps that may support reactivation—represents an important patient-centered safeguard. Establishing these minimum communication standards within the model allows CMS to evaluate whether improved transparency and patient awareness contribute to better engagement and progress toward transplantation among IOTA waitlist patients who are Medicare beneficiaries.

We acknowledge commenters' statements that the OPTN has recently sought public comment on a related policy addressing notification of waitlist status changes and that stakeholders are interested in avoiding redundant or conflicting requirements. We appreciate these perspectives and note that CMS works closely with other components of HRSA, which oversees the OPTN contract, to promote alignment where appropriate. However, the OPTN policy process and CMS rulemaking operate under distinct statutory authorities and serve different policy purposes. The OPTN establishes national organ allocation and transplant system policies applicable to all transplant programs, while CMS establishes requirements governing Medicare participation, payment models, and beneficiary protections. As such, CMS may adopt model-specific requirements that support the objectives of the Innovation Center, even where related policies are being considered through the OPTN.

We also understand commenters' concerns regarding timing and the potential for administrative burden if IOTA participants were required to prepare for multiple notification standards. We note, however, that the requirements finalized in this final rule are narrowly tailored and focused on ensuring that IOTA waitlist patients who are Medicare beneficiaries are informed when their eligibility to receive kidney transplant organ offers is affected. As indicated by comments we received on this provision, some transplant hospitals already maintain processes to communicate waitlist status changes as part of routine clinical practice or institutional policy. Accordingly, we expect that IOTA participants will be able to integrate these requirements into existing patient communication and documentation workflows without substantial additional burden. Moreover, the regulation provides flexibility regarding the specific format and operational implementation of the notification, allowing participants to leverage existing communication systems such as electronic health records, patient portals, or mailed correspondence.

Finally, we recognize the importance of maintaining alignment across federal transplant oversight activities where feasible and will continue to monitor developments in OPTN policy in this area. Should the OPTN adopt related requirements applicable across the transplant system, CMS will evaluate those policies and consider whether any adjustments to the IOTA Model requirements may be appropriate in future rulemaking to ensure clarity and minimize unnecessary duplication. At this time, however, we continue to believe that establishing the change in waitlist status notification requirement within the IOTA Model is appropriate to advance transparency and beneficiary awareness within the model. We reiterate that, as mentioned in comment responses noted previously in this section, we are finalizing the proposed change in waitlist status notification content requirements at § 512.442(d)(1)(ii) without modification. However, we will take these insights and recommendations into consideration as we continue to assess our change in waitlist status provision and, if warranted, will propose a new or updated policy through future notice and comment rulemaking.

Comment: A few commenters cited the differences between the IOTA Model and OPTN proposals for notifying patients of changes to their waitlist status, ultimately advocating for a unified, comprehensive, and patient-centered communication process to ensure the critical information is effectively received and understood. For example, a commenter expressed strong support for the change in waitlist status policy proposed in the IOTA Model, which, compared to the similar policy proposed by the OPTN, includes additional components that are critically important to ensuring the policy's effectiveness. Specifically, the commenter highlighted the value of requiring that notifications to patients include clear information on how the patient may become active on the transplant waitlist again. The commenter noted that providing actionable, easy-to-understand instructions is essential to helping patients understand next steps and

avoid prolonged inactivity due to confusion or lack of awareness. Additionally, the commenter underscored the importance of requiring concurrent notification to the patient's dialysis facility and nephrologist, explaining that engaging these providers creates a stronger support system to help patients navigate the reactivation process. Without these added requirements, the commenter cautioned that the notification could become just another message delivered through a patient portal that may go unread or unaddressed, thereby limiting the policy's intended impact on improving patient awareness and access to transplantation.

Another commenter expressed general support for the proposal but raised concerns about potential misalignment between the proposed IOTA Model requirements and a recently issued OPTN proposal addressing notification to waitlisted patients of a change in status from ''active'' to ''inactive.'' The commenter noted that the OPTN proposal would apply broadly to all waitlisted patients, regardless of IOTA beneficiary status, and that OPTN is currently seeking stakeholder input on appropriate methods of communication, such as letters, phone calls, or electronic health record notifications, and the circumstances under which each method would be sufficient. The commenter further observed that the additional requirements proposed in the IOTA Model—specifically, communicating and documenting the reason for a status change and explaining how a patient may regain active status—are not contemplated under the current OPTN proposal revision. To avoid potential inconsistencies or duplicative requirements for IOTA participants, the commenter encouraged CMS to coordinate with HHS and OPTN to align policies where possible and to build upon the existing OPTN proposal. To prevent inconsistencies or duplicative obligations for IOTA participants, the commenter suggested that CMS coordinate with HHS and OPTN to build upon the existing OPTN proposal and to consider broader notification standards that could apply uniformly to all waitlisted candidates. Although supportive of efforts to enhance transparency, the commenter cautioned that discordant policy requirements between CMS and OPTN could create confusion and administrative burden, and stated that minimizing such discrepancies where possible would be preferable.

Response: We thank the commenters for their thoughtful feedback and for emphasizing the importance of clear, patient-centered communication when a transplant candidate's waitlist status changes. We appreciate commenters' support for aspects of the proposed IOTA Model policy and their recognition that including actionable information, such as how a patient may regain active waitlist status, can help ensure that notifications are meaningful and support patient engagement. As described in the 2025 Proposed Rule (90 FR 57620) and in the preamble of this final rule, we proposed at § 512.442(d)(1)(ii) that notifications to IOTA waitlist patients who are Medicare beneficiaries include specific content elements, including the most recent date of inactivation, the reason for the status change, a statement explaining that inactive patients cannot receive organ offers, and information on how the patient may become active again on the transplant waitlist. We believe these elements help ensure that IOTA waitlist patients who are Medicare beneficiaries receive clear, actionable information necessary to understand their eligibility and next steps toward reactivation.

We also agree with commenters that engaging a patient's broader care team can strengthen communication and support reactivation. As described and finalized in this section of this final rule, the provision at § 512.442(d)(3) requires IOTA participants to notify the dialysis facility and managing clinician or nephrologist (for ESRD patients), or the referring provider (for non-ESRD patients), when a change in waitlist status occurs. We believe this coordinated approach can help ensure that IOTA waitlist patients who are Medicare beneficiaries receive consistent information and support from clinicians involved in their care.

Commenters also noted potential differences between the proposed IOTA Model change in waitlist status requirements and a related proposal under consideration by the OPTN.[108] For clarity, we summarize key elements of the two proposals in Table 11.

[108] Require Patient Notification for Waitlist Status Changes | HRSA. (2025, October 29). Hrsa.gov. *https://www.hrsa.gov/optn/policies-bylaws/public-comment/require-patient-notification-for-waitlist-status-changes*

TABLE 11: COMPARISON – CHANGE IN WAITLIST STATUS REQUIREMENTS PROPOSED UNDER OPTN POLICY AND THE IOTA MODEL

Policy Element	OPTN	IOTA Model
Applicability	Applies to all transplant programs participating in the OPTN	Applies only to kidney transplant hospitals participating in the IOTA Model
Patients Covered	All transplant candidates on the OPTN waiting list	IOTA waitlist patients who are Medicare beneficiaries
Status Changes Covered	Notification required when a candidate's status changes from active to inactive or inactive to active	Notification required when a status change affects ability to receive organ offers, that is active to inactive (CMS sought comment on also requiring inactive to active notifications)
Timing of Notification	Must notify the candidate within 10 business days of the waitlist status change	Must notify the patient within 10 days of the status change
Notification Method	Proposed as written notification, but OPTN is considering allowing phone or conversation if documented in the patient record	Must provide notification electronically or by mail
Required Information in Notification	Inform the candidate that their waitlist status has changed (active ↔ inactive)	Must include: • Date the patient became inactive • Reason for status change • Explanation that the patient cannot receive organ offers while inactive • Instructions on how to become active again • Contact information for questions
Documentation Requirements	Programs must document the communication in the candidate's record	IOTA participants must retain a copy of the notification and record the delivery method and date in the IOTA waitlist patient who is a Medicare beneficiary's medical record.
Additional Provider Notification	Not specified in the proposal	Requires notification of dialysis facility and managing clinician/nephrologist (for ESRD patients) or the referring provider
Ongoing Notifications if Inactive	No recurring notification requirement specified	Requires annual notification if the patient remains inactive for 365 consecutive days
Primary Policy Objective	Improve patient awareness and transparency regarding waitlist status	Improve transparency, patient engagement, and understanding of transplant eligibility status

We acknowledge commenters' concerns regarding potential differences between CMS and OPTN policies. CMS and HRSA coordinate closely on transplant system oversight, and we will continue to monitor developments in OPTN policy. However, CMS has independent authority to establish requirements within Innovation Center models to test approaches that improve transparency, care coordination, and patient engagement for Medicare beneficiaries. The additional content elements included in the IOTA Model are intended to ensure that IOTA waitlist patients who are Medicare beneficiaries receive clear, actionable information when their eligibility to receive kidney transplant organ offers is affected.

We appreciate commenters' recommendations for alignment across federal transplant oversight activities and recognize the importance of coordination where feasible. CMS will continue to coordinate with HHS and OPTN, as appropriate, as related policies evolve. At this time, however, we continue to believe that the notification content requirements finalized in the IOTA Model appropriately support the model's goals of improving patient awareness and engagement by ensuring that IOTA waitlist patients who are Medicare beneficiaries receive clear, actionable information when their waitlist status changes from active to inactive. For these reasons, we are finalizing the proposed change in waitlist status notification content requirements at § 512.442(d)(1)(ii) without modification.

Comment: Many commenters opposed the proposed waitlist status notification requirements, citing concerns about operational burden, duplication of existing requirements, and the potential for patient confusion. For example, a few of these commenters stated that transplant centers already maintain established processes for notifying patients of changes in waitlist status, including active-to-inactive transitions, or that these processes are governed and audited under existing CMS Transplant CoPs. In particular, a commenter argued that layering additional IOTA Model-specific notification requirements on top of current obligations would be duplicative and unnecessary, particularly where transplant programs already notify all waitlisted patients, regardless of payer, of status changes as part of standard operating procedures.

Several commenters asserted that the proposed requirements would impose substantial administrative and operational burdens on transplant programs, especially those managing large waitlists or experiencing frequent status changes. They stated that kidney transplant hospitals may lack the infrastructure and staffing necessary to comply with detailed notification, documentation, and timeline requirements, and that implementation could require significant workflow redesign and new expenditures. These same commenters expressed concern that compliance efforts could divert resources from direct patient care, potentially delay transplant services, and overwhelm clinical teams with regulatory tasks.

Response: We thank the commenters for their feedback and acknowledge the concerns raised regarding operational burden, potential duplication, and patient confusion; however, we respectfully disagree that the proposed change in waitlist status notification requirements is duplicative or unnecessary. We recognize that some IOTA participants may already have established processes for notifying patients of changes in waitlist status. In

the 2025 Proposed Rule (90 FR 57618) we acknowledged that transplant hospitals are currently required to promptly notify patients awaiting transplantation of any program-related circumstances that could affect their ability to receive a transplant (see 42 CFR 482.102(c)). However, as we stated the 2025 Proposed Rule (90 FR 57618), these regulations mandate that transplant hospitals must inform patients of factors such as the availability of transplant surgeons and changes in the hospital's operational status. Transplant hospitals must also notify patients of any modifications to their Medicare certification status, whether due to voluntary program inactivation or termination. Furthermore, while current CoPs for transplant hospitals address certain notification obligations, they do not explicitly require standardized notification to patients when their waitlist status changes from active to inactive, nor do they require inclusion of specific content elements such as the most recent date of inactivation, the reason for the change, the effect on eligibility to receive organ offers, and clear information on how to regain active status. As such, we believe that the proposed change in waitlist status notification provision at § 512.442(d)(1)(ii) establishes consistent minimum content standards for IOTA participants to ensure that IOTA waitlist patients who are Medicare beneficiaries receive complete, actionable information when their eligibility to receive kidney transplant organ offers is affected.

We also recognize the concerns regarding administrative and operational burden, particularly for IOTA participants with large waitlists or frequent status changes. However, the proposed change in waitlist status requirement is narrowly tailored to apply to IOTA waitlist patients who are Medicare beneficiaries when their waitlist status changes from active to inactive and to require inclusion of specific information that we believe is essential to patient understanding and engagement. We expect that many IOTA participants will be able to integrate these requirements into existing communication workflows and documentation systems, including EHRs and established patient notification processes. We also note that the proposed requirement does not prescribe a specific format or delivery mechanism beyond what is already outlined in the broader provision, as described and finalized in § 512.442(d)(1)(iii) of this final rule, thereby preserving flexibility for IOTA participants to operationalize the requirement in a manner consistent with their infrastructure and patient population.

Additionally, we do not believe that compliance with these requirements will divert resources from direct patient care or delay transplant services. Rather, we believe that clear and timely communication regarding inactive status supports patient engagement, may reduce prolonged unrecognized inactivation, and promotes more efficient progression toward reactivation where appropriate. Because inactive status directly affects a patient's eligibility to receive organ offers, ensuring that patients are informed of the reason for inactivation and the steps necessary to regain eligibility provides transparent and actionable information that enhances patient-centered care, promotes accountability, reduces confusion, and may help mitigate inefficiencies associated with delays in reactivation. For these reasons, we are finalizing our proposal without modification. However, we will take these insights and recommendations into consideration as we continue to assess our change in waitlist status provision and, if warranted, will propose a new or updated policy through future notice and comment rulemaking,

Comment: A commenter supported CMS's proposal to require IOTA participants to notify IOTA waitlist patients who are Medicare beneficiaries on its transplant waitlist within 10 days of a change in status from active to inactive, including providing the reason for the change and the steps necessary to regain active status. The commenter further recommended that this requirement be applied uniformly to all waitlisted patients, rather than limited to IOTA waitlist patients who are Medicare beneficiaries. The commenter stated that timely notification of waitlist status changes is essential to promoting patient understanding, engagement, and continuity of care, and characterized such communication as a foundational element of a patient-centered transparency standard.

Response: We would like to thank the commenter for their support. We also appreciate the commenter's recommendation that this requirement apply to all waitlisted patients. However, the IOTA Model is an Innovation Center model operating under the authority of section 1115A of the Act and is designed to test approaches that improve transparency, care coordination, and access to transplantation for Medicare beneficiaries. Accordingly, CMS's regulatory authority within the model is limited to establishing requirements for IOTA participants with respect to IOTA waitlist patients who are Medicare beneficiaries. While this provision applies specifically to that population, nothing in this final rule precludes IOTA participants from providing similar notifications to all of its waitlisted patients as part of their standard patient communication practices. Therefore, as mentioned in comment responses noted previously in this section, we are finalizing our proposal without modification.

Comment: A few commenters supported CMS' efforts to improve patient communication and care coordination but urged CMS to not finalize the proposed change in waitlist status delivery method and timeline requirements, citing significant operational concerns. The commenters stated that many transplant programs lack the administrative infrastructure and staffing necessary to manage communications with potentially large numbers of active waitlisted candidates and indicated that implementing the proposed requirements would likely require substantial new costs and workflow redesign. They further cautioned that, rather than improving clarity, the requirements could create confusion for patients regarding their status, options, and expected outcomes. They also emphasized that the proposal lacks sufficient detail regarding how communications should be conducted, what would constitute acceptable documentation, and how compliance would be evaluated. Absent clearer guidance, the same commenters warned that the requirements could overwhelm transplant programs, divert resources away from direct clinical care, and potentially delay transplant services.

Response: We thank the commenters for their support of the goal of improving patient communication and care coordination and for sharing concerns regarding the operational impact of the proposed delivery method and timeline requirements. We recognize that transplant hospitals vary in size, resources, and administrative capacity, and we carefully considered these factors in developing the requirements at § 512.442(d)(1)(iii).

However, we disagree that the proposed delivery method and timeline requirements are likely to impose significant new infrastructure demands or necessitate substantial workflow redesign. The provision, as proposed, requires IOTA participants to furnish the change in waitlist status notification to IOTA waitlist patients who are

Medicare beneficiaries electronically or by mail within 10 days of the change in waitlist status from active to inactive and annually thereafter for as long as the Medicare beneficiary remains inactive (that is, 365 consecutive days). These parameters are intended to promote timely, consistent communication and accountability; however, they do not prescribe a specific format, staffing model, or communication platform. IOTA participants retain the discretion to integrate these requirements into their existing communication processes, including EHR systems, patient portals, or established mail-based notification procedures. Furthermore, we believe that the majority of IOTA participants already maintain mechanisms to communicate changes in waitlist status and to document such communications within the medical record. As such, we do not anticipate that these requirements will necessitate the development of extensive new infrastructure.

We also do not agree that the requirements, as proposed, will create confusion for patients. Providing a notification when there is a change in waitlist status from active to inactive within a defined timeframe ensures that patients are promptly informed when their eligibility to receive organ offers is affected and reinforces understanding through periodic communication during prolonged inactivity. As noted in comment responses earlier in this section, this structured approach is intended to enhance clarity, reduce the likelihood of prolonged unrecognized inactivity, and support informed decision-making. We also note that the regulation establishes clear expectations regarding the timing and method of notification and documentation but intentionally allows flexibility in how IOTA participants operationalize these requirements to accommodate diverse workflows and patient communication needs.

Lastly, with respect to compliance expectations, we note that while the proposed change in waitlist status documentation requirements, as described in this section, specifies the required elements of notification and documentation, it does not impose overly prescriptive standards beyond those elements. This approach is intended to provide clarity while minimizing administrative burden. We anticipate that IOTA participants will implement these requirements in a manner consistent with existing compliance and documentation practices. By promoting timely and well-documented communication, the policy is intended to support, rather than detract from, direct patient care and may reduce downstream administrative burden associated with resolving misunderstandings regarding waitlist status. For these reasons, we are finalizing the proposed change in waitlist status delivery method and timeline requirements at § 512.442(d)(1)(iii)) without modification.

Comment: A commenter stated that CMS' proposal to require IOTA participants to provide this notification to the IOTA waitlist patient who is a Medicare beneficiary annually, thereafter, for as long as the Medicare beneficiary remains inactive (that is; 365 consecutive days) is unnecessary and believed that it would add administrative burden and contribute towards increased healthcare cost.

Response: We thank the commenter for their feedback and for raising concerns regarding the potential administrative burden and cost associated with the proposed annual notification requirement. We acknowledge that this proposed provision would require IOTA participants to maintain processes to track inactive status and provide ongoing communication to affected patients on an annual basis. However, we disagree that the annual notification requirement is unnecessary. Extended periods of inactive status may not be readily apparent to patients, particularly when inactivity results from clinical, logistical, or administrative factors that evolve over time. In the absence of periodic communication, patients may remain inactive on a transplant hospital's waitlist for prolonged periods without fully understanding their status or the steps necessary to regain eligibility to receive organ offers.

While the proposed provision requiring IOTA participants provide the change in waitlist status notification within 10 days of the IOTA waitlist patient who is a Medicare beneficiary's change in waitlist status ensures that these patients are informed at the time their status initially changes, the annual notification serves a distinct purpose: it reinforces ongoing transparency and patient engagement during periods of prolonged inactivity. Furthermore, as discussed in the 2025 Proposed Rule (90 FR 57618 through 90 FR 57619) and in the preamble of this section, patients may remain inactive for extended durations due to unresolved medical, testing, or administrative issues, and without periodic communication, they may presume they are still eligible to receive transplant offers. Requiring IOTA participants to notify IOTA waitlist patients who are Medicare beneficiaries every 365 days ensures that these patients are reminded of their status, understand the reasons for their inactivity, and are afforded an opportunity to work with their care team to address barriers to reactivation. Accordingly, the annual notification requirement is intended to serve as a patient-centered safeguard that reinforces transparency, promotes patient engagement, and helps prevent prolonged unintended inactivity.

We believe that providing this information on an annual basis strikes an appropriate balance between patient benefit and administrative feasibility. We further note that the requirement is limited in scope, as it applies only to IOTA waitlist patients who are Medicare beneficiaries and who remain inactive for 365 consecutive days, and it does not prescribe a specific format or communication platform beyond requiring that notification be provided electronically or by mail. We also believe that IOTA participants may integrate this requirement into existing patient communication and documentation systems, which should serve to mitigate additional burden. Moreover, ensuring that patients remain informed of their inactive status on the IOTA participant's waitlist may reduce downstream administrative work associated with re-engaging patients who were previously unaware of their inactivity. Therefore, as mentioned in comment responses previously in this section, we are finalizing the proposed change in waitlist status delivery method and timeline requirements at § 512.442(d)(1)(iii)) without modification.

Comment: Multiple commenters supported the goal of improving transparency regarding changes in waitlist status but recommended a centralized, technology-driven approach to implementation and delivery of these notifications in order to balance patient engagement with operational feasibility. A commenter recommended development of a centralized platform that would allow prospective patients and donors to access hospital-specific information about transplant programs, such as evaluation criteria, compare transplant hospitals, and review individualized information about their own care, including organ offer declines and waitlist status. The commenter stated that such a platform would advance patient-centered transparency by improving the navigability of the transplant system and enabling patients to make more informed decisions. In addition, the commenter noted that centralizing this information would

help minimize administrative burden on transplant hospitals, which might otherwise need to allocate significant resources to compiling and distributing this information, thereby allowing those resources to remain focused on direct patient care.

A few commenters recommended that waitlist status information be made available through a HRSA- or OPTN-developed patient-facing platform that would allow patients to log in and review their waitlist status in real-time, rather than relying solely on notifications from transplant centers. In particular, a commenter noted that several proposed transparency requirements, including notifications of organ offer declines and waitlist status changes, rely on accurate identification of CMS-attributed beneficiaries and urged CMS to avoid requiring hospitals to duplicate information already maintained in OPTN systems. The commenter recommended that CMS securely transmit relevant beneficiary-attribution lists to the OPTN to enable automated generation of standardized, patient-specific reports for Medicare beneficiaries. According to the commenter, this approach would improve accuracy, reduce manual reconciliation by hospitals, standardize notification formats, and significantly lessen administrative burden. The commenter suggested that reports could be distributed directly by CMS or made available through a secure OPTN-developed patient portal and encouraged collaboration among CMS, HRSA, and the OPTN to leverage existing data expertise. The commenter stated that centralized reporting and distribution would promote consistency, reduce variation, and support the goals of the model.

Another commenter supported the goal of notifying patients about changes in their waitlist status but raised concerns about how best to implement such notifications without overwhelming patients or transplant centers. The commenter stated that requiring kidney transplant hospitals to issue notifications each time a waitlist status changes may be unsustainable, particularly for high-volume programs with large waitlists, and could create operational strain. To address these concerns, the commenter recommended development of a secure online portal through which patients could access their waitlist information at any time. Specifically, the commenter suggested that patients be able to view their current active or inactive status, the length of time they have been active, the number of organ offers received, and the OPTN refusal codes associated with declined offers. The commenter also proposed that patients be allowed to designate their preferred method of communication, such as phone, text, or email, and that notifications of status changes be delivered automatically through those preferred channels, potentially by a centralized contractor. The commenter further suggested that the new OPTN vendor be tasked with developing and implementing such a solution to ensure a sustainable, system-wide approach. The commenter maintained that this approach would promote transparency and patient engagement while reducing administrative burden on transplant hospitals.

Response: We thank the commenters for their support of the goal of improving transparency regarding changes in waitlist status and for their thoughtful recommendations regarding centralized, technology-driven approaches to notification delivery. We agree that enhancing patient access to information and reducing unnecessary administrative burden are important objectives and we recognize the potential benefits of centralized platforms, including enhanced patient access to information, improved consistency, and reduced administrative burden on transplant hospitals. We also acknowledge the value of leveraging existing data systems, such as those maintained by the OPTN, and the importance of coordination across CMS, HRSA, and OPTN to support patient-centered transparency. However, as mentioned in comment responses noted previously in this section, we are finalizing the change in waitlist status delivery method and timeline requirements at § 512.442(d)(1)(iii) without modification.

As discussed in this section, the purpose of this provision is to establish clear, timely and direct communication requirements that ensure IOTA waitlist patients who are Medicare beneficiaries are informed when their eligibility to receive kidney transplant organ offers is affected. We believe that direct notification from the IOTA participant is critical to ensuring accountability, clarity, and appropriate clinical context, and cannot be fully replaced by passive access to information through a centralized portal.

We recognize that the development of centralized, patient-facing platforms involves complex considerations, including data governance, privacy protections, interoperability, and coordination across federal agencies and the OPTN. While such approaches may present future opportunities to enhance transparency and streamline reporting, they are beyond the scope of this rulemaking. The provision is intended to be implemented using existing communication methods and systems currently in place at transplant programs, thereby minimizing the need for new infrastructure while ensuring that Medicare beneficiaries are promptly informed of changes to their waitlist status that affect their ability to receive kidney transplant organ offers.

Additionally, we note that the requirements do not prohibit the use of centralized tools or patient portals where available. IOTA participants may continue to use or adopt such technologies to supplement required notifications, provide additional information, or offer patients alternative methods of engagement. However, we believe that requiring IOTA participants to provide timely notification remains the most reliable and feasible approach to ensuring IOTA waitlist patients who are Medicare beneficiaries receive critical information about their status. Centralized solutions may complement, but not replace, direct communication from IOTA participants, which remains essential for individualized care coordination.

Comment: A commenter addressed CMS's proposal to require notification to the patient, nephrologist, and dialysis center within 10 days of a change in waitlist status and emphasized the importance of implementing these transparency requirements in a patient-centered manner. To support effective implementation, the commenter recommended that CMS convene multidisciplinary work groups that include patients, living donors, transplant centers, patient advocacy organizations, donor families, and researchers. The commenter suggested that these stakeholders collaborate to co-develop education standards and standardized written notification formats to promote clarity, consistency, and meaningful patient engagement across the transplant system.

Response: We thank the commenter for their support of the transparency goals of the policy and for emphasizing the importance of patient-centered implementation. We also appreciate the commenter's recommendation that CMS convene multidisciplinary work groups, including patients, living donors, transplant centers, advocacy organizations, donor families, and researchers, to support implementation and develop education standards and standardized written notification formats. We agree that input from a broad range of stakeholders can provide valuable perspectives on effective communication practices and patient

education within the transplant system. While this final rule establishes minimum regulatory requirements regarding the timing and method of notification, it does not prescribe a specific template or standardized format for the change in waitlist status notification. We note that this approach is intended to provide IOTA participants with flexibility to tailor communications to their patient populations, existing communication systems, and clinical workflows while still ensuring that required information is conveyed clearly and consistently.

Although we are not establishing stakeholder work groups or standardized notification templates through this rulemaking, we recognize the potential value of continued collaboration with patients, providers, and other transplant system stakeholders to inform best practices for patient-centered communication. CMS will continue to engage with stakeholders, including through existing forums and future policy development activities, to support effective implementation of transparency provisions within the IOTA Model. For the reasons discussed in this section of this final rule, we are finalizing the proposed change in waitlist status delivery method and timeline requirements at § 512.442(d)(1)(iii) without modification.

Comment: A commenter believed that the OPTN proposal and the proposed change in waitlist status notification requirements in the IOTA Model differ in several important respects. The commenter noted that, under the IOTA Model, change in waitlist status notifications would be more comprehensive in content and could be delivered through a broad range of communication methods, but would only be required when a candidate becomes inactive, not when the candidate is reactivated. In contrast, the OPTN proposal would require notification via U.S. mail and would apply both when a candidate becomes inactive and when the candidate becomes active again. The commenter explained that their recommended approach would combine elements of both proposals but would differ in a significant way by emphasizing direct, patient-centered communication. Specifically, the commenter recommended that any change in waitlist status be communicated through a discussion between the candidate and a member of the transplant team, with the interaction documented in the candidate's medical record. The commenter stated that this approach would be more effective than written notification alone, regardless of delivery method, provided that the candidate can be reached in a timely manner, and would better support meaningful patient understanding and engagement.

Response: We thank the commenter for their thoughtful comparison of the IOTA Model proposal and the OPTN proposal and for emphasizing the importance of direct, patient-centered communication when waitlist status changes occur. As discussed previously in comment responses in this section, we acknowledge that the IOTA Model and OPTN proposals differ in scope, delivery methods, and the status changes that trigger notification. We also agree that discussions between transplant team members and transplant candidates are an important component of patient-centered care and can enhance patient understanding and engagement. However, as mentioned in comment responses noted previously in this section, we are finalizing the change in waitlist status delivery method and timeline requirements at § 512.442(d)(1)(iii) without modification.

In contrast to verbal conversations—which may vary in specificity, be subject to misinterpretation, or lack comprehensive documentation—electronic or mailed notices ensure that IOTA waitlist patients who are Medicare beneficiaries receive uniform, essential information in a format that permits review, retention, and dissemination to family members or other caregivers. This consideration is of particular significance with respect to a change in waitlist status from active to inactive, which directly affects a patient's eligibility to receive transplant organ offers. Additionally, written communication strengthens the documentation maintained within the medical record, thereby demonstrating that the IOTA participant has met the notification requirement to inform IOTA waitlist patients who are Medicare beneficiaries when their waitlist status changes from active to inactive. We also believe that providing change in waitlist status notifications electronically or by mail can also mitigate the risk of miscommunication or disputes by providing a clear, time-stamped record of notification, while permitting transplant teams to conduct subsequent discussions to address questions or provide additional support. In this manner, written communication serves as the primary method for conveying critical information, while verbal interactions remain a valuable supplement rather than the sole means of notification.

Furthermore, we note with significant concern that an approach reliant upon verbal notification could impose significant operational challenges and administrative burden, particularly upon IOTA participants maintaining large waitlists or operating with limited staffing resources, and may result in delayed notification in circumstances where IOTA patients who are Medicare beneficiaries cannot be reached in a timely manner. We also note that the policy does not preclude IOTA participants from engaging in additional patient-centered communication, including direct discussions. In this manner, written communication serves as the primary method for conveying critical information, while verbal interactions remain a valuable supplement rather than the sole means of notification.

Comment: A commenter strongly supported the proposal to require notification to the patient, nephrologist, and dialysis center within 10 days of a change in waitlist status. The commenter further recommended that all status changes be formally documented and made visible in the patient's EHR portal to promote transparency and accessibility. The commenter emphasized that patients should be clearly informed when their status changes, the effective date of the change, the reason for inactivation, and the specific steps necessary to regain active status. According to the commenter, because waitlist status directly affects a patient's eligibility to receive organ offers, failure to provide timely and clear notification may result in patients later discovering that they spent time inactive without their knowledge, which can cause significant distress and undermine trust in the transplant process.

Response: We thank the commenter for their support of the proposal to require notification to the patient, nephrologist, and dialysis facility within 10 days of a change in waitlist status from active to inactive. We agree that timely and clear communication regarding waitlist status is critical because inactive status directly affects a patient's eligibility to receive kidney transplant organ offers. We also appreciate the commenter's recommendation that status changes be documented and visible through a patient's EHR portal to promote transparency and accessibility. We believe the change in waitlist status documentation requirements promote accountability and provide a clear record that the patient was informed of the change in status, the effective date of the change, and the steps necessary

to regain active status. While the regulation does not mandate a specific technological platform, such as an EHR portal, IOTA participants retain flexibility to use existing electronic systems, including patient portals, to facilitate communication and patient access to this information.

We agree with the commenter that failure to provide timely and clear notification of inactive status could result in patients later discovering that they spent time inactive without their knowledge, which may cause distress and undermine trust in the transplant process. We note that change in waitlist status provisions is intended to reduce this risk by ensuring timely notification, clear communication, and appropriate documentation when an IOTA waitlist patient who is a Medicare beneficiary's eligibility to receive kidney transplant organ offers is affected. Although we are finalizing these provisions without modification, as mentioned in comment responses noted previously in this section, we will take this comment into consideration for future notice and comment rulemaking.

Comment: Several commenters supported CMS's proposal to require IOTA participants hospitals to notify IOTA waitlist patients who are Medicare beneficiaries on its transplant waitlist within 10 days of a change in status from active to inactive. In particular, a few commenters stated that such status changes directly affect a patient's eligibility to receive organ offers and that learning after the fact that time was spent in inactive status can be deeply distressing and may have lasting effects on patient trust.

Response: We thank the commenters for their support.

Comment: A commenter agreed that providing patients with clear information about the duration of their time on the waitlist, their current active or inactive status is important and beneficial to patient care. However, the commenter raised concerns about requiring formal documentation of specific actions a patient must take to regain active status when a change in waitlist status occurs. The commenter cautioned that outlining detailed or fixed requirements in writing—such as a defined list of steps necessary for reactivation—could foster mistrust, particularly because waitlist eligibility is often influenced by clinical indicators that may change over time. The commenter expressed concern that presenting reactivation requirements as static targets may be misleading and could create the perception that expectations have been altered arbitrarily, when in fact adjustments are driven by the evolution of a patient's medical condition. The commenter further noted that these discussions are currently conducted in a personalized and supportive manner, and that formalizing them through written notifications could make the process appear impersonal or overly clinical, potentially undermining trust and open communication between patients and their care teams.

Response: We thank the commenter for recognizing the importance of providing patients with clear information about their waitlist status and duration on the waitlist. We also appreciate the concerns raised regarding the documentation of information about how a patient may regain active status and the potential for misunderstanding if such information is perceived as rigid or static.

We clarify that the proposed documentation requirements at § 512.442(d)(2) through (3) do not require IOTA participants to establish fixed or exhaustive lists of reactivation criteria, nor do they require IOTA participants to represent reactivation requirements as unchanging or guaranteed outcomes. Rather, the provision requires that the notification—and corresponding documentation in the medical record—include information on how the IOTA waitlist patient who is a Medicare beneficiary may become active again, which could include general or individualized next steps based on the patient's current clinical circumstances. We expect that such information will reflect the dynamic nature of transplant candidacy and will be communicated in a manner that acknowledges that clinical indicators, testing requirements, and eligibility considerations may evolve over time.

Furthermore, we do not believe that requiring documentation of the notification will undermine personalized communication. To the contrary, we believe that documenting that the patient was informed of their inactive status, the reason for the change, and the steps to pursue reactivation promotes transparency, continuity of care, and accountability. The requirement to maintain a copy of the notification, the method of delivery, and the date sent in the patient's medical record ensures that there is a clear record of communication, which may help prevent misunderstandings and support coordination among the transplant team, dialysis facility, nephrologist, or referring provider, as applicable. We do not believe that these documentation provisions preclude supportive, individualized conversations; rather, they complement them by ensuring that key information is clearly conveyed and recorded.

Lastly, we agree that discussions regarding reactivation are often nuanced and patient-specific. We also note that the proposed provision preserves flexibility for IOTA participants to tailor communications to each patient's medical condition, literacy level, and communication needs. It does not require overly prescriptive or formulaic language, nor does it prevent IOTA participants from framing reactivation steps as contingent on ongoing clinical assessment. Instead, it establishes minimum documentation standards to ensure that IOTA waitlist patients who are Medicare beneficiaries are informed and that such communication is consistently recorded. For these reasons, we are finalizing our proposal without modification.

Comment: A few commenters stated that many transplant programs lack the administrative infrastructure and staffing necessary to manage communications with larger volumes of active waitlisted candidates. The commenters indicated that implementing the proposed requirements would likely require significant new costs and workflow changes and could create confusion rather than clarity for patients. The commenters further suggested that without clear guidance on communication methods, documentation standards, and compliance expectations, the requirements could overwhelm transplant hospitals, divert clinical resources, and potentially delay transplant care.

Response: We thank the commenters for their feedback regarding administrative capacity, staffing limitations, and potential operational impacts associated with implementing the proposed documentation requirements. We recognize that transplant hospitals vary in size, infrastructure, and available administrative resources. However, we respectfully disagree that the documentation requirements at § 512.442(d)(2) are likely to impose significant new costs, require substantial workflow redesign, or overwhelm IOTA participants. As described in the 2025 Proposed Rule at 90 FR 57620 and in this section of this final rule, the provision requires IOTA participants to maintain in the patient's medical record a copy of the notification provided to the IOTA waitlist patient who is a Medicare beneficiary, the method by which the notification was delivered, and the date the notification

was sent. These elements are consistent with standard clinical documentation practices already commonly maintained within transplant hospitals and electronic health record systems, and we anticipate that the majority of IOTA participants will be able to incorporate them into existing workflows without significant additional infrastructure or staffing requirements.

We further note that the regulation intentionally does not prescribe a specific format, template, communication platform, or operational workflow. Rather, the provision establishes a limited set of documentation elements while affording IOTA participants the flexibility to utilize existing communication and recordkeeping systems to satisfy the requirement, including electronic health records, patient portals, or established correspondence procedures. This approach is designed to provide clarity regarding compliance expectations while minimizing administrative burden and preserving the flexibility necessary for IOTA participants to tailor implementation to their respective operational capabilities.

We also respectfully disagree that the documentation requirements are likely to cause confusion among IOTA waitlist patients who are Medicare beneficiaries or delay the provision of kidney transplant care. To the contrary, documenting that such Medicare beneficiaries were notified of a change in waitlist status from active to inactive serves to ensure transparency, supports care coordination among the transplant team and other providers, and establishes a reliable record that the patient was informed when their eligibility to receive kidney transplant organ offers was affected. Clear and thorough documentation may also reduce downstream administrative burden by preventing misunderstandings regarding whether and when a patient was notified of a change in waitlist status. For these reasons, and those discussed in the comment responses noted previously in this section, we are finalizing the proposed change in waitlist status documentation requirements at § 512.442(d)(2) without modification.

Comment: A commenter supported promoting patient awareness of transplant waitlist status but raised concerns that the proposed structured notification requirements for status changes are overly rigid and do not reflect the dynamic and sometimes urgent nature of transplant medicine. The commenter stated that the proposal would introduce duplicative documentation processes, require repeated outreach even when patients have already made informed decisions, and increase administrative tracking without meaningfully improving clinical care. The commenter recommended that CMS allow transplant programs greater flexibility in how status changes are communicated and documented, consistent with existing OPTN practices, rather than adopting new prescriptive requirements.

Response: We thank the commenter for supporting efforts to promote patient awareness of transplant waitlist status and for raising concerns regarding flexibility in the context of dynamic transplant care. We recognize that clinical circumstances can change rapidly and that communication with patients must remain responsive, individualized, and timely. However, we do not agree that the proposed documentation requirements at § 512.442(d)(2) through (3) are overly rigid or duplicative. As discussed previously in comment responses in this section, these provisions establish minimum standards to ensure that IOTA waitlist patients who are Medicare beneficiaries are consistently informed when their status changes from active to inactive and that this communication is documented in the medical record. The requirements are not intended to prescribe how clinical discussions occur or to replace personalized communication; rather, they complement existing practices by ensuring that key information—including the status change, the reason for inactivation, and steps toward reactivation—is clearly conveyed and recorded, thereby enhancing transparency and accountability while preserving flexibility.

We also do not believe the requirement introduces duplicative documentation processes. Transplant hospitals routinely document significant clinical communications, and the required elements—maintaining a copy of the notification, documenting the method and date of delivery, and notifying appropriate members of the patient's care team—are consistent with established medical recordkeeping and care coordination practices. The proposed change in waitlist status provision requires IOTA participants to provide notification electronically or by mail within 10 days of the status change and annually thereafter for as long as the Medicare beneficiary remains inactive (that is, 365 consecutive days). These requirements do not mandate unnecessary or repeated outreach beyond the specified annual notification for prolonged inactivity; rather, they ensure that when a change in waitlist status occurs, there is a clear, consistent, and verifiable record that the Medicare beneficiary and relevant providers were informed in a timely manner.

With respect to flexibility and alignment with OPTN policies, the requirement specifies the method of delivery but does not prescribe a particular format, template, or communication platform. This approach allows IOTA participants to incorporate the notifications into existing workflows and communication practices, including patient portals, secure messaging, or mailed correspondence, consistent with operational capabilities and patient preferences. We disagree that the policy increases administrative tracking without meaningful clinical benefit; instead, clear documentation of the change in waitlist status notification enhances transparency, reduces the risk of prolonged unintended inactivity, supports continuity of care across providers, and provides an auditable record that Medicare beneficiaries were informed of material changes affecting their eligibility to receive kidney transplant organ offers. These objectives promote transparency, care coordination, and accountability while preserving flexibility and are central to the IOTA Model's goals of improving patient engagement and access to transplantation. Therefore, as stated previously in comment responses in this section, we are finalizing the proposed change in waitlist status documentation requirements at § 512.442(d)(2) through (3) without modification.

Comment: A few commenters generally supported the proposal and highlighted that, compared to the proposed OPTN policy, the proposed IOTA Model includes additional components that the commenter considered especially important. Specifically, a commenter emphasized the value of requiring that notifications include clear information about how a patient may regain active status on a waitlist and that concurrent notification be provided to the patient's dialysis facility and nephrologist. This commenter cautioned that without these additional elements, the notification risks becoming another message delivered through a patient portal that may go unread and fail to meaningfully engage patients.

At the same time, another commenter noted that a separate OPTN proposal currently under public comment would require notification to all waitlisted patients when their status changes from active to inactive and is seeking stakeholder input on appropriate communication methods. This commenter observed that the OPTN

proposal does not include requirements to communicate and document the reason for the status change or the steps to regain active status and encouraged coordination to avoid inconsistencies between CMS and OPTN requirements.

Response: We thank the commenters for their support of the proposed change in waitlist status documentation requirements at § 512.442(d)(2) through (3) and for recognizing the importance of including additional elements—such as clear information on how a patient may regain active status and concurrent notification to the patient's dialysis facility and nephrologist—to enhance the effectiveness of waitlist status communications. We agree that these components are critical to ensuring that notifications are meaningful, actionable, and supportive of patient engagement rather than perfunctory messages that may be overlooked. Requiring that change in waitlist status notifications include the reason for the status change, the implications for kidney transplant organ offer eligibility, and steps toward reactivation, along with documentation of such communications in the patient's medical record and notification to relevant care team members, promotes transparency, care coordination, and continuity of care for IOTA waitlist patients who are Medicare beneficiaries.

We also acknowledge the commenters' observations regarding the related OPTN proposal and the importance of coordination to minimize inconsistencies. We recognize that the OPTN is considering policies that would require notification to all waitlisted patients when their status changes from active to inactive and that those policies may differ in scope and detail from the IOTA Model requirements. CMS has independent authority to establish requirements within the IOTA Model that support its goals of improving patient awareness, engagement, and care coordination for Medicare beneficiaries. The additional documentation and communication elements included in the IOTA Model are intended to complement, rather than conflict with, OPTN policy by ensuring that affected patients receive clear, actionable information and that key members of the patient's care team are informed. We intend to continue to coordinate with HHS and the OPTN as policies evolve to promote alignment where appropriate and to reduce unnecessary duplication or burden on IOTA participants.

Comment: A commenter recommended that, for compliance purposes, CMS require that all required change in waitlist status notifications be documented in the patient's medical record. The commenter stated that notifications not recorded in the medical record should be considered not to have occurred and emphasized that documentation of the notification should be clearly visible in the patient's chart. The commenter further stressed that such documentation should be accessible to all relevant parties, including the patient, to ensure transparency and accountability.

Response: We appreciate the commenter's recommendation and agree that documenting waitlist status change notifications in the patient's medical record is an important compliance practice. We agree that clear, verifiable records of required notifications are essential to protecting patients and ensuring accountability. As described in this section of this final rule, we proposed change in waitlist status delivery documentation requirements at § 512.442(d)(2), which includes that the IOTA participant must record in the IOTA waitlist patient who is a Medicare beneficiary medical record all of the following:

- A copy of the notification.
- The method by which the notification was delivered.
- The date in which the notification was sent.

As described in comment responses noted previously, we are finalizing this provision without modification. Additionally, as described and finalized in section II.B.6 of this final rule, we are finalizing our proposal to include this transparency requirement as a monitoring activity in the IOTA Model. We direct readers to section II.B.6 of this final rule for further discussion on monitoring activities for transparency requirements included in the IOTA Model.

After consideration of public comments, for the reasons set forth in this rule, we are finalizing the proposed change in waitlist status requirements at § 512.442(d) without modification. We will continue to assess the change in waitlist status provision for notifying IOTA waitlist patients who are Medicare beneficiaries any time their status on the waitlist is changed that would impact their ability to receive an organ offer (that is, from active to inactive) in the IOTA Model and may address a new or updated policy pursuant to future notice and comment rulemaking.

b. Health Equity Plans

In the 2024 Final Rule (89 FR 96407), in response to comments,[109] we finalized at § 512.446(a) that an IOTA participant may voluntarily submit a health equity plan for all performance years (PY 1 through PY 6) and in a form and manner and by the date(s) specified by CMS. We also finalized that a health equity plan voluntarily submitted by an IOTA participant must include all elements at § 512.446(a)(1) through (7). We direct readers to the 2024 Final Rule for a full discussion of this policy, our rationale for this approach, and alternatives considered (89 FR 96405 through 96407). Lastly, we proposed and finalized the definitions for ''Health equity goal'', ''Health equity plan'', ''Health equity plan intervention strategy'', and ''Health equity plan performance measure'' at § 512.402.

As stated in the 2025 Proposed Rule, we continue to maintain that understanding and addressing the health needs of all IOTA waitlist patients and IOTA transplant patients remains essential to ensuring their benefit through improved access to the transplantation ecosystem (90 FR 57621). However, in consideration of the current Administration's priorities and concerns regarding the imposition of additional burden on IOTA participants within a mandatory model, we proposed to remove the voluntary health equity plan provisions from the IOTA Model. We recognize that requesting IOTA participants to submit health equity plans, even on a voluntary basis, could impose an additional burden on IOTA participants. As such, we believe removing the voluntary health equity plan provisions from the IOTA Model would reduce burden on IOTA participants and constitute a more effective utilization of IOTA participant resources to focus on increasing access to kidney transplants, which would enhance their performance within the model and improve the quality of care.

Therefore, in the 2025 Proposed Rule we proposed to remove the health equity plan provisions from § 512.446 (a)(1) through (7) (90 FR 57621). Though currently there is no replacement for these policies, CMS may consider adding elements that are consistent with the current Administration's focus on Making America Healthy Again (MAHA) through future notice and comment rule making. We believe there is an opportunity through IOTA Model to drive improvements in overall health by increasing access to kidney

[109] Commenters provided mixed opinions to the proposed health equity plan provisions, with approximately 70 percent expressing concern that it would be an unfunded administrative burden and would have unintended consequences. Approximately 10–15 percent of commenters expressed clear support and 15–20 percent of commenters neither clearly supported nor opposed but offered suggestions for improvement.

transplants. Lastly, given that we proposed to remove all health equity provisions at § 512.446, we proposed to remove the definitions for health equity goals, health equity plan, health equity plan intervention strategy, and health equity plan performance measure at § 512.402. We proposed to remove all health equity plan provisions at § 512.446 to reduce burdensome requirements on IOTA participants to allow IOTA participants to focus their resources on the core objective of the model, increasing access to kidney transplants, as well as to comply with Executive Order 14151 Ending Radical and Wasteful Government DEI Programs and Preferencing (90 FR 8339) [110] issued January 20, 2025. CMS also wants to reiterate that allocation and transplantation decisions should be made based on objective and measurable medical criteria through the framework set up by the OPTN under 42 CFR 121.8 and should not be made on the basis of race or other criteria not laid out by the goals described in this section of the CFR.

Subsequent to the publication of the 2025 Proposed Rule, we have found that we misstated in the preamble which definitions we were proposing to remove from the rule; we clarify that actually we intend to remove the definitions of health equity goals, health equity plan intervention, health equity plan performance measure(s), health equity project plan, resource gap analysis, target health disparities, and underserved communities, as laid out in the 2025 Proposed Rule regulation text (90 FR 57631).

We sought comment on our proposal to remove health equity plans from the IOTA Model and remove the corresponding regulations at § 512.446. We also sought comment on our proposal at § 512.402 to remove the definitions of health equity goals, health equity plan intervention, health equity plan performance measure(s), health equity project plan, resource gap analysis, target health disparities, and underserved communities.

The following is a summary of the comments we received on all of the proposals related to health equity plans and our responses:

Comment: A commenter stated that the health equity plan provisions effectively require transplant hospitals to adopt race-conscious frameworks and incorporate racial, ethnic, and socioeconomic characteristics into performance planning and improvement strategies. The commenter asserted that even though submission of these plans was ''voluntary'' in the 2024 Final Rule, the substantive content required would pressure participants to engage in activities that could be construed as addressing racial or demographic disparities in a manner outside CMS's authority and inconsistent with statutes governing organ allocation.

Response: We thank the commenter for their input on this issue. In the 2024 Final Rule (89 FR 96405 through 96407), CMS finalized a voluntary framework under § 512.446(a) permitting IOTA participants to submit a health equity plan containing specified elements intended to support participant-level planning around patient access and transplant-related outcomes. As finalized, submission of a health equity plan was not required for participation in the IOTA Model and was not tied to payment adjustments under the final model design.

We reiterate that the IOTA Model does not modify organ allocation policies, which are governed by the Organ Procurement and Transplantation Network (OPTN) under 42 CFR part 121. Allocation and transplantation decisions must be made based on objective and measurable medical criteria consistent with the OPTN Final Rule at 42 CFR 121.8. Additionally, federal civil rights laws prohibit recipients of federal financial assistance from discriminating in their programs or activities on the basis of race, color, national origin, sex, age, or disability. Section 1557 of the Affordable Care Act, 42 U.S.C. 18116(a) (race, color, national origin, sex, age, or disability) (applicable to ''health'' programs or activities); Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d *et seq.* (race, color, or national origin); Title IX of the Education Amendments of 1972, 20 U.S.C. 1681 *et seq.* (sex); the Age Discrimination Act of 1975, 42 U.S.C. 6101, *et seq.* (age); Section 504 of the Rehabilitation Act of 1973 (disability), 29 U.S.C. 794(a). These laws generally would apply to a recipient's federally funded organ transplantation programs and activities. A qualified individual with a disability who—with or without reasonable modifications or the provision of auxiliary aids and services—satisfies the essential eligibility requirements of an organ transplantation program may not be discriminated against on the basis of disability by an entity covered by Section 504 in its organ transplantation programs or activities. [111] In addition, the Americans with Disabilities Act(ADA) prohibits discrimination on the basis of disability by state and local governmental entities, Title II of the ADA, 42 U.S.C. 12131 *et seq.,* and by private entities in public accommodations, Title III of the ADA, 42 U.S.C. 12181 *et seq.* Federal laws protecting conscience and religious freedom may also apply. *See example.* the Religious Freedom Restoration Act, 42 U.S.C. 2000bb *et seq.*

We also note that this commenter raised other concerns about the IOTA Model, not directly related to the proposed removal of the health equity plan provision. The commenter raised concerns that CMS lacks the authority to make the model mandatory. CMS addressed this issue in the 2024 Final Rule at (89 FR 96304) where we pointed out that Section 1115A of the Act and the Secretary's authority to operate the Medicare program authorize us to finalize mandatory participation in the IOTA Model for the selected IOTA participants. The statute does not require that models be voluntary or be tested first as a voluntary model, but rather gives the Secretary discretion to design and test models that meet certain requirements as to spending and quality. CMS chose to make participation in the IOTA Model mandatory for the selected kidney transplant hospitals to avoid the selection bias inherent to any model in which providers may choose whether or not to participate. Such a design will ensure sufficient participation of kidney transplant hospitals, which is necessary to obtain a diverse, representative sample of hospitals that will allow a statistically robust test of the model.

Additionally, the same commenter raised concerns about a May 2025 letter issued by HRSA around concerns related to activities by an OPO. HHS takes the allegations against the OPO very seriously and has responded using its regulatory authority. On May 28, 2025, HRSA issued a corrective action plan to the OPTN, which directed the OPTN to take a series of actions to address identified unsafe organ procurement practices.[112] Additionally,

[110] Ending Radical And Wasteful Government DEI Programs And Preferencing: *https://www.whitehouse.gov/presidential-actions/2025/01/ending-radical-and-wasteful-government-dei-programs-and-preferencing/.*

[111] See 29 U.S.C. 794 and implementing regulation at 45 CFR 84.56 (providing certain general and specific prohibitions on denying or limiting medical treatment, including organ transplants, based on disability); see also ''Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance,'' 89 FR 40066, 40088 (May 9, 2024).

[112] Health Resources and Services Administration. (2025, March 24). *Information memo to the Associate Administrator:* HRSA-directed investigation into KYDA. *https://*

Continued

in September 2025, HRSA wrote a letter [113] directing the OPTN to require each OPO to designate a patient safety officer, whose role is to monitor and investigate patient safety events in real time. HHS is focused on combatting unsafe activities using its authority through CMS and HRSA. In September 2025, HHS also decertified an OPO for the first time, citing years of unsafe practices.[114] Given this regulatory effort to ensure patient safety, CMS is confident in continuing to test the IOTA Model, subject to the monitoring provisions laid out in § 512.462.

The commenter also raised concerns about how CMS would monitor utilization of health equity plans to ensure compliance with federal civil rights law. CMS never shared guidance with IOTA participants about how to create a health equity plan and did not receive any proposed health equity plans from IOTA participants. CMS reminds the public about the monitoring and compliance provisions in § 512.462(a) requiring compliance with all applicable laws and regulations and in § 512.462(b)(2) laying out a series of potential monitoring activities that CMS may use to determine if IOTA participants are complying with the requirements of the IOTA Model In addition, CMS reminds IOTA participants that they are separately required to comply with applicable federal civil rights laws, described above, independent of their obligations under CMS requirements.

For these reasons and current Administration priorities, we are finalizing the removal of § 512.446(a)(1) through (7) and the corresponding definitions at § 512.402 without modification.

Comment: Commenters contended that the voluntary nature of the health equity plans did not sufficiently limit legal exposure or administrative burden, asserting that voluntary provisions can create implicit incentives or pressures on participants to conform. Commenters maintained that requiring participants to prepare and submit detailed analyses of performance measures, goals, intervention strategies, and resource gap analyses—even on a voluntary basis—would consume significant participant resources and detract from primary model objectives. Commenters recommended removing the voluntary health equity plan provisions to eliminate these potential burdens.

Response: We appreciate commenters' support for the proposal. As discussed in the 2025 Proposed Rule, we recognize that even voluntary reporting structures may require significant planning, documentation, and administrative effort. We continue to believe that reducing unnecessary administrative burden is appropriate within a mandatory model, particularly where participants must focus resources on performance improvement and transplant access initiatives. For these reasons, we are finalizing the removal of the health equity plan provisions at § 512.446(a)(1) through (7) and the corresponding definitions at § 512.402 without modification.

Comment: Some commenters supported eliminating the standalone health equity plan requirement but encouraged CMS to ensure that equity-related considerations remain embedded in transplant system oversight. These commenters suggested that equity efforts could be incorporated into existing OPTN processes, quality improvement structures, or broader transplant performance activities rather than through a separate IOTA-specific health equity plan.

Response: We appreciate commenters' recommendation to integrate patient-centered and access-focused considerations through existing frameworks. We note that organ allocation and transplant oversight are governed through the OPTN under 42 CFR part 121, and nothing in this rule alters those requirements. The removal of the IOTA-specific health equity plan provisions does not preclude transplant programs from continuing to engage in quality improvement efforts addressing access or patient needs under existing regulatory and clinical frameworks. In undertaking such quality improvement efforts addressing access or patient needs, transplant programs should be mindful of their obligations under federal civil rights laws which prohibit recipients of federal financial assistance from discriminating in their programs or activities on the basis of race, color, national origin, sex, age, or disability. We will continue to evaluate opportunities, through future notice and comment rulemaking if appropriate, to support improvements in access consistent with statutory authority and current Administration priorities.

Comment: Several commenters opposed CMS's proposal to remove the voluntary health equity plan provisions. These commenters stated that disparities in transplant referral, waitlisting, and transplantation rates persist across geographic regions and patient populations. Commenters asserted that eliminating health equity plans could signal reduced attention to disparities and recommended that equity remain a core component of the IOTA Model. Some commenters suggested that future iterations of the model include incentives or structured requirements to address persistent differences in transplant access.

Response: We acknowledge commenters' concerns regarding disparities in transplant access and patient outcomes. We continue to maintain that improving access to kidney transplantation for all eligible patients is central to the IOTA Model's goals. However, after considering public comments and current Administration priorities, we believe that removing the voluntary health equity plan provisions is appropriate to reduce administrative burden and ensure participant focus on the model's core objective of increasing transplant volume and improving quality of care. The removal of these provisions does not prevent transplant hospitals from continuing to address barriers to care or engage in patient-centered improvement activities under existing authorities, subject to the anti-discrimination provisions in federal civil rights law outlined above. CMS may consider additional policy approaches in future rulemaking consistent with statutory authority and Administration priorities.

Comment: Some commenters expressed concern that eliminating the health equity plan provisions entirely, rather than modifying or streamlining them, may reduce systematic attention to disparities in access, referral patterns, and patient engagement. Commenters suggested that CMS consider alternative approaches, such as simplified reporting or integration of disparity-related measures into broader model evaluation, rather than complete removal.

Response: We appreciate commenters' suggestion to consider alternative approaches. At this time, we are finalizing removal of § 512.446(a)(1) through (7) and the associated definitions at § 512.402 in order to reduce administrative burden and align the model with current priorities. We note that the IOTA Model continues to include achievement, efficiency, and quality domains designed to improve kidney transplant access and patient

d1dth6e84htgma.cloudfront.net/Attachment_1_Information_Memo_to_the_Associate_Administrator_KYDA_8939df6443.pdf.

[113] Health Resources and Services Administration. (2025, September 18). *Letter to the Organ Procurement and Transplantation Network regarding patient safety officer requirements. https://www.hrsa.gov/sites/default/files/hrsa/optn/9182025-letter-to-optn-re-patient-safety-officer-requirements.pdf.*

[114] U.S. Department of Health and Human Services. (2025, September 18). *HHS decertifies Miami organ agency, reforms transplant system. https://www.hhs.gov/press-room/hhs-decertifies-miami-organ-agency-reforms-transplant-system.html.*

outcomes. CMS may consider future refinements to the model, including elements consistent with the Administration's MAHA initiative, through subsequent notice and comment rulemaking.

Comment: Some commenters emphasized that transplant allocation decisions should remain grounded in objective medical criteria established under the OPTN framework and expressed support for CMS's statement that allocation and transplantation decisions should not be based on race or other non-medical criteria.

Response: We agree that allocation decisions must be made in accordance with the OPTN framework and applicable regulations at § 121.8, which require that organ allocation policies be based on objective and measurable medical criteria. The removal of the health equity plan provisions reinforces that the IOTA Model does not alter or supersede existing allocation policies. We reiterate that nothing in the IOTA Model modifies the OPTN's authority related to allocation policy or clinical decision-making.

After consideration of the public comments received, for the reasons set forth in this rule, we are finalizing our proposed provision to remove the health equity plan provisions from § 512.446(a)(1) through (7), without modification. We are also finalizing our proposals to remove the definitions for health equity goal, health equity plan, health equity plan intervention strategy, health equity plan performance measure, resource gap analysis, target health disparities, and underserved communities at § 512.402 without modification.

5. Beneficiary Protections

a. Background

In the 2024 Final Rule (89 FR 96413), we finalized that IOTA participants must provide notice to attributed patients that they are participating in the IOTA Model as described in § 512.450(a)(1). However, CMS only has the authority to place requirements upon notifications to Medicare beneficiaries. As such, this notice should have been limited to Medicare beneficiaries. Therefore, in the 2025 Proposed Rule (90 FR 57621), we proposed to update the policy at § 512.450(a)(1) to limit these notification requirements to Medicare beneficiaries only.

We sought comment on our proposal at proposed § 512.450(a)(1) to limit the notification requirement to Medicare beneficiaries.

The following is a summary of the public comments received on these proposals and our responses:

Comment: Several commenters expressed support for the proposed modifications to limit notification requirements to Medicare beneficiaries, with a few commenters asking for clarification whether this proposal would be for Medicare FFS beneficiaries, MA beneficiaries, or both.

Response: We thank the commenters for their support. The modifications in the 2025 Proposed Rule are applicable to all Medicare beneficiaries, including those in both Medicare FFS and MA.

Comment: A few commenters expressed concern for the proposed modifications to limit notification requirements to Medicare beneficiaries as changes driven by IOTA participation affect all patients regardless of insurance, IOTA participants must communicate transparently with all patients whose outcomes affect model performance, and Medicare eligibility is often unclear at the time of transplant.

Response: We appreciate the commenters' concerns regarding limiting communications to Medicare beneficiaries. We have carefully considered these comments and would like to clarify that in the IOTA Model CMS only has the authority to require these notifications to be provided to Medicare beneficiaries. However, this does not preclude an IOTA participant from providing notifications to all attributed patients.

After consideration of the public comments we received, we are finalizing our proposed provisions for limiting beneficiary notification requirements to Medicare beneficiaries at § 512.450(a)(1) without modification.

b. Beneficiary Notifications

In the 2024 Final Rule (89 FR 96413), we finalized that in order to notify attributed patients of their rights and protections, and that the IOTA participant is participating in the IOTA Model, the IOTA participant needed to provide an approved beneficiary notification template to each attributed patient in a paper format as described in § 512.450(a)(3)(iii).

Since then, we have received feedback from IOTA participants that the main form of communication with their patients is through electronic means, often a patient portal where the patients receive all communication from the IOTA participant. We proposed at § 512.450(a)(3)(iii)(A) and (B) allowing IOTA participants to distribute the paper copy of this notification to applicable attributed patients at their first office visit or other outpatient visit with the attributed patient after the start of the Model or, if the attributed patient had affirmatively opted out of receiving paper communication and had chosen to receive communication through electronic methods, this notification could be distributed through that agreed upon electronic method.

We sought comment on our proposal at proposed § 512.450(a)(3)(iii)(A) and (B) to allow IOTA participants to distribute this paper notification at the first in office or outpatient visit, or to distribute the notification in an electronic format in cases where the attributed patient had affirmatively opted out of receiving paper communications.

The following is a summary of the public comments received on these proposals and our responses:

Comment: Several commenters expressed support for the proposed modifications to allow IOTA participants to deliver beneficiary notifications electronically, with a few commenters suggesting that electronic delivery be the default method, requiring patients to opt-out of receiving electronic communication rather than opt-in for such receipt.

Response: We thank the commenters for their support. We understand that some electronic health record systems use code functionality for electronic notifications around opt-ins and not opt-outs. As such, we are finalizing our proposal at § 512.450(a)(3)(iii)(A) and (B) to allow the distribution of beneficiary notifications in an electronic format with modification. Specifically, we are modifying § 512.450(a)(3)(iii)(A) to specify electronic formats may be used if the attributed patient has affirmatively opted out of receiving paper communication or has chosen to receive communication through electronic methods.

Comment: A few commenters expressed concern with revisions to the beneficiary notification process, noting that the current process with notification has functioned effectively and ensures that all patients receive consistent information and have recommended keeping the existing requirements.

Response: We thank the commenters for their feedback. Although CMS agrees that the current notification requirements ensure that beneficiaries receive consistent information, CMS believes that to ensure it remains adaptable to evolving technologies, a modification to the existing requirements can reduce unnecessary burdens while still preserving the safeguards afforded to beneficiaries.

After consideration of the public comments we received, for the reasons set forth in this rule, we are finalizing our proposed provisions for allowing IOTA participants to distribute a paper notification to applicable attributed patients at the first in office or outpatient visit, or to distribute the notification in an electronic format at § 512.450(a)(3)(iii)(A) and (B), with a slight modification to allow an applicable attributed patient who has already chosen to receive electronic communications to continue to receive the notifications by that method. Accordingly, we are also modifying the regulation at § 512.450(a)(3)(iii)(B) to allow electronic communications to be sent to applicable attributed patients who affirmatively opt-out of receiving paper communication or who choose to accept electronic communications.

6. Monitoring

In the 2024 Final Rule (89 FR 96430), we finalized a list of monitoring activities to ensure compliance and promote the safety of attributed patients and the integrity of the IOTA Model as described in § 512.462(b)(2). Monitoring activities include documentation requests including surveys and questionnaires, audits of claims data, quality measures, medical records, interviews, site visits, monitoring attributed patient engagement incentives, monitoring out of sequence allocation, etc. However, as stated in the 2025 Proposed Rule (90 FR 57622), we inadvertently omitted monitoring of the transparency requirements specified in § 512.442. These included—

- Publicly posting selection criteria in accordance with § 512.442(a);
- Informing eligible IOTA waitlist beneficiaries, as defined in section II.B.4.a(3) of this final rule, of the number of times an organ is declined on the Medicare beneficiary's behalf in accordance with proposed § 512.442(b);
- Reviewing selection criteria with IOTA waitlist patients who are Medicare beneficiaries at least once every 6 months that the Medicare beneficiary is on their waitlist as specified in § 512.442(c); and
- Notifying IOTA waitlist patients who are Medicare beneficiaries when their waitlist status has changed from active to inactive in accordance with proposed § 512.442(d). Therefore, we proposed at § 512.462(b)(2)(xi), (xii), (xiii) and (xiv) to include that CMS may monitor the review of acceptance criteria provision in accordance with § 512.442.

We sought comment on these proposed requirements at proposed § 512.462(b)(2)(xi), (xii), (xiii), and (xiv).

The following is a summary of the comments received on the proposed requirements at proposed § 512.462(b)(2)(xi), (xii), (xiii), and (xiv) and our responses:

Comment: CMS received several questions from commenters asking for clarification on the overall monitoring structure, including the types of monitoring to be conducted, monitoring frequency, and how compliance will be assessed in relation to existing regulatory and reporting requirements.

Response: We thank the commenters for their questions. In the 2024 Final Rule (*89 FR 96430*), we finalized a list of monitoring activities to ensure compliance and promote the safety of attributed patients and the integrity of the IOTA Model as described in *§ 512.462(b)(2).* In recognition that we inadvertently omitted monitoring of the transparency requirements specified in § 512.442, we proposed to include those in the 2025 Proposed Rule, as described in this section of this final rule. As set forth in § 512.462(b)(1) and as described in the 2024 Final Rule (89 FR 96429), CMS may conduct monitoring activities to ''ensure compliance by the IOTA participant and IOTA collaborators with the terms of the IOTA Model.'' Section § 512.462(b)(2) provides examples of the types of monitoring activities that may occur. We note that the overall monitoring structure, as well as the frequency and how compliance will be assessed in the IOTA Model will be determined by CMS and may depend on the particular issue involved.

After consideration of the public comments we received, for the reasons set forth in this rule, we are finalizing, as proposed, the provision at § 512.462(b)(2)(xi), without modification. Since we are not finalizing the proposed transparency into kidney transplant organ offers requirement at this time, we are modifying our regulation at § 512.462(b)(2)(xii) through (xiv). Specifically, we are redesignating what was proposed at § 512.462(b)(2)(xiii) to be § 512.462(b)(2)(xii). We are also redesignating what was proposed at § 512.462(b)(2)(xiv) to be § 512.462(b)(2)(xiii).

7. Remedial Action and Termination

In the 2024 Final Rule (89 FR 96433), we finalized a list of reasons why CMS may immediately or with advance notice terminate an IOTA participant from the IOTA Model as described in § 512.466. For example, CMS may immediately or with advance notice terminate an IOTA participant from participation in the model due to sanctions or other actions of an accrediting organization or a Federal, State, or local government agency, or if an IOTA participant is subject to investigation or action by HHS (including Office of Inspector General (OIG) and CMS) or the Department of Justice (DOJ) due to an allegation of fraud or significant misconduct.

However, we unintentionally omitted HHS and the OPTN as sources of vital information regarding possible events by IOTA participants identified as presenting a risk to patient safety, public health, etc., that may lead CMS to terminate IOTA participants (90 FR 57622). Therefore, we proposed at § 512.466(a)(3)(ix)(C) to include a provision that states CMS can terminate an IOTA participant from the IOTA Model if HHS or the OPTN has determined that an IOTA participant has violated the OPTN's policies,[115] OPTN's Management and Membership policies,[116] or HHS regulations (*42 CFR part 121*) upon a review conducted pursuant to 42 CFR 121.10. We also proposed the following minor technical changes to account for our proposal at § 512.466(a)(3)(ix)(C):

- Remove the following verbiage from § 512.466(a)(3)(ix)(A): or
- Add the following punctuation and verbiage at the end of § 512.466(a)(3)(ix)(B): or

We sought comment on our proposal at proposed § 512.466(a)(3)(ix)(C) to include OPTN as a source of information that may lead to CMS terminating an IOTA participant from the IOTA Model. We also sought comment on our minor technical corrections at proposed § 512.466(a)(3)(ix)(A) and (B).

The following is a summary of the comments received on our proposal at proposed § 512.466(a)(3)(ix)(C) to include OPTN as a source of information that may lead to CMS terminating an IOTA participant from the IOTA Model, on our minor technical corrections at proposed § 512.466(a)(3)(ix)(A) and (B) and our responses:

Comment: Several commenters expressed support for the proposed modifications as outlined in the 2025 Proposed Rule and this section of this final rule.

Response: We thank the commenters for their support regarding the proposed change that gives CMS the authority to terminate an IOTA participant from the IOTA Model if HHS or the OPTN has

[115] For current OPTN policies please see *https://www.hrsa.gov/optn/policies-bylaws.*

[116] For current OPTN Membership and Management Policies please see *https://optn.transplant.hrsa.gov/policies-bylaws/optn-management-and-membership-policies/.*

determined that an IOTA participant has violated the OPTN's policies, OPTN's Management and Membership policies, or HHS regulations (*42 CFR part 121*) upon a review conducted pursuant to 42 CFR 121.10.

Comment: A commenter requested additional guidance on how CMS would operationalize the proposed authority, including due process protections, opportunities for corrective action, and alignment with existing OPTN enforcement mechanisms.

Response: We thank the commenter for their question. CMS will not intervene in, nor seek to influence, the OPTN's enforcement process. However, CMS may consider a determination made by OPTN or HHS regarding an IOTA participant's violation of OPTN's policies, OPTN's Management and Membership policies, or HHS regulations (*42 CFR part 121*) upon a review conducted pursuant to 42 CFR 121.10 as a basis for CMS to initiate termination proceedings from the IOTA Model under § 512.466(a)(3)(ix)(C).

Comment: A few commenters expressed opposition for giving CMS the authority to terminate an IOTA participant from the IOTA Model if HHS or the OPTN determined that an IOTA participant has violated the OPTN's policies and/or OPTN's Management and Membership policies.

Response: We thank the commenters for their comment and recognize the concerns raised regarding the scope of CMS's authority to terminate IOTA Model participants based on OPTN policy violations. We have carefully considered these comments and would like to reiterate the rationale for the proposed authority and how it complements existing oversight mechanisms. CMS has a statutory responsibility to ensure that Medicare beneficiaries receive safe, high-quality care and that Medicare funds are appropriately spent. CMS's proposed authority to terminate participants for OPTN policy violations is essential for several reasons. OPTN policy violations can directly impact patient safety and quality of care. As the payer for services under the IOTA Model, CMS must ensure that Medicare funds are only directed to IOTA participants who comply with all applicable requirements, including OPTN policies that govern transplant operations. The success of the IOTA Model depends on participant compliance with all applicable standards.

After consideration of the public comments we received, we are finalizing our policy in our regulation at § 512.466(a)(3)(ix)(C) as proposed but with a minor technical correction. Specifically, at § 512.466(a)(3)(ix)(C) we are changing ''the HHS regulation (42 CFR 121)'' to ''HHS regulations (42 CFR part 121)''. Additionally, we did not receive any comments on our minor technical corrections at proposed § 512.466(a)(3)(ix)(A) and (B) and therefore are finalizing these provisions without modification.

8. Technical Corrections

In the 2024 Final Rule, we finalized our methodology and criteria for identifying and de-attributing attributed patients from an IOTA participant at § 512.414(b)(3), as proposed without modification (89 FR 96319). This final rule corrects an error in the regulatory text at § 512.414(b)(3)(A) through (D) that was inadvertently not proposed in the 2025 Proposed Rule. Specifically, we are redesignating paragraphs § 512.414(b)(3)(A) through (D) as paragraphs § 512.414(b)(3)(i) through (iv). This does not change the meaning of any of the text.

C. Request for Information (RFIs) on Topics Relevant to the IOTA Model

In the 2025 Proposed Rule (90 FR 57622), we sought input on several requests for information (RFIs).

1. Pre-Transplantation Access Process Measure

In the proposed rule (*90 FR 57623*), we sought comment on the potential use of pre-transplantation access process measures in the IOTA Model. Specifically, we sought feedback on the following questions:

- For kidney transplant hospitals: What existing measures are being used to measure access to the waitlist or transplantation evaluation processes?
  - ++ What are the domains, strengths, and weaknesses of these measures?
  - ++ Are there factors that could make these measures more meaningful and practical?
  - ++ Are there existing measures being used to measure time from referral to waitlist or waitlist to transplantation?
  - ++ Would this type of measurement be useful for improving access to kidney transplantation?
  - ++ How do these measures provide information that can be used to improve patient care and healthcare systems?
  - ++ What unintended consequences could arise by measuring waitlist to referral and pre-transplant processes?
  - ++ What data would be necessary to create measures of time from referral to waitlist and time from waitlist to transplant?
  - ++ How could that data be transmitted to CMS in a way that minimizes burden to transplant hospitals?
  - ++ What data would be necessary to create a measure on those specified components?
- For kidney transplant recipients and dialysis and ESRD patients: Why is a quality measure that looks at access to waitlist and pre-transplantation processes important to include?
  - ++ What criteria would make this type of measure most useful for driving access to kidney transplantation?
- For all stakeholders: When measuring pre-transplantation processes, what specific components should be analyzed (for example, time from referral to waitlist, time from waitlist to transplant)?

While we will not be responding to specific comments submitted in response to this RFI in this final rule, we intend to use this input to inform any future quality measure efforts, as appropriate.

2. Allocation Out-of-Sequence (AOOS)

In the 2025 Proposed Rule (*90 FR 57623*), we sought comment on how CMS should account for, monitor, and provide transparency around the use of AOOS in transplant performance measurement and patient notification in the IOTA Model. Specifically, we sought feedback on the following questions:

- How should CMS account for organs AOOS in the achievement domain? Should CMS adjust the counting of any deceased donor transplants performed on organs AOOS?
- How should CMS account for organs AOOS in the efficiency domain? Should CMS adjust scoring in the numerator or denominator of the metric to account for this?
- What de-identified data would be helpful for CMS and HRSA to share with the public about the use of AOOS in the IOTA Model and in the overall transplant system?
- Should kidney transplant waitlist patients be notified about a transplant hospital bypassing them on the match run for a patient who is lower on the match run? What is the right way to inform kidney transplant waitlist patients about this occurrence and how does that align with the organ offer transparency provisions described elsewhere in this final rule or the IOTA Model? How should CMS monitor that this has occurred?
- Through our monitoring efforts laid out in § 512.462(b)(2)(x), we plan to monitor AOOS. What considerations or stratifications should CMS take into account when monitoring AOOS?

While we will not be responding to specific comments submitted in response to this RFI in this final rule,

we intend to use this input to inform any future quality measure or CMS policy efforts, as appropriate.

III. Collection of Information Requirements

CMS Innovation Center Models including the Increasing Organ Transplant Access (IOTA) Model are implemented and tested under the authority of the CMS Innovation Center. Section 1115A of the Act authorizes the CMS Innovation Center to test innovative payment and service delivery models that preserve or enhance the quality of care furnished to Medicare, Medicaid, and Children's Health Insurance Program beneficiaries while reducing program expenditures. As stated in section 1115A(d)(3) of the Act, *Chapter 35 of title 44, United States Code,* shall not apply to the testing and evaluation of models under section 1115A of the Act. As a result, the information collection requirements contained in this final rule would need not to be reviewed by the Office of Management and Budget.

IV. Regulatory Impact Analysis

A. Statement of Need

The IOTA Model aims to increase access to life-saving kidney transplants for patients living with ESRD by incentivizing kidney transplant hospitals (that is, IOTA participants) to improve their care delivery capabilities and efficiency, as well as supporting greater care coordination and person-centeredness in the organ transplant waitlist process. This model is a 6-year mandatory Medicare payment model operated by the CMS Innovation Center that tests whether upside and downside performance-based payments (''upside risk payments'' and ''downside risk payments'') increase the number of kidney transplants performed by IOTA participants.

This final rule finalizes the inclusion of MA beneficiaries in the definition of Medicare kidney transplants while keeping the maximum upside risk payment at $15,000. This final rule also updates the scoring on the composite graft survival rate.

B. Overall Impact

We have examined the impacts of this final rule as required by Executive Order 12866, ''Regulatory Planning and Review''; Executive Order 13132, ''Federalism''; Executive Order 13563, ''Improving Regulation and Regulatory Review''; Executive Order 14192, ''Unleashing Prosperity Through Deregulation''; the Regulatory Flexibility Act (RFA) (Pub. L. 96–354); section 1102(b) of the Social Security Act; and section 202 of the Unfunded Mandates Reform Act of 1995 (Pub. L. 104–4).

Executive Orders 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select those regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety, and other advantages; distributive impacts.). Section 3(f) of Executive Order 12866 defines a ''significant regulatory action'' as any regulatory action that is likely to result in a rule that may: (1) have an annual effect on the economy of $100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities; (2) create a serious inconsistency or otherwise interfere with an action taken or planned by another agency; (3) materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or (4) raise novel legal or policy issues arising out of legal mandates, or the President's priorities.

A regulatory impact analysis (RIA) must be prepared for a regulatory action that is significant under section 3(f)(1) of E.O. 12866. Based on our estimates, the Office of Management and Budget's (OMB) Office of Information and Regulatory Affairs (OIRA) has determined this rulemaking is not significant per section 3(f)(1) of E.O. 12866. Although we do not come close to the threshold to be considered significant under section 3(f)(1), we have prepared an RIA that to the best of our ability presents the costs and benefits of the rulemaking. In accordance with the provisions of Executive Order 12866, this final rule was reviewed by the Office of Management and Budget.

C. Detailed Economic Analysis

1. Policy Changes Modeled by Rule

Table 12 summarizes the policy changes modeled for each version of the rule. Starting with the 2025 Proposed Rule, the baseline projection from the 2024 Final Rule was revised to include updated projections regarding the declining share of beneficiaries in Medicare FFS versus MA currently expected over the course of the model. The projected impact of the inclusion of MA beneficiaries in the definition of Medicare kidney transplants was first modeled in the 2025 Proposed Rule as an alternative considered and is being finalized in this 2026 Final Rule. The inclusion of MA beneficiaries in the definition of Medicare kidney transplants allows for upside and downside risk payments to be calculated using the number of kidney transplants furnished to both beneficiaries of Medicare FFS and MA as primary or secondary payer. The inclusion of MA beneficiaries accounts for growth in MA, mitigates variation in geographic MA penetration, and increases savings to the Medicare trust fund. The 2025 Proposed Rule also projected the impact of decreasing the maximum upside risk payment from $15,000 to $10,000, as an alternative considered along with the inclusion of MA beneficiaries in the definition of Medicare kidney transplants, but this 2026 Final Rule is not finalizing a reduction in the maximum upside risk payment.

TABLE 12: SUMMARY OF POLICY CHANGES MODELED BY RULE

	2024 Final Rule (89 FR 96440)	2025 Proposed Rule (90 FR 57626)	2025 Proposed Rule Alternative (90 FR 57628)	2026 Final Rule
Revised baseline	No	Yes	Yes	Yes
Include MA beneficiaries in the definition of Medicare kidney transplants	No	No	Yes	Yes
Maximum upside risk payment	$15,000	$15,000	$10,000	$15,000
Scoring on the composite graft survival rate	Original	Proposed	Proposed	Finalized

The original points allocation for the composite graft survival rate in the 2024 Final Rule had the potential to penalize kidney transplant hospitals that accept higher-risk kidney transplant patients. The proposed scoring in the 2025 Proposed Rule aimed to remove the possibility of getting free points for poor performance and provide a more even scoring distribution for participants. The 2026 Final Rule builds upon the scoring methodology in the 2025 Proposed Rule by increasing the number of possible scores from five to eight to remove the potential for large disparities among point distributions and align scoring with the achievement domain. Table D 13 illustrates the allocation of points awarded to IOTA participants for the composite graft survival rate in this final rule.

TABLE 13: COMPOSITE GRAFT SURVIVAL RATE SCORING 2026 FINAL RULE

Performance Relative to National Ranking	Lower Bound Condition	Upper Bound Condition	Points Earned
87.5th percentile and above	Greater than or equal to 87.5th percentile	N/A	20
75th to below 87. 5th percentile	Greater than or equal to 75th percentile	Less than 87.5th percentile	18
62.5th to below 75th percentile	Greater than or equal to 62.5th percentile	Less than 75th percentile	15
50th to below 62.5th percentile	Greater than or equal to 50th percentile	Less than 62.5th percentile	13
37.5th to below 50th percentile	Greater than or equal to 37. 5th percentile	Less than 50th percentile	10
25th to below 37. 5th percentile	Greater than or equal to 25th percentile	Less than 37.5th percentile	8
12.5th to below 25th percentile	Greater than or equal to 12.5th percentile	Less than 25th percentile	5
Below 12.5th percentile	N/A	Less than 12.5th percentile	0

2. Projected Impact

As described in detail in the 2024 Final Rule, a stochastic model was constructed to estimate the financial impact of the IOTA Model. When possible, assumptions were informed by historical data. Transplant hospital adult transplant counts by donor type and recipients' primary source of payment were obtained from the Scientific Registry of Transplant Recipients (SRTR) dashboard.[117] Organ offer acceptance ratios [118] and the composite graft survival rate [119] were analyzed from SRTR's program-specific statistics and transplant hospital-level data on kidney transplants. The SRTR data source includes data on all transplant donors, candidates, and recipients in the U.S.

IOTA participants receive upside or downside risk payments based on their performance across three domains: achievement, efficiency, and quality. The upside risk payment is a lump sum payment paid by CMS to the IOTA participants that achieve high final performance scores. Conversely, the downside risk payment is a lump sum payment paid to CMS by the IOTA participants with low final performance scores. The performance-based payments are based on the following thresholds. Total scores of 60 and above result in a maximum upside risk payment of $15,000, CMS will calculate the IOTA participant's upside risk payment by subtracting 60 from the IOTA participant's final performance score, dividing the resulting amount by 40, multiplying the calculated amount by $15,000 and multiplying that amount by the total number of Medicare kidney transplants performed by the IOTA participant during the relevant PY. Scores below 60 fall into the neutral zone with no upside or downside risk payment in PY 1. After the first PY, scores from 41 to 59 fall in the neutral zone, and scores of 40 and below would receive a downside risk payment. The maximum downside risk payment in the model is $2,000. For downside risk payments, beginning in PY 2, CMS will calculate the downside risk payment by subtracting the IOTA participant's final performance score from 40, divide that number by 40, multiplying the resulting amount by $2,000 and multiplying that amount by the total number of Medicare kidney transplants performed by the IOTA participant during the relevant PY.

We applied assumptions for transplant growth and performance on other domains affecting the incentive formula for included transplant hospitals for purposes of estimating impacts in this portion of the rule. Random variables accounted for variation in transplant growth and transplant hospital-level performance on other measures. A pivotal uncertainty relates to the potential growth in transplants as a result of upside and downside risk payments presented by the model. The current share of deceased donated kidneys that are discarded is roughly 20 percent.[120] [121] Such growth was assumed to phase in over a 2- to 5-year period using a skewed distribution, with a gradual phase-in of 5 years being the most likely outcome.

Table 14 shows the projected impacts for upside and downside risk payments, transplants, and Federal spending in the 2026 Final Rule. In the final rule, we are maintaining the revised baseline, including MA beneficiaries in the definition of Medicare kidney transplants, keeping the maximum upside risk payment at $15,000, and applying the finalized scoring on the composite graft survival rate (Table 13). Transplant recipients with any type of insurance may benefit from a kidney transplant hospital's participation in the model. Model payments in this final rule are based on the number of transplant recipients who are beneficiaries with Medicare FFS or MA coverage including beneficiaries with Medicare as a secondary payer. Roughly 30 percent of IOTA participants are

[117] Scientific Registry of Transplant Recipients. Adult Recipient Transplants By Donor Type, Center: U.S. Transplants Performed: January 1, 1988–September 30, 2024; For Organ = Kidney; Include: Transplant Year & Recipient Primary Source of Payment. *https://optn.transplant.hrsa.gov/data/view-data-reports/national-data/*. Accessed October 22, 2024.

[118] Scientific Registry of Transplant Recipients. National Center Level Data by Organ: Kidney CSRS Final Tables, Table B11 & Figures B10–B14. *https://www.srtr.org/reports/program-specific-reports/*. Accessed May 25, 2023.

[119] Scientific Registry of Transplant Recipients. National Center Level Data by Organ: Kidney CSRS Final Tables, Tables C5–C12 Figures C1–C20. *https://www.srtr.org/reports/program-specificreports/*. Accessed May 25, 2023.

[120] Li MT, King KL, Husain SA, et al. 2021. ''Deceased Donor Kidneys Utilization and Discard Rates During COVID–19 Pandemic in the United States.'' Kidney Int Rep; 6(9): 2463–2467. *https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8419126/*.

[121] Robinson A, Booker S, Gauntt K, UNOS Research Department. 2022. ''Eliminate Use of DSA and Region from Kidney Allocation One Year Post-Implementation Monitoring Report.'' OPTN Kidney Transplantation Descriptive Data Report. *https://optn.transplant.hrsa.gov/media/p2oc3ada/datareport_kidney_full_20220624_1.pdf*.

projected to receive upside risk payments in the first year (PY 1), rising to about 38 percent over the succeeding 5 PYs, with fewer than 24 percent of IOTA participants projected to owe downside risk payments in any of PYs 2 through 6. The magnitude of the average downside risk payment is relatively small, and the cumulative projected upside risk payments to IOTA participants, amounting to $135 million, are nearly 45 times the magnitude of a cumulative $3 million in projected receipts from downside risk payments from IOTA participants to CMS. The amount of projected savings from new kidney transplants was greater than the net cost of payments in about 77 percent of simulation trials. Therefore, in approximately 23% (100%–77%) of the 10,000 simulation trials for the IOTA Model, the projected net cost of payments will exceed the projected savings from new kidney transplants. The projected costs for those simulation trials range from $1 M to $310 M with a mean of $58 M and a median of $45 M over the 6-year model period. In Table 14, the mean 4,766 added transplants over the 6-year model period represents the number of new deceased or living donor transplants performed by IOTA participants for transplant recipients with any type of insurance. Overall, mean net savings totaled $88 million over 6 years, ranging from a savings of $246 million to a cost of $52 million at the 10th and 90th percentiles, respectively.

TABLE 14: PROJECTED IMPACT OF UPSIDE/DOWNSIDE RISK PAYMENTS, KIDNEY TRANSPLANTS, AND NET FEDERAL SPENDING 2026 FINAL RULE

							6-Year Totals		
	7/1/25-6/30/26	7/1/26-6/30/27	7/1/27-6/30/28	7/1/28-6/30/29	7/1/29-6/30/30	7/1/30-6/30/31	Mean	10th Percentile	90th Percentile
Upside Risk Payments	16	20	23	26	24	26	135	104	168
Downside Risk Payments	0	-1	-1	-1	0	-1	-3	-4	-2
Total Net Payments	16	19	22	25	24	26	133	101	165
Added Transplants	208	442	704	986	1,184	1,243	4,766	2,055	7,708
Impact on Federal Spending	-8	-18	-31	-45	-57	-62	-221	-246	-78
Mean Net Savings	8	1	-8	-20	-33	-37	-88	-246	52

Note: Totals may not sum due to rounding. Projected savings allocated to year of transplant; dollars in millions.

In Table D 14, negative spending reflects a reduction in Medicare spending, while positive spending reflects an increase in Medicare spending. The mean net savings results were generated from the average of 10,000 individual simulation trials and the results for the percentiles are from the top 10th and 90th percentiles of the 10,000 individual simulations. The outcomes in each row do not necessarily flow from the same trial in the model at the 10th and 90th percentiles. For example, the 90th percentile for added transplants more likely corresponds to the trial that produced the 10th percentile in impact on Federal spending from those kidney transplants (because spending is reduced when kidney transplants grow).

3. Net Impact of Final Changes

In Table 15, we show the impact of the finalized changes on projected model outcomes, given by taking the finalized impacts in Table 14 less the proposed impacts from the 2025 Proposed Rule. The 2025 Proposed Rule illustrated the impact of a revised baseline, exclusion of MA beneficiaries in the definition of Medicare kidney transplants, a maximum upside risk payment of $15,000, and a proposed update to the scoring on the composite graft survival rate. The inclusion of MA beneficiaries is projected, on average, to result in marginally greater overall savings through additional growth in transplantation, because downstream savings (mainly through obviating the need for maintenance dialysis) are on average projected to ultimately exceed the elevated up-front expense for transplantation. This is offset by the finalized scoring methodology for the composite graft survival rate, which results in higher total upside risk payments due to the increase in the number of IOTA participants scoring in the upper percentile thresholds after the number of categories increased from five to eight. The range of uncertainty grew because the stakes are higher (greater potential savings from new transplants contrasted with greater incentive payouts). The model's net impact is projected to save nearly $38 million more in total over 6 years relative to the revised baseline.

TABLE 15: IMPACT OF FINAL RULE CHANGES: 2026 FINAL RULE LESS 2025 PROPOSED RULE

							6-Year Totals		
	7/1/25-6/30/26	7/1/26-6/30/27	7/1/27-6/30/28	7/1/28-6/30/29	7/1/29-6/30/30	7/1/30-6/30/31	Mean	10th Percentile	90th Percentile
Upside Risk Payments	7	9	10	11	11	12	60		
Downside Risk Payments	0	0	0	0	0	0	0		
Total Net Payments	7	9	10	11	11	12	60		
Added Transplants	71	150	240	340	412	432	1,644		
Impact on Federal Spending	-4	-8	-13	-20	-25	-28	-98		
Mean Net Savings	3	1	-4	-9	-14	-16	-38	-93	14

Note: Totals may not sum due to rounding. Projected savings allocated to year of transplant; dollars in millions.

In Table 16, we show the impact of the finalized changes on projected model outcomes, given by taking the finalized impacts in Table 14 less the proposed impacts from the 2025 Proposed Rule Alternative. The 2025 Proposed Rule Alternative showed the impact of a revised baseline, inclusion of MA beneficiaries in the definition of Medicare kidney transplants, a maximum upside risk payment of $10,000, and the original scoring methodology for the composite graft survival rate. The increase in the maximum upside risk payment from $10,000 to $15,000 and finalized scoring methodology for the composite graft survival rate are projected, on average, to result in a minor increase in costs. This is due to a 78 percent increase in net incentive payments largely offset by a 28 percent increase in gross savings. The model's net impact is projected to save approximately $10 million less in total over 6 years relative to the Proposed Rule Alternative.

TABLE 16: IMPACT OF FINAL RULE CHANGES: 2026 FINAL RULE LESS 2025 PROPOSED RULE ALTERNATIVE

							6-Year Totals		
	7/1/25-6/30/26	7/1/26-6/30/27	7/1/27-6/30/28	7/1/28-6/30/29	7/1/29-6/30/30	7/1/30-6/30/31	Mean	10th Percentile	90th Percentile
Upside Risk Payments	7	8	9	11	11	11	57		
Downside Risk Payments	0	0	0	0	0	0	2		
Total Net Payments	7	9	10	11	11	11	58		
Added Transplants	43	91	146	206	250	263	999		
Impact on Federal Spending	-2	-4	-7	-10	-13	-14	-49		
Mean Net Savings	5	5	3	1	-2	-2	10	-18	38

Note: Totals may not sum due to rounding. Projected savings allocated to year of transplant; dollars in millions.

Finally, in Table 17, the difference is shown for the model as finalized in this final rule (from Table 14) relative to the baseline model specifications originally published in the 2024 Final Rule and re-estimated in the 2025 Proposed Rule. [122] This represents the estimated impact of this final rule in terms of the incremental changes for the various outcomes relative to what the model would have been expected to produce under the original finalized policies that would otherwise remain effective absent this new final rule. In Table 17, the mean 1,370 added transplants over the 6-year model period are due to the following reasons: (1) the inclusion of MA beneficiaries in the definition of Medicare kidney transplants; and (2) more IOTA participants were estimated to receive a positive incentive any given year because of the finalized scoring methodology for the composite graft survival rate, which results in higher total upside risk payments due to the increase in the number of IOTA participants scoring in the upper percentile thresholds after the number of categories increased from five to eight.

[122] The baseline impact estimates from which the relative impacts are calculated can be found in 90 FR 57625, Table 4 of the 2025 Proposed Rule published on December 11, 2025.

TABLE 17: IMPACT OF FINAL RULE CHANGES: 2026 FINAL RULE LESS BASELINE

							6-Year Totals		
	7/1/25-6/30/26	7/1/26-6/30/27	7/1/27-6/30/28	7/1/28-6/30/29	7/1/29-6/30/30	7/1/30-6/30/31	Mean	10th Percentile	90th Percentile
Upside Risk Payments	3	5	6	7	5	6	32		
Downside Risk Payments	0	0	0	0	0	0	-1		
Total Net Payments	3	4	5	6	5	6	30		
Added Transplants	59	125	201	284	342	359	1,370		
Impact on Federal Spending	-3	-7	-12	-18	-23	-25	-89		
Mean Net Savings	0	-3	-7	-12	-18	-20	-59	-106	-15

4. Estimated Burden on Kidney Transplant Hospitals

While the model is focused on transplant outcome measures that would be calculated by CMS, there would likely be some additional burden for compliance for the IOTA participants (that is, kidney transplant hospitals). To estimate the compliance cost we focused on § 512.442(c) that requires IOTA participants to review organ offer acceptance criteria with IOTA waitlist patients who are Medicare beneficiaries at least every 6 months that the Medicare beneficiary is on their waitlist. For this estimate, we assume that the IOTA participant will take a total of 15 minutes per patient per year to review the criteria at least twice a year with each patient. This assumption likely yields an upper estimate since the method (for example, patient visit, phone, email, or mail) of how the IOTA participant communicates the review with the IOTA waitlist patient who is a Medicare beneficiary is up to the IOTA participant and will likely vary by IOTA participant, potentially reducing the time to conduct the review. In addition, the IOTA waitlist patient who is a Medicare beneficiary may decline the review, resulting in the IOTA participant having fewer Medicare waitlist patients than what is used in our estimate.

We estimate that the average IOTA participant would have 200 waitlist patients who are Medicare primary payer or Medicare secondary payer beneficiaries per year and that it would take a clinician 15 minutes to review organ offer acceptance criteria with each patient at least twice each year. Using base wage information from the Bureau Labor of Statistics (BLS) for a nurse practitioner (series 29–1171), we estimate the cost of completing these reviews to be $63.46 per hour.[123] [124] The base wage is then doubled [$63.46 × 2] to account for fringe benefits and overhead to equal an estimated cost of $126.92 per hour.[125] The cost of completing these reviews would then be $6,346.00 per kidney transplant hospital per year [200 Medicare IOTA waitlist patients × 0.25 hour per review each year × $126.92 hourly wage]. We also estimate that 25 percent of beneficiaries would need to be notified of a change in waitlist status. Using the same wage assumption noted previously, this would add $1,587 in cost per hospital [50 Medicare IOTA waitlist patients requiring a notification of a change in waitlist status × 0.25 hour per notification × $126.92 hourly wage]. Total estimated hospital cost per year is $7,933 per year [$6,346 + $1,587]. Therefore, the total cost would come out to $753,635 to complete the review of organ offer acceptance criteria for the 95 kidney transplant hospitals selected as IOTA participants [$7,933 × 95 IOTA participants = $753,635]. The average total revenue for IOTA participants was calculated from inpatient claims with DRGs 008, 019, 650, 651, or 652 submitted for adult Medicare FFS or MA beneficiaries with Medicare as their primary or secondary payer was estimated to be $2 million in calendar year (CY) 2024. Therefore, the $7,933 cost per IOTA participant to review the organ offer acceptance criteria would represent 0.4 percent [$7,933/$2,000,000 = 0.4 percent] of their estimated total annual revenue from kidney transplants for Medicare beneficiaries.

D. Regulatory Review Cost Estimation

Due to the uncertainty involved with accurately quantifying the number of entities that will review the rule, we assume that the 160 total unique commenters on last year's proposed rule will be the number of reviewers of this final rule. We acknowledge that this assumption may understate or overstate the costs of reviewing this rule. It is possible that not all commenters reviewed last year's rule in detail, and it is also possible that some reviewers chose not to comment on the proposed rule. For these reasons we thought that the number of past commenters would be a fair estimate of the number of reviewers of this rule. We welcome any comments on the approach in estimating the number of entities which will review this final rule.

We also recognize that different types of entities are in many cases affected by mutually exclusive sections of this final rule; and therefore, for the purposes of our estimate we assume that each reviewer reads approximately 50 percent of the rule. We sought comments on this assumption.

We estimate the time it will take for a medical and health services manager to review the proposed rule to be 1 hour [30,000 words × 50 percent read through ÷ 250 words per minute ÷ 60 minutes = 1 hour]. Using the wage information from BLS for medical and health service managers (Code 11–9111), we estimate that the cost of reviewing this rule is $132.44 per hour, including overhead and fringe benefits [$66.22 mean hourly wage × 2 = $132.44].[126] The cost of reviewing the rule for each commenter would be $132.44 [1 hour to review the rule × $132.44 per hour = $132.44] or a

[123] Bureau of Labor Statistics (BLS). May 2024. ''Occupational Employment and Wage Statistics.'' Accessed on March 30, 2026. *https://www.bls.gov/oes/current/oes_nat.htm*

[124] The most recent publicly available BLS Occupational Employment and Wage Statistics data are for May 2024 as of March 2026.

[125] Guidelines for the adjustment in base wages is based on the following report: Office of the Assistant Secretary for Planning and Evaluation (ASPE). 2017. ''Valuing Time in U.S. Department of Health and Human Services Regulatory Impact Analyses: Conceptual Framework and Best Practices.'' *https://aspe.hhs.gov/reports/valuing-time-us-department-health-human-services-regulatory-impact-analyses-conceptual-framework.*

[126] Bureau of Labor Statistics (BLS). May 2024. ''Occupational Employment and Wage Statistics.'' Accessed on March 20, 2026. *https://www.bls.gov/oes/current/oes_nat.htm*

total cost of $21,190.40 [$132.44 × 160 unique commenters = $21,190.40].

Assuming that not all commenters will be IOTA participants and to put the cost of the regulatory review for kidney transplant hospitals in context, we calculate the cost of reviewing the rule separately for the IOTA participants. The cost of reviewing the rule for each IOTA participant would be $132.44 [1 hour to review the rule × $132.44 per hour = $132.44] or a total cost of $12,581.80 [$132.44 × 95 IOTA participants = $12,581.80]. Therefore, the $132.44 cost per IOTA participant to complete the regulatory review would represent approximately 0.007 percent [$132.44/$2,000,000 = 0.007%] of their estimated total annual revenue from kidney transplants for Medicare beneficiaries.

E. Accounting Statement and Table

Consistent with OMB Circular A–4 (available at *https://www.whitehouse.gov/wp-content/uploads/2025/08/CircularA-4.pdf*), we have prepared an accounting statement in Table 18 showing the classification of the impact associated with the provisions of this final rule. Annualized estimates were determined from Table 17 Mean Net Savings, and the 10th and 90th percentiles from the same table for determining the minimum and maximum estimates. Not reported in Table 18 is the estimated one-time total cost of the regulatory review of $33,772.20, which includes the cost of reviewing the rule for all commenters ($21,190.40) plus the cost of reviewing the rule for the IOTA participants ($12,581.80). These costs were not included in Table 17 because the total amount is so small that if we were to annualize it over the projection period then the result would be too small to report.

TABLE 18: ACCOUNTING STATEMENT

Category	*Primary Estimate*	*Minimum Estimate*	*Maximum Estimate*	*Year Dollar*	*Discount Rate*	*Period Covered*	*Source Citation (RIA, preamble, etc.)*
BENEFITS							
Annualized monetized benefits							
Annualized quantified, but unmonetized, benefits							
Qualitative (unquantified) benefits							
COSTS							
Annualized monetized costs	See comment in section IV.E. of this final rule Accounting Statement and Table						Section IV.D. Regulatory Review Cost Estimation
Annualized quantified, but unmonetized, costs	-14	-21	-7	2026	7%	2026-2031	RIA Table 17. Row: Impact on Federal Spending Note: Net Medicare benefit cost reduction from additional transplants.
Qualitative (unquantified) costs	-14	-22	-7	2026	3%	2026-2031	
TRANSFERS							
Annualized monetized transfers: "on budget"	5	3	7	2026	7%	2026-2031	RIA Table 17. Row: Total Net Payments Note: Net incentives paid to participating kidney transplant hospitals.
	5	3	7	2026	3%	2026-2031	
From whom to whom?	From:		Federal Government	To:	Participating kidney transplant hospitals	To:	
Annualized monetized transfers: "on budget"							
From whom to whom?							

G. Regulatory Flexibility Act (RFA)

Overall, kidney transplants only represent a small fraction of the revenue IOTA participants make and even the largest per transplant downside risk payment of $2,000 would not represent a significant economic impact on small entities. Effects on IOTA participants in the model include the potential for additional upside risk payments from CMS to the IOTA participant of up to $15,000 per eligible kidney transplant or downside risk payments from the IOTA participant to CMS of up to $2,000 per eligible kidney transplant (refer to section IV.C. (Detailed Economic Analysis) of the 2024 Final Rule for a description of how upside and downside risk payments are calculated in the model). We project that payouts will far exceed the relatively small sum of downside risk payments expected over the 6-year model performance period. Only about $3 million in total downside risk payments are expected over the 6 years, with fewer than 22 percent of IOTA participants projected to owe downside risk payments in any of years 3 through 6. By contrast, we project that $135 million in total upside risk payments would be made over 6 years to roughly 30 percent of IOTA participants in the first year, rising to about 37 percent over the succeeding 5 model years.

Under the RFA, agencies are to analyze options for regulatory relief of small entities, if a rule has a significant impact on a substantial number of small

entities. The great majority of hospitals and most other health care providers and suppliers are small entities, either by being nonprofit organizations or by meeting the SBA definition of a small business (having revenues of less than $9.0 million to $47.0 million in any 1 year). Although many IOTA participants (that is, kidney transplant hospitals with NAICS 622110 General Medical and Surgical Hospitals) may be small entities as that term is used in the RFA, kidney transplants only represent a small fraction of the revenue such hospitals generate, and even the largest per transplant downside risk payment of $2,000 (which is not expected to apply to any hospitals at the median projection and only about 1 percent of hospitals at the 90th percentile projection) would not represent a significant economic impact. Additional sources of financial burden on IOTA participants to consider include the estimated cost of $6,346.00 per IOTA participant per year to review the organ offer acceptance criteria with IOTA waitlist patients who are Medicare beneficiaries, $1,587 to notify patients about changes in their waitlist status, and the one-time cost of $132.44 per IOTA participant to have their medical and health services manager review this rule. Refer to the sections titled, ''Estimated Burden on Participant Hospitals'' and ''Regulatory Review Cost Estimation'' in this final rule for an explanation of how these burden estimates were determined.

As its measure of significant economic impact on a substantial number of small entities, HHS uses a change in revenue of more than 3 to 5 percent. The $6,346.00 cost per IOTA participant to review the organ offer acceptance criteria, $1,587 for notifying patients about a change in status, and the $132.44 cost per IOTA participant to complete the regulatory review would represent 0.3 percent, 0.1 percent, and 0.007 percent, respectively, of the estimated total annual revenue per IOTA participant from inpatient claims with DRGs 008, 019, 650, 651, or 652 submitted for adult Medicare FFS or MA beneficiaries with Medicare as their primary or secondary payer. The total estimated average total burden per hospital of $8,065 would only represent 3 percent or more of total annual hospital revenue if total annual hospital revenue were less or equal to about $269,000. However, it would not be possible for a transplant hospital meeting the minimum 15 kidney transplants per year to have revenue low enough to approach such minimum threshold. Based on these estimates, we do not believe that this threshold will be reached by the requirements in this final rule. Therefore, the Secretary has certified that this final rule will not have a significant economic impact on a substantial number of small entities.

In addition, under section 1102(b) of the Act, a regulatory impact analysis should be prepared if a rule may have a significant impact on the operations of a substantial number of small rural hospitals. This analysis must conform to the provisions of section 604 of the RFA. For purposes of section 1102(b) of the Act, we define a small rural hospital as a hospital that is located outside of a metropolitan statistical area and has fewer than 100 beds. We believe this final rule would not have a significant impact on small rural hospitals. Currently, no small rural hospitals are IOTA participants and no additional IOTA participants are being proposed. Therefore, the Secretary has certified that this final rule will not have a significant impact on the operations of a substantial number of small rural hospitals.

H. Unfunded Mandates Reform Act (UMRA)

Section 202 of the Unfunded Mandates Reform Act of 1995 (UMRA) also requires that agencies assess anticipated costs and benefits before issuing any rule whose mandates require spending in any 1 year of $100 million in 1995 dollars, updated annually for inflation. The threshold in 2026 is approximately $193 million, reported in 2025 dollars. This final rule does not require spending above the threshold.

I. Federalism

Executive Order 13132 establishes certain requirements that an agency must meet when it promulgates a proposed rule (and subsequent final rule) that imposes substantial direct requirement costs on state and local governments, preempts state law, or otherwise has Federalism implications. This final rule will not have a substantial direct effect on state or local governments, preempt states, or otherwise have a Federalism implication.

J. E.O. 14192, ''Unleashing Prosperity Through Deregulation''

Executive Order 14192, titled ''Unleashing Prosperity Through Deregulation'' was issued on January 31, 2025, and 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.'' For E.O. 14192 accounting purposes, savings to the Federal government that are classified as transfers in regulatory impact analyses do not count as cost savings. This rule is an E.O. 14192 deregulatory action, generating $4 million in annualized net cost savings at a 7 percent discount rate, discounted relative to year 2024, over a perpetual time horizon.

List of Subjects in 42 CFR part 512

Administrative practice and procedure, Health facilities, Medicare, Recordkeeping requirements.

Mehmet Oz, Administrator of the Centers for Medicare & Medicaid Services, approved this document on May 28, 2026.

For the reasons set forth in the preamble the Centers for Medicare & Medicaid Services amends 42 CFR part 512 as set forth below:

PART 512—STANDARD PROVISIONS FOR MANDATORY INNOVATION CENTER MODELS AND SPECIFIC PROVISIONS FOR CERTAIN MODELS

■ 1. The authority citation for part 512 continues to read as follows:

Authority: 42 U.S.C. 1302, 1315a, and 1395hh.

■ 2. Section 512.402 is amended by:
■ a. Removing the definitions for ''Health equity goals,'' ''Health equity plan intervention,'' ''Health equity plan performance measure(s),'' and ''Health equity project plan'';
■ b. Adding the definition for ''MA'';
■ c. Revising the definition for ''Medicare kidney transplant'';
■ d. Adding the definitions for ''Military medical treatment facility,'' ''MPSC'', and PRA;
■ e. Removing the definition for ''Resource gap analysis'';
■ f. Adding the definition for ''Single-organ kidney transplant'';
■ g. Removing the definition for ''Target health disparities'';
■ h. Adding the definition for ''Transplant organ offer acceptance criteria'';
■ i. Removing the definition for ''Underserved communities''; and
■ j. Adding definition for ''VA medical facility''.

The additions and revisions read as follows:

§ 512.402 Definitions.

* * * * *

MA stands for Medicare Advantage.

* * * * *

Medicare kidney transplant means a kidney transplant furnished to an

attributed patient in the IOTA Model whose primary or secondary insurance is Medicare fee for service (FFS) or MA, as identified in Medicare FFS claims with MS–DRGs 008, 019, 650, 651, and 652, or through OPTN data.

* * * * *

Military medical treatment facility (MTF) means both of the following:

(1) Any fixed facility of the Department of Defense that is outside of a deployed environment and used primarily for health care.

(2) Any other location used for purposes of providing health care. services as designated by the Secretary of Defense as defined in 10 U.S.C. 1073c(j)(3).

* * * * *

MPSC stands for Membership and Professional Standards Committee.

* * * * *

PRA stands for panel-reactive antibody.

* * * * *

Single-organ kidney transplant means the procedure in which a kidney alone is surgically transplanted from a living or deceased donor to a transplant recipient alone.

* * * * *

Transplant organ offer acceptance criteria means individualized patient acceptance parameters that kidney waitlist patients, as defined at § 512.402, may elect regarding the categories of organ offers they are prepared to accept for transplantation.

* * * * *

VA medical facility means a VA hospital, a VA community-based outpatient clinic, or a VA health care center, any of which must have at least one full-time primary care physician as defined in 38 CFR 17.1505. A Vet Center, or Readjustment Counseling Service Center, is not a VA medical facility.

* * * * *

■ 3. Section 512.412 is amended by—

■ a. In paragraph (a) introductory text, removing the phrase ''meets both of the following'' and adding in its place the phrase ''meets all of the following''.

■ b. In paragraph (a)(1), removing the figure ''11'' and adding in its place the figure ''15''.

■ c. Adding paragraph (a)(3).

The addition reads as follows:

§ 512.412 Participant eligibility and selection.

(a) * * *

(3) The kidney transplant hospital is not an MTF or VA medical facility as defined at § 512.402.

* * * * *

§ 512.414 [Amended]

■ 4. Section 512.414 is amended by redesignating paragraphs (b)(3)(A) through (D) as paragraphs (b)(3)(i) through (iv).

■ 5. Section 512.428 is amended by—

■ a. Revising paragraphs (b)(1)(ii), (b)(1)(iii)(E), and (b)(1)(iv)(A);

■ b. Adding paragraphs (b)(2) and (3);

■ c. Revising Table 1 to paragraph (d).

The revisions and additions read as follows:

§ 512.428 Quality domain.

* * * * *

(b) * * *

(1) * * *

(ii) For all subsequent PYs, CMS calculates the IOTA participant's cumulative composite graft survival rate using the same calculation methodology described in paragraph (b)(1) of this section and in accordance with paragraph (b)(2) of this section.

(iii) * * *

(E) Multi-organ transplants (except for kidney/pancreas transplants).

(iv)(A) When calculating the composite graft survival rate, CMS only includes single-organ kidney transplants, as defined at § 512.402, and kidney/pancreas transplants for patients who are 18 years of age and older at the time of the kidney transplant in the number of kidney transplants performed by the IOTA participant during each PY in the denominator.

* * * * *

(2) *Risk-adjustment transplant recipient and donor characteristics.* In accordance with paragraphs (b)(1) through (3) of this section, CMS risk-adjusts the composite graft survival rate using SRTR's adult kidney graft survival first-year outcomes variables in accordance with paragraphs (3)(i) through (iii) of this section.

(3) *Risk-adjustment methodology*—(i) *Calculation of Observed Composite Graft Survival Rate.* In accordance with paragraph (b)(1) of this section, CMS calculates the observed composite graft survival rate by dividing the number of functioning grafts plus two by the total number of completed kidney transplants plus two, as described in equation 2 to paragraph (b)(3)(i) of this section.

Equation 2 to Paragraph (b)(3)(i): Observed Composite Graft Survival Rate Calculation.

$$Composite\ Graft\ Survival\ Rate_{Observed} = \frac{\#\ of\ Functioning\ Grafts + 2}{\#\ of\ Completed\ Kidney\ Transplants + 2}$$

(ii) *Risk score calculation methodology.* CMS calculates a risk score for each IOTA participant as follows:

(A) *Expected graft failure rate Calculation.*

(*1*) CMS calculates the expected graft failure rate using SRTR's methodology as described in equation 3 to paragraph (b)(3)(ii)(A)(1).

Equation 3 to Paragraph (b)(3)(ii)(A)(1): Expected Graft Failure Rate Calculation.

$$Prob(failure) = 1 - S_0 t) exp^{(\beta X)}$$

(*2*) CMS uses both of the following:

(*i*) SRTR adult kidney graft survival first-year post-transplant risk-adjustment models for both deceased donor and living donor kidney transplants.

(*ii*) SRTR's most available set of coefficients.

(B) *National graft failure rate calculation.* (*1*) CMS calculates the national graft failure rate by dividing the number of graft failures in a given PY by the number of completed kidney transplants in a given PY, as described in equation 4 to paragraph (b)(3)(ii)(B)(1) of this section.

Equation 4 to Paragraph (b)(3)(ii)(B)(1): National Graft Failure Rate Calculation.

$$National\ Graft\ Failure\ Rate = \frac{Number\ of\ Graft\ Failures}{Number\ of\ Completed\ Kidney\ Transplants}$$

(*2*) When calculating the national graft failure rate, CMS excludes all of the following:

(*i*) Patients who are under the age of 18 years of age at the time of the kidney transplant.

(*ii*) Pediatric kidney transplant hospitals as defined at § 512.402.

(*iii*) Multi-organ transplants (except for kidney/pancreas transplants).

(*3*) In accordance with the provisions in paragraph (b)(3)(ii)(B)(2) of this section, CMS includes kidney transplant patients who have experienced any of the following in the numerator when calculating the national graft failure rate:

(*i*) Graft failure, based on OPTN adult kidney transplant recipient follow-up forms for all completed kidney transplants to determine failed grafts as defined by SRTR.

(*ii*) Re-transplant.

(*iii*) Death.

(*4*) When calculating the national graft failure rate, CMS only includes single-organ kidney transplants, as defined at § 512.402, and kidney/pancreas transplants for patients who are 18 years of age and older at the time of the kidney transplant in the number of kidney transplants performed during the given PY in the denominator.

(C) *Risk Score Calculation.* CMS calculates the risk score for each IOTA participant by dividing the amount resulting from the calculation in paragraph (b)(3)(ii)(A) by the amount resulting from the calculation in paragraph (b)(3)(ii)(B) as described in equation 5 to paragraph (b)(3)(ii)(C) of this section.

Equation 5 to Paragraph (b)(3)(ii)(C): Risk Score Calculation.

$$Risk\ Score = \frac{Expected\ Graft\ Failure\ Rate_{IOTA\ Participant}}{Graft\ Failure\ Rate_{National}}$$

(iii) *Risk-Adjusted Composite Graft Survival Rate Calculation.* CMS calculates the risk-adjusted composite graft survival rate for each IOTA participant by multiplying the amount resulting from the calculation in paragraph (b)(3)(i) of this section by the amount resulting from the calculation in paragraph (b)(3)(ii) of this section, as described in equation 6 to paragraph (b)(3)(iii) of this section.

Equation 6 to Paragraph (b)(3)(iii): Risk-Adjusted Composite Graft Survival Rate Calculation

$$Composite\ Graft\ Survival\ Rate_{Risk-Adjusted} = Composite\ Graft\ Survival\ Rate_{Observed}\ x\ Risk\ Score$$

* * * * *

(3) [Reserved.]

(d) * * *

TABLE 1 TO PARAGRAPH (d)—IOTA MODEL COMPOSITE GRAFT SURVIVAL RATE SCORING

Performance relative to national ranking	Lower bound condition	Upper bound condition	Points earned
87.5th percentile	Equals 87.5th percentile	Greater than 87.5th percentile	20
75th percentile	Equals 75th percentile	Less than 87.5th percentile	18
62.5th percentile	Equals 62.5th percentile	Less than 75th percentile	15
50th percentile	Equals 50th percentile	Less than 62.5th percentile	13
37.5th percentile	Equals 37.5th percentile	Less than 50th percentile	10
25th percentile	Equals 25th percentile	Less than 37.5th percentile	8
12.5th percentile	Equals 12.5th percentile	Less than 25th percentile	5
12.5th percentile	N/A	Less than 12.5th percentile	0

■ 6. Section 512.430 is amended by—

■ a. In paragraph (b)(1) introductory text, removing the phrase ''is 60 points or above,'' and adding in its place the phrase ''is above 60 points,'';

■ b. In paragraph (b)(2)(ii), removing the phrase ''between 41 to 59 points (inclusive),'' and adding in its place the phrase ''between 40 to 60 points (inclusive)'';

■ c. In paragraph (b)(3) introductory text, removing the phrase ''is at or below 40 points'' and adding in its place the phrase ''is below 40 points''; and

■ d. Revising paragraph (d)(6)(ii)

The revision read as follows:

§ 512.430 Upside risk payment, downside risk payment, and neutral zone.

* * * * *

(d) * * *

(6) * * *

(ii) The IOTA participant must pay the downside risk payment to CMS in a single payment within 60 days after the date on which the demand letter is issued. If full payment is not received by CMS within 60 days after demand is made, CMS will invoke all legal means to collect the debt, including referral of the remaining debt to the United States Department of the Treasury, in accordance with 31 U.S.C. 3711(g).

■ 7. Section 512.436 is amended by revising paragraph (b) introductory text to read as follows:

§ 512.436 Extreme and uncontrollable circumstances.

* * * * *

(b) *Impact on payments.* In the event of an extreme and uncontrollable circumstance, as described in paragraph (a) of this section, CMS may adjust the magnitude and direction of the IOTA participant's upside or downside risk payment, if applicable, prior to recoupment or payment, if the IOTA participant is participating in the IOTA Model when CMS has declared such an emergency period. CMS may determine any adjustment made based in part on the following:

* * * * *

■ 8. Section 512.442 is amended by—

■ a. Revising paragraph (a);

■ b. In paragraph (c) introductory text, removing the phrase ''acceptance criteria with'' and adding in its place the phrase ''acceptance criteria (as defined at § 512.402) with'';

■ c. Revising paragraphs (c)(1) and (2);

■ d. Adding paragraph (d).

The revisions and addition read as follows:

§ 512.442 Transparency requirements.

(a) *Publication of selection criteria.* (1) The IOTA participant must publicly post on its website the criteria used by the IOTA participant for evaluating and selecting patients for addition to their kidney transplant waitlist by the end of PY 1.

(2) For all subsequent PYs, the IOTA participant must review its publicly posted criteria used for evaluating and selecting patients for addition to its kidney transplant waitlist and ensure that the information is up to date on its website by the end of each relevant PY.

(3) IOTA participants performing living donor kidney transplants must—

(i) Publicly post on its website its living donor selection criteria for evaluating potential living donors for kidney transplant waitlist patients by the end of PY 2; and

(ii) For all subsequent PYs, review its living donor selection criteria for evaluating potential living donors for kidney transplant waitlist patients and ensure that the information on its website is correct by the end of each relevant PY.

* * * * *

(c) * * *

(1) The IOTA participant must conduct this review via patient visit, phone, email or mail on an individual basis, unless the Medicare beneficiary declines this review.

(i) Prior to reviewing transplant organ offer acceptance criteria, as defined at § 512.402, with IOTA waitlist patients who are Medicare beneficiaries, IOTA participants must give these beneficiaries an opportunity to decline this review.

(ii) If an IOTA waitlist patient who is a Medicare beneficiary declines this review, the IOTA participant must do both of the following:

(A) Record in the IOTA waitlist patient who is a Medicare beneficiary's medical record all of the following:

(*1*) The date on which this review was declined.

(*2*) The method by which this review was declined.

(B) Offer the IOTA waitlist patient who is a Medicare beneficiary the opportunity to review transplant organ offer acceptance criteria once every 6 months at which time the IOTA waitlist patient who is a Medicare beneficiary will have the opportunity to decline this review again.

(2) The IOTA participant must record in the IOTA waitlist patient who is a Medicare beneficiary's medical record all of the following:

(i) The information specified in paragraph (c) of this section was reviewed with the IOTA waitlist patient who is a Medicare beneficiary.

(ii) The date in which this review took place.

(iii) The method by which this review was delivered.

(d) *Change in waitlist status notification.* (1) The IOTA participant must do the following for all IOTA waitlist patients who are Medicare beneficiaries during the model performance period:

(i) Inform IOTA waitlist patients who are Medicare beneficiaries any time their status on the waitlist is changed that would impact their ability to receive an organ offer (that is, from active to inactive).

(ii) When there is a change in waitlist status, provide notifications to each IOTA waitlist patient who is a Medicare beneficiary that includes all of the following:

(A) The most recent date the IOTA waitlist patient who is a Medicare beneficiary became inactive.

(B) The reason for the change in waitlist status.

(C) That the IOTA waitlist patient who is a Medicare beneficiary cannot receive organ offers while inactive.

(D) Information on how the IOTA waitlist patient who is a Medicare beneficiary may become active on its waitlist again.

(E) How the IOTA waitlist patient who is a Medicare beneficiary may contact the IOTA participant for more information or with any questions.

(iii) The IOTA participant must provide this notification (as described in paragraph (d)(1)(i) of this section), and the information specified in paragraph (d)(1)(ii) of this section as follows:

(A) Electronically or by mail on an individual basis.

(B) Within 10 days of the IOTA waitlist patient who is a Medicare beneficiary's change in waitlist status.

(C) Annually, thereafter, for as long as the IOTA waitlist patient who is a Medicare beneficiary remains inactive (that is, 365 consecutive days).

(2) Record in the IOTA waitlist patient who is a Medicare beneficiary's medical record a copy of the notification that includes all of the following:

(i) The method by which the notification was delivered.

(ii) The date of when the notification was delivered.

(3) For IOTA waitlist patients who are Medicare beneficiaries and—

(i) ESRD patients, the IOTA participant must also notify the dialysis facility (as defined at 42 CFR 494.10) and managing clinician (as defined at § 512.310) or nephrologist.

(ii) Non-ESRD patients, the IOTA participant must also notify the referring provider or practitioner providing care to the IOTA waitlist patient who is a Medicare beneficiary.

§ 512.446 [Removed]

■ 9. Removing § 512.446.

■ 10. Section 512.450 is amended by—

■ a. In paragraph (a)(1), removing the phrase ''attributed patients that'' and adding in its place the phrase ''attributed patients who are Medicare beneficiaries that''; and

■ b. Revising paragraph (a)(3)(iii).

The revision reads as follows:

§ 512.450 Required beneficiary notifications.

(a) * * *

(3) * * *

(iii)(A) Provide the notification described in paragraph (a) of this section to each applicable attributed patient in a paper format at their first office visit or other outpatient visit after the start of the IOTA Model; or

(B) If the applicable attributed patient has affirmatively opted out of receiving paper communication or has chosen to receive communication through electronic methods, the notification described in paragraph (a) of this section may be distributed through that agreed upon electronic method.

* * * * *

■ 11. Section 512.462 is amended by adding paragraph (b)(2)(xi) through (xiii) to read as follows:

§ 512.462 Compliance and monitoring.

* * * * *

(b) * * *

(2) * * *

(xi) Monitoring the publication of selection criteria provision in accordance with § 512.442(a).

(xii) Monitoring the review of acceptance criteria provision in accordance with § 512.442(c).

(xiii) Monitoring the change in waitlist status provision in accordance with § 512.442(d).

* * * * *

■ 12. Section 512.466 is amended by revising and republishing paragraph (a)(3)(ix) to read as follows:

§ 512.466 Termination.

(a) * * *

(3) * * *

(ix) Poses significant program integrity risks, including but not limited to any of the following:

(A) Is subject to sanctions or other actions of an accrediting organization or a Federal, State, or local government agency.

(B) Is subject to investigation or action by HHS (including OIG and CMS) or the Department of Justice due to an allegation of fraud or significant misconduct, including any of the following:

(*1*) Being subject to the filing of a complaint or filing of a criminal charge.

(*2*) Being subject to an indictment.

(*3*) Being named as a defendant in a False Claims Act qui tam matter in which the government has intervened, or similar action.

(C) If HHS or the OPTN has determined that an IOTA participant has violated the OPTN's policies, OPTN's Management and Membership policies, or HHS regulations (42 CFR part 121) upon a review conducted under 42 CFR 121.10.

* * * * *

§ 512.470 [Amended]

■ 13. Section 512.470 is amended by removing the phrase ''and 1833(b) of the Act'' and adding in its place the phrase ''1833(b), and 1851(i)(2) of the Act, and 42 CFR 422.322(c)''.

Robert F. Kennedy, Jr.,

Secretary, Department of Health and Human Services.

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